CITY OF LAKELAND TENNESSEE

Board of Commissioners
Regular Meeting Agenda
Thursday, September 7, 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:

- City Manager's Report
    - a. September 2023 City Manager's Report
- Commissioners' Report
    - a. Industrial Development Board - *Mayor Roman*

VIII. PUBLIC COMMENTS:

IX. SEWERAGE COMMISSION BUSINESS:

X. CONSENT AGENDA:

1. Approval of Meeting Minutes from Previous Meetings:
    - a. Regular Meeting Minutes - August 17, 2023

XI. REGULAR AGENDA:

1. **Resolution** - authorizing appointment to the Community Advisory Board of the City of Lakeland, Tennessee.

2. **Resolution** - authorizing and providing for the financing of the construction of a water facilities project, including authorizing the execution of applications, contractual agreements, and other necessary

documents, and making certain representations, certification, and pledges of certain revenue in connection with such financing (SRF 2022-476-01).

3. **Resolution** - amending resolutions R-134-2022, R-25-2023, and R-70-2023 and the calendar year 2023 City of Lakeland meeting calendar. *Sponsored by Commissioner McCarter*

4. **Resolution** - repealing and rescinding resolutions R-58-2023 and R-59-2023. *Sponsored by Commissioner Dial*

5. **Resolution** - authorizing the City Attorney to file and pursue condemnation proceedings concerning a parcel within the Lakeland Gateway TIF District owned by Sukabhi and Gangaben Patel for the necessary construction of public safety facilities. *Sponsored by Mayor Roman*

6. **Discussion and Possible Action** - regarding the regulation of short-term residential rentals in the City of Lakeland. *Sponsored by Vice-Mayor Wright*

XII. ANNOUNCEMENTS:

XIII. ADJOURNMENT:

CITY OF
LAKELAND
TENNESSEE

City Manager’s Report

September 2023

CITY OF LAKELAND TENNESSEE

City Manager's Report

BOC Priorities Linkage

City Manager's Report

CITY OF LAKELAND TENNESSEE

BOC Priorities Linkage

Public Safety	Economic Development
04 - RES - Repealing past resolutions 05 - RES - Condemning Property for Public Safety location	05 - RES - Condemning Property for Public Safety location
Parks and Recreation Improvements	**Enhance City Planning**
Road Maintenance	**Administrative Support / Other**
	01 - RES - Appointment to CAB 02 - RES - Interceptor Additional Debt Authorization 03 - RES - Meeting calendar change 06 - DISC - Short-term residential rental regulations

CITY OF LAKELAND TENNESSEE

City Manager's Report

Updates

City Manager's Report

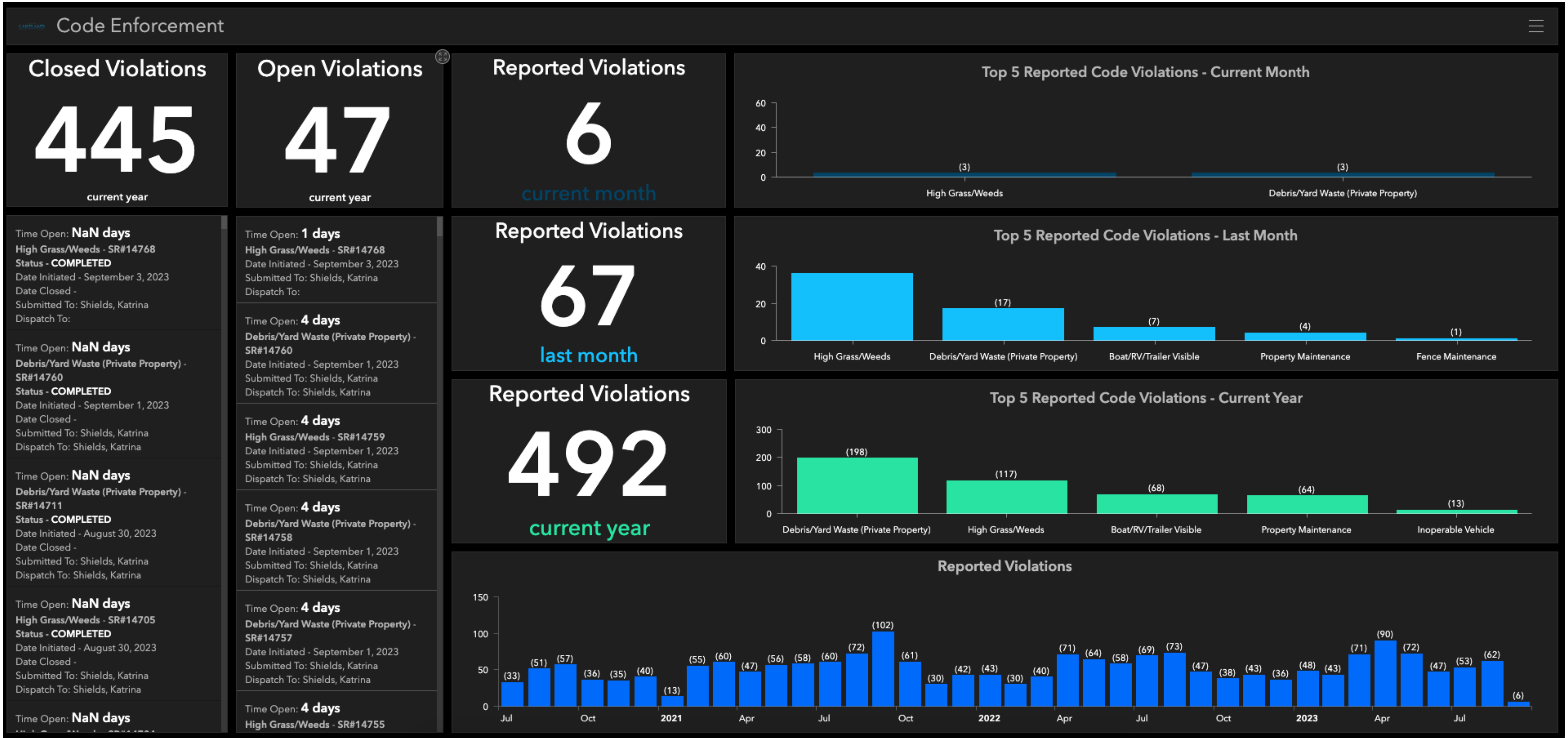
CITY OF LAKELAND TENNESSEE

Updates

- Quantum Hotels Property Acquisitions
- RightFiber (Ritter Communications) installation work
  - RightFiber Construction Hotline – 833-565-1994
- Pavement Preservation Project
  - Plantation Hills – began this week, through 9/18
- Code Enforcement

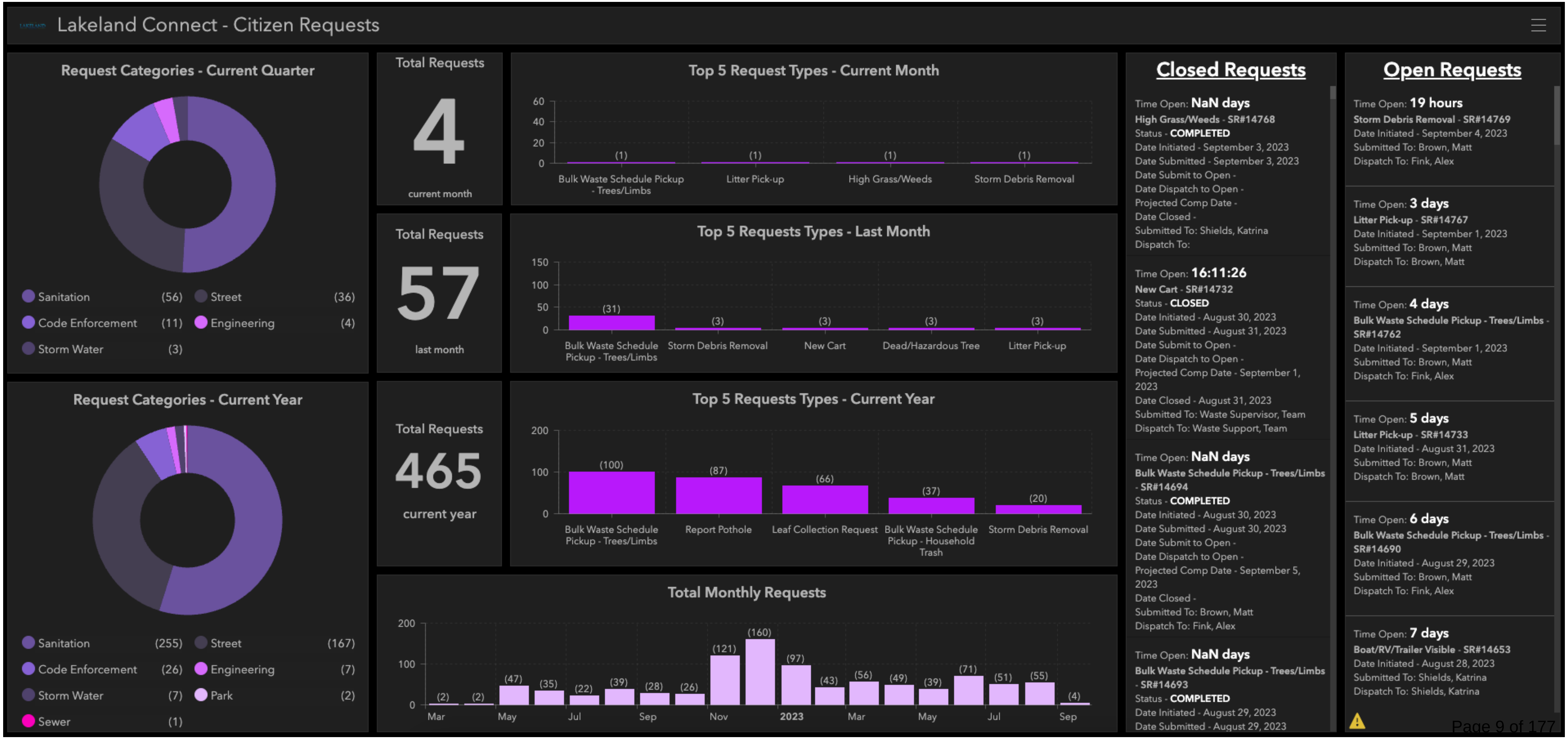
City Manager's Report

City Of LAKELAND TENNESSEE



City Manager's Report

CITY OF LAKELAND TENNESSEE



CITY OF LAKELAND TENNESSEE

City Manager’s Report

City Staff Highlights

City Manager’s Report

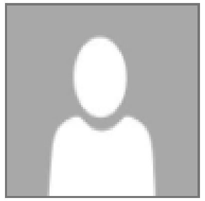
City Staff Highlights

Anniversaries

Kim Odom

Sep 8

9th Anniversary!



Paul Luker

Planning Director

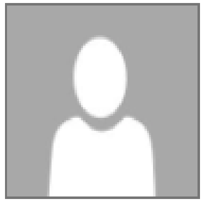
Sep 19

1st Anniversary!

John Hunter

Sep 5

5th Anniversary!



David Tribo

Maintenance Tech

Sep 26

1st Anniversary!

City Manager's Report

City Staff Highlights

- Department Head Changes –
  - **Public Works Director** – Matt Brown (formalized appointment 8/18)
  - **Parks and Recreation Director** – Andrew Fisher (as of 10/6)
    - *Thank you Pat O'Mara for your dedicated service!*
  - **Finance Director** - *<u>open</u>*

City Manager's Report

City Staff *SuperStar*

- To be named during Thursday's meeting

Name

Position

CITY OF LAKELAND TENNESSEE

City Manager's Report

Questions?

BOARD OF COMMISSIONERS
REGULAR MEETING MINUTES
THURSDAY, AUGUST 17, 2023, 6:00 P.M.
CITY HALL, LAKELAND, TENNESSEE 38002

I. **CALL TO ORDER BY MAYOR:** The meeting was called to order by Mayor Josh Roman at 6:00 p.m. on Thursday, August 17, 2023.

II. **INVOCATION:** Offered by Vice-Mayor Wright.

III. **PLEDGE:** Mayor Roman led the pledge to the flag.

IV. **ROLL CALL BY RECORDER:** Mayor Josh Roman, Vice-Mayor Wright, Commissioner Jim Atkinson, Commissioner Michele Dial, and Commissioner Connie McCarter were present.

Staff personnel in attendance were City Manager Michael Walker, Planning Director Paul Luker, Finance Director Carlin Stuart, ITS Director Josh Thompson, Public Works Director Matt Brown, Emily Harrell City Engineer, Luis Camarillo Hernandez Staff Engineer, Judge Kim Koratsky, City Attorney Will Patterson and Sue Lipscomb, Recorder Pro Tempore.

V. **PUBLIC HEARING:**

1. **<u>Ordinance – Second and Final Reading</u> – amending the fiscal year 2023 annual budget passed by ordinance O-10-2022, as amended by ordinances O-12-2022, O-13-2022, O-5-2023, O-9-2023, and O-11-2023.**

   For the record: No comments were heard.

VI. **TREASURER'S REPORT:**
Interim July 2023 Treasurer's Report will be presented at the September 7, 2023, Board Meeting.

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

- Sheriff's Report: July 2023 Crime Report – Report offered by Sgt. Mhoon.
- City Manager's Report: City Manager Michael Walker offered the August 2023 report.
  - IT Systems and Support Analyst Adam Francis and Public Works Street Supervisor Michael Reed were named the Super Star staff members for the month of August and complimented by the board.
  - Eagle Scout Presentation by Richard Fabach.
  - City Attorney's Update – the City Attorney provided an update on the City Manager's annual performance evaluation. Discussion ensued.

Mayor Roman moved to add an agenda item, *Discussion and Possible Action regarding City Manager compensation*, seconded by Vice-Mayor Wright. Commissioner McCarter objected to the addition to the agenda.

When the question was called the addition to the agenda was approved, roll call vote, 4 in favor 1 against (4-1).

Vice-Mayor Wright	Yea
Commissioner Atkinson	Yea
Commissioner Dial	Yea
Commissioner McCarter	Nay
Mayor Roman	Yea

- Commissioner's Reports
    a. Lakeland Board of Education – Vice-Mayor Wright offered a report.
- Municipal Court Semi-Annual update – Hon. Kim Koratsky, Municipal Court Judge offered a report.

VIII. PUBLIC COMMENTS:
Richard Gonzales of Evergreen Hills addressed the Board.

IX. SEWERAGE COMMISSION BUSINESS:

X. CONSENT AGENDA:
1. **Approval of Meeting Minutes from Previous Meetings:**
    a. Regular Meeting Minutes – July 20, 2023

Mayor Roman moved to bring this item to the floor, seconded by Commissioner Wright.

When the question was called the consent agenda was approved as presented, roll call vote, 5 in favor 0 against (5-0).

Vice-Mayor Wright	Yea
Commissioner Atkinson	Yea
Commissioner Dial	Yea
Commissioner McCarter	Yea
Mayor Roman	Yea

For the record: The order of business was changed without objection.

XI. REGULAR AGENDA:
1. **Resolution – approving an agreement with HiLo Commercial Services, LLC for janitorial services.** *(Previously item #9)*

Commissioner Wright moved to bring this item to the floor, seconded by Commissioner Dial. Discussion ensued.

When the question was called the resolution passed as presented, roll call vote, 5 in favor 0 against (5-0).

Vice-Mayor Wright	Yea
Commissioner Atkinson	Yea
Commissioner Dial	Yea
Commissioner McCarter	Yea
Mayor Roman	Yea

2. **<u>Ordinance – Second and Final Reading</u> – amending the fiscal year 2023 annual budget passed by ordinance O-10-2022, as amended by ordinances O-12-2022, O-13-2022, O-5-2023, O-9-2023, and O-11-2023.** *(Previously item # 1)*

   Mayor Roman moved to bring this item to the floor, seconded by Commissioner Wright. Discussion ensued.

   When the question was called the ordinance was approved as Presented, roll call vote, 5 in favor 0 against (5-0).

Vice-Mayor Wright	Yea
Commissioner Atkinson	Yea
Commissioner Dial	Yea
Commissioner McCarter	Yea
Mayor Roman	Yea

3. **<u>Resolution</u> – approving a residential development contract with Valleybrook Development, LLC for Lakeland Meadows Planned Development Phases V and VI-A.** *(Previously Item # 2)*

   Commissioner Dial moved to bring this item to the floor, seconded by Vice-Mayor Wright. Discussion ensued.

   When the question was called the first reading of the ordinance passed as presented, roll call vote, 5 in favor 0 against (5-0).

Vice-Mayor Wright	Yea
Commissioner Atkinson	Yea
Commissioner Dial	Yea
Commissioner McCarter	Yea
Mayor Roman	Yea

4. **<u>Resolution</u> – approving a residential development contract with Valleybrook Development, LLC for Lakeland Meadows Planned Development Phases IX-A and X-A.** *(Previously Item # 3)*

   Mayor Roman moved to bring this item to the floor, seconded by Vice-Mayor Wright. Discussion ensued.

When the question was called the resolution passed as presented, roll call vote, 5 in favor 0 against (5-0).

Vice-Mayor Wright	Yea
Commissioner Atkinson	Yea
Commissioner Dial	Yea
Commissioner McCarter	Yea
Mayor Roman	Yea

5. **<u>Resolution</u> – approving a professional services agreement with Fisher and Arnold, Inc. for the South Canada Road Resurfacing project.** *(Previously Item # 4)*

   Commissioner Dial moved to bring this item to the floor, seconded by Vice-Mayor Wright. Discussion ensued.

   When the question was called the resolution passed as presented, voice vote, 5 in favor 0 against (5-0).

6. **<u>Resolution</u> – authorizing Amendment #3 to the agreement between the State of Tennessee Department of Transportation and the City of Lakeland for the Canada Road from I-40 to SR-1 (US-70) project.** *(Previously Item # 5)*

   Vice-Mayor Wright moved to bring this item to the floor, seconded by Commissioner Atkinson. Discussion ensued.

   When the question was called the resolution passed as presented, roll call vote, 5 in favor 0 against (5-0).

Vice-Mayor Wright	Yea
Commissioner Atkinson	Yea
Commissioner Dial	Yea
Commissioner McCarter	Yea
Mayor Roman	Yea

7. **<u>Resolution</u> – approving the purchase of a Kubota M7060HD tractor from First Choice Farm and Lawn through Sourcewell Contract #031121.** *(Previously Item # 6)*

   Vice-Mayor Wright moved to bring this item to the floor, seconded by Commissioner Atkinson. Discussion ensued.

When the question was called the resolution passed as presented, roll call vote, 5 in favor 0 against (5-0).

Vice-Mayor Wright	Yea
Commissioner Atkinson	Yea
Commissioner Dial	Yea
Commissioner McCarter	Yea
Mayor Roman	Yea

8. **<u>Resolution</u> – approving a temporary workspace agreement with Texas Gas Transmission, LLC.** *(Previously Item # 7)*

Vice-Mayor Wright moved to bring the item to the floor, seconded by Commissioner Atkinson. Discussion ensued.

When the question was called the resolution passed as presented, voice vote, 5 in favor 0 against (5-0).

9. **<u>Resolution</u> – approving Change Orders #2 and #3 on the Clear Creek Sanitary Sewer Interceptor Phase A project.** *(Previously Item # 8)*

Vice-Mayor Wright moved to bring the item to the floor, seconded by Commissioner Dial. Discussion ensued.

When the question was called the resolution passed as presented, roll call vote, 5 in favor 0 against (5-0).

Vice-Mayor Wright	Yea
Commissioner Atkinson	Yea
Commissioner Dial	Yea
Commissioner McCarter	Yea
Mayor Roman	Yea

10. **<u>Resolution</u> – approving fleet repairs by TAG Truck Center of Memphis.**

Commissioner Wright moved to bring this item to the floor, seconded by Commissioner Atkinson. Discussion ensued.

When the question was called the resolution passed as presented, roll call vote, 5 in favor 0 against (5-0).

Vice-Mayor Wright	Yea
Commissioner Atkinson	Yea
Commissioner Dial	Yea
Commissioner McCarter	Yea
Mayor Roman	Yea

11. **<u>Resolution</u> – amending Resolution R-95-2023 approving a Retainage Escrow Agreement between the City of Lakeland, Eutaw Construction Company, Inc. and Pinnacle Bank for the Clear Creek Interceptor project.**

    Vice-Mayor Wright moved to bring this item to the floor, seconded by Commissioner Dial. Discussion ensued.

    When the question was called the resolution passed as presented, roll call vote, 5 in favor 0 against (5-0).

Vice-Mayor Wright	Yea
Commissioner Atkinson	Yea
Commissioner Dial	Yea
Commissioner McCarter	Yea
Mayor Roman	Yea

12. **<u>Resolution</u> – authorizing the City Manager to execute an agreement with True North Geographic Technologies, LLC for Cityworks and GIS hosting services.**

    Vice-Mayor Wright moved to bring this item to the floor, seconded by Commissioner Atkinson. Discussion ensued.

    When the question was called the resolution passed as presented, roll call vote, 5 in favor 0 against (5-0).

Vice-Mayor Wright	Yea
Commissioner Atkinson	Yea
Commissioner Dial	Yea
Commissioner McCarter	Yea
Mayor Roman	Yea

13. **<u>Resolution</u> – authorizing the City Manager to execute an agreement with True North Geographic Technologies, LLC for Cityworks and GIS general support services.**

    .

    Mayor Roman moved to bring this item to the floor, seconded by Vice-Mayor Wright. Discussion ensued.

    When the question was called the resolution passed as presented, roll call vote, 5 in favor 0 against (5-0).

Vice-Mayor Wright	Yea
Commissioner Atkinson	Yea
Commissioner Dial	Yea
Commissioner McCarter	Yea
Mayor Roman	Yea

14. **<u>Resolution</u> – authorizing the City Manager to execute an agreement with CivicPlus for CivicClerk and CP Media annual subscription renewals.**

Mayor Roman moved to bring this item to the floor, seconded by Vice-Mayor Wright. Discussion ensued.

When the question was called the resolution passed as presented, roll call vote, 5 in favor 0 against (5-0).

Vice-Mayor Wright	Yea
Commissioner Atkinson	Yea
Commissioner Dial	Yea
Commissioner McCarter	Yea
Mayor Roman	Yea

15. **<u>Resolution</u> – authorizing the City Manager to execute an agreement with CivicPlus for SeeClickFix annual subscription renewal.**

Commissioner Dial moved to bring this item to the floor, seconded by Vice-Mayor Wright. Discussion ensued.

When the question was called the resolution passed as presented, roll call vote, 4 in favor 1 against (4-1).

Vice-Mayor Wright	Yea
Commissioner Atkinson	Yea
Commissioner Dial	Yea
Commissioner McCarter	Nay
Mayor Roman	Yea

16. **<u>Resolution</u> – authorizing the City Manager to execute an agreement with Flock Safety for annual renewal.**

Vice-Mayor Wright moved to bring this item to the floor, seconded by Commissioner Dial. Discussion ensued.

When the question was called the resolution passed as presented, roll call vote, 5 in favor 0 against (5-0).

Vice-Mayor Wright	Yea
Commissioner Atkinson	Yea
Commissioner Dial	Yea
Commissioner McCarter	Yea
Mayor Roman	Yea

17. **<u>Resolution</u> – authorizing appointments to the Community Advisory Board of the City of Lakeland, Tennessee.**

    Vice-Mayor Wright moved to bring this item to the floor, seconded by Commissioner Dial. Discussion ensued.

    When the question was called the resolution passed as presented, roll call vote, 4 in favor 1 against (4-1).

Vice-Mayor Wright	Yea
Commissioner Atkinson	Yea
Commissioner Dial	Yea
Commissioner McCarter	Nay
Mayor Roman	Yea

18. **<u>Resolution</u> – authorizing the submittal of a proposal to utilize Shelby County Commission capital funding.**

    Mayor Roman moved to bring this item to the floor, seconded by Vice-Mayor Wright. Discussion ensued.

    When the question was called the resolution passed as presented, roll call vote, 4 in favor 1 against (4-1).

Vice-Mayor Wright	Yea
Commissioner Atkinson	Yea
Commissioner Dial	Yea
Commissioner McCarter	Nay
Mayor Roman	Yea

19. **<u>Discussion and Possible Action</u> – regarding the City of Lakeland's and partner agencies' facilities needs within the Lakeland Gateway.**

    Mayor Roman moved to bring this item to the floor, seconded by Vice-Mayor Wright. Discussion ensued, including a desire to keep this on the agenda for the next meeting.

    For the record: No action was taken.

20. **<u>Discussion and Possible Action</u> – regarding City Manager compensation.** *(Added to agenda as noted above.)*

    Mayor Roman moved to bring this item to the floor, seconded by Vice-Mayor Wright. Discussion ensued.

    Mayor Roman moved to recognize the City Manager's performance with a six (6) percent one-time bonus, seconded by Vice-Mayor Wright. Discussion ensued.

When the question was called the action passed as presented, roll call vote, 4 in favor 1 against (4-1).

Vice-Mayor Wright	Yea
Commissioner Atkinson	Yea
Commissioner Dial	Yea
Commissioner McCarter	Nay
Mayor Roman	Yea

XII. ANNOUNCEMENTS:

XIII. ADJOURNMENT: There being no other business on which to act, the meeting was adjourned without objection at 8:35 p.m. on Thursday, August 17, 2023.

These minutes were approved on September 7, 2023.

____

Josh Roman, *Mayor*

ATTEST:

____

Sue Lipscomb
Recorder Pro Tempore

CITY OF LAKELAND TENNESSEE

Board of Commissioners

Meeting Cycle: Thursday, September 7, 2023

Subject: **Resolution** - authorizing appointment to the Community Advisory Board of the City of Lakeland, Tennessee.

Staff Contact: Michael Walker, City Manager

STAFF RECOMMENDATION
City Staff recommends that the Board of Commissioners approve resolution R-120-2023.

BUDGET IMPACT
There is no budgetary impact related to this resolution.

DISCUSSION
As communicated during the August 17th regular meeting, the position of CAB District 1 representative is currently vacant. After communicating and seeking volunteers, one application was submitted and is presented for BOC appointment.

RESOLUTION R-120-2023

AUTHORIZING APPOINTMENT TO
THE COMMUNITY ADVISORY BOARD OF
THE CITY OF LAKELAND, TENNESSEE

WHEREAS, the Community Advisory Board ("CAB") is comprised of members from eight (8) districts within the City of Lakeland and was formed in the spring of 2019 to aid in communications between the Lakeland community and City leadership; and,

WHEREAS, the CAB's bylaws call for rotation of membership on two-year terms with expirations in alternating years; and,

WHEREAS, Resolution R-54-2022 adopted on June 9, 2022, set the expiration of three members of the CAB as July 1, 2023; and,

WHEREAS, Resolution R-115-2023 adopted on August 17, 2023, authorized the reappointment of two members to the CAB, leaving the District 1 position vacant; and,

WHEREAS, the Board of Commissioners of the City of Lakeland, Tennessee, has the authority to appoint members to the CAB :

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the City of Lakeland, Tennessee, that Andrea Perkins, a qualified resident, be appointed to the Community Advisory Board of the City of Lakeland, Tennessee in District 1 with a term that expires July 1, 2025.

APPROVED AND ADOPTED by the Board of Commissioners of the City of Lakeland, Tennessee, this 7th day of September 2023, the public welfare requiring it.

____
Josh Roman, *Mayor*

ATTEST:

____
Sue Lipscomb
Recorder Pro Tempore

Application for Boards and Commissions

Last Name*	Perkins
First Name*	Andrea
Street Address*	[redacted] Brunswick Road
City*	Lakeland
State*	TN
Zip Code*	38002
E-mail Address*	[redacted]
Phone Number*	[redacted]
How long have you lived within Lakeland city limits?*	2 years
What is your present job description or profession?*	I am 25+ year finance professional who has worked in local and state government for 10+ years.
Present Employer*	[redacted]
In what municipality is your present employer located?*	Salem
Education (please list your highest level of education, any degree(s) attained, etc.)*	Bachelor';s Degree: Accounting from Loyola University
Please list any unique skills enabling you to better serve on a Lakeland board or commission*	My experience working in local and state government will bring a level of understanding to both sides of the table.
What are your interests in serving on a Lakeland board or commission?*	As a resident, taxpayer, and property owner in the north Lakeland community I have a vested interest in representing our neighbors while serving the community that we call home.
What is your first choice of board or commission on which to serve?*	Community Advisory Board
What is your second choice of board or commission on which to serve?	Other - Any Available Service Opportunity
What is your third choice of board or commission on which to serve?	Other - Any Available Service Opportunity

Please list any related experience (including volunteer experience), training, or skills not already provided on this form that would enable the Board of Commissioners to consider appointing you to a volunteer position	
Reason you chose to volunteer	To serve the community

* indicates required fields.

CITY OF LAKELAND TENNESSEE

Board of Commissioners

Meeting Cycle: Thursday, September 7, 2023

Subject: **Resolution** - authorizing and providing for the financing of the construction of a water facilities project, including authorizing the execution of applications, contractual agreements, and other necessary documents, and making certain representations, certification, and pledges of certain revenue in connection with such financing (SRF 2022-476-01).

Staff Contact: Emily Harrell, City Engineer

STAFF RECOMMENDATION

City Staff recommends the Board of Commissioners approve resolution R-121-2023.

BUDGET IMPACT

There is no budgetary impact related to this resolution.

DISCUSSION

The resolution attached authorizes the City of Lakeland to sign for and obtain an additional loan through the State Revolving Fund (SRF) to supplement the existing loan on the Clear Creek Interceptor. The additional loan is to cover the increased construction costs as compared to the original estimates, and the loan has been approved by the State of Tennessee with no need for additional rate increases.

With this being a project in the Sewer Fund (an enterprise fund), there is no budget amendment needed and in fact these transactions will not appear on an operating "income statement" at all, but on the "balance sheet" of the Sewer Fund as an increase in the debt liability, whereas the project itself will be an increase in fixed assets.

RESOLUTION R-121-2023

AUTHORIZING AND PROVIDING FOR THE FINANCING OF THE CONSTRUCTION OF A WATER FACILITIES PROJECT, INCLUDING AUTHORIZING THE EXECUTION OF APPLICATIONS, CONTRACTUAL AGREEMENTS, AND OTHER NECESSARY DOCUMENTS, AND MAKING CERTAIN REPRESENTATIONS, CERTIFICATION, AND PLEDGES OF CERTAIN REVENUE IN CONNECTION WITH SUCH FINANCING (SRF 2022-476-01)

WHEREAS, the City of Lakeland is a public and governmental body in Lakeland (Shelby County), Tennessee (the "Local Government"); and,

WHEREAS, the Local Government has determined that it is necessary and desirable to undertake certain activities or tasks in connection with a wastewater facilities project, Department of Environment and Conservation Number SRF 2022-476-01 (the "Project"), in and for the Local Government; and,

WHEREAS, Tennessee Code Annotated, Section 68-221-1001 et. seq., provide for the lending of funds in the wastewater facilities Revolving Loan Fund to Local Governments for the purpose of providing funds for project loans; and,

WHEREAS, the local Government has determined that it is necessary and advisable to borrow funds for the Project pursuant to these sections:

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the City of Lakeland, Tennessee, as follows:

SECTION 1. Local Government hereby approves the creation of indebtedness on behalf of the Local Government in the principal amount of nine million dollars ($9,000,000) by the obtaining of a Project Loan.

SECTION 2. The execution and delivery of the application for a Project Loan in the principal amount of nine million dollars ($9,000,000), for the purpose of funding all or a portion of the total estimated cost of the Project, which is twenty-four million dollars ($24,000,000), Josh Roman, the Mayor of the Local Government, is hereby ratified and approved in all respects.

SECTION 3. The form, terms, and provisions of the agreement for the Project Loan among the Local Government, the Tennessee Department of Environment and Conservation and the Tennessee Local Development Authority (the "Loan Agreement"), as presented at this meeting, are hereby approved.

SECTION 4. The Local Government hereby agrees to honor and accept the method of financing as may be determined by the Authority pursuant to the Loan Agreement.

SECTION 5. The Local Government hereby agrees to make the monthly payments on the Project Loan in accordance with the Payment Schedule to be attached to the Loan Agreement.

SECTION 6. The Local Government hereby agrees to levy fees, rates or charges for services provided by the Project and/or to levy ad valorem taxes sufficient to pay the interest on and principal of the Project Loan in accordance with the Loan Agreement. The Local Government also agrees to levy fees, rates, or charges and/or ad valorem taxes sufficient to pay the cost of operation and maintenance of the water system of which the Project is a part, which cost shall include depreciation and all other debt service expense of the system.

SECTION 7. The Local Government assigns and pledges its State-Shared Taxes to the State and consents to the withholding and application of State-Shared Taxes in the event of failure by the Local Government to remit monthly payments in accordance with the terms of the Loan Agreement, as the Loan Agreement may be supplemented or amended from time to time.

SECTION 8. The Local Government hereby agrees that there are no local pledges of State-Shared Taxes other than those disclosed.

SECTION 9. The Local Government hereby agrees to obtain alternative methods of financing for all costs necessary for the completion of the Project which are in excess of the combined financing provided by any agency of the United States Government and by the Tennessee Local Development Authority.

SECTION 10. The Mayor of the Local Government is authorized and directed to execute the Loan Agreement, and any amendments of supplements to the Loan Agreement, in the name and behalf of the Local Government; to deliver such documents to the other parties to such documents, such execution and delivery to be conclusive proof of the approval of the Local Government of such documents; and to take such further action and to execute and deliver such further instruments or documents as such officer may consider necessary or advisable in connection with the Loan Agreement. Provided, however, this resolution shall not be deemed to grant authority to the named officer to approve any increase in the amount of the Project Loan.

SECTION 11. All orders or resolutions in conflict with this resolution are and the same are repealed insofar as such conflict exists. This resolution shall become effective immediately upon its passage.

APPROVED AND ADOPTED by the Board of Commissioners of the City of Lakeland, Tennessee, this 7th day of September 2023, the public welfare requiring it.

RESOLUTION R-121-2023

AUTHORIZING AND PROVIDING FOR THE FINANCING OF THE CONSTRUCTION OF A WATER FACILITIES PROJECT, INCLUDING AUTHORIZING THE EXECUTION OF APPLICATIONS, CONTRACTUAL AGREEMENTS, AND OTHER NECESSARY DOCUMENTS, AND MAKING CERTAIN REPRESENTATIONS, CERTIFICATION, AND PLEDGES OF CERTAIN REVENUE IN CONNECTION WITH SUCH FINANCING (SRF 2022-476-01)

I certify under penalty of law that this document and all attachments were prepared by me, or under my direction or supervision. The submitted information is to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. As specified in Tenn. Code Ann. § 39-16-702(a)(4), this declaration is made under penalty of perjury.

____

Josh Roman, *Mayor*

ATTEST:

____

Sue Lipscomb
Recorder Pro Tempore

TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER RESOURCES
State Revolving Fund Loan Program
William R. Snodgrass Tower, 312 Rosa L. Parks Avenue, 12th Floor
Nashville, Tennessee 37243
STATE REVOLVING FUND LOAN APPLICATION

Section 1. Applicant Information ***(Authorized representative responsible for project, signs certification below and hereby makes an application for a Project Loan to fund the following described activities or tasks concerning a facility or plan (the "Project").***

Legal Applicant Name: Josh Roman		Signatory's Title or Position: Mayor		
Facility Name: City of Lakeland		Type of Entity: City		
Mailing Address: 10001 Highway 70		City: Lakeland	State: TN	Zip: 38002
Phone: 901-867-2717		E-mail: Joshroman@lakelandtn.org		
DUNS (UEI) Number: K49KP3ZCGW63	Population Served: 12,644	County(ies) Served: Shelby County		

Section 2. Contact/Consultant Information (*a consultant is not required*)

Alternate Contact Name: Laralee Page			
Company: Community Development Partners, LLC	Title or Position: Project Manager		
Mailing Address: P.O. Box 210437	City: Nashville	State: TN	Zip: 37221
Phone: 615-386-0222	E-mail: lpage@cdpllc.com		
Phone:			

Section 3. Project Information (Check all that apply)	☒**Clean Water Project** ☐ **Drinking Water Project**	☐**Green Project Reserve** ☐**Special Project**

Detailed Project Description: New Interceptor (Replacing the existing Clear Creek Interceptor with a new interceptor).

The entire Project is estimated to cost:	$24,000,000
Amount of State Revolving Fund Loan Requested:	$9,000,000
Requested Term of Loan:	20 Years

Section 4. Project Funding Information (Completed by SRFLP Office)

Project Number: SRF 2022-476-01	Loan Amount:	$9,000,000
	Loan Forgiveness Amount:	$0
	Term of Loan in Years:	20
	Bond Buyer Index Rate and Date:	3.35% As of August 28, 2023
	ATPI:	70%
	Interest Rate:	3.35% X 100% (Tier 4) =3.35%

Section 5. Previous Loans (Completed by SRFLP Office)		
Program Loans:	The total amount of outstanding or applied for program loans under the Health Loan Programs of the Tennessee Local Development Authority is:	$
Project Loans:	The total amount of outstanding or applied for project loans and the State Revolving Fund is: (this application is excluded)	$15,000,000

Section 6. Pledge of State-Shared Taxes or Security Deposit (Completed by SLF Office)		
Municipality:	State-Shared Taxes pledged to payment of outstanding obligations of the Local Government Unit in addition to the Program Loans and Project Loans listed above:	
	Amount of State-Shared Taxes received in prior fiscal year of the state:	$2,102,648
Utility District/ Authority:	A Security Deposit will be required in an amount equal to MADS.	
	Anticipated MADS:	$

Section 7. Signature of Applicant or Signatory Authority (*Application must be signed and dated. By signing, applicant verifies that all information supplied on this application is correct to the best of his/her knowledge. This application expires 90 days from the date the loan application is sent from SRFLP to the Applicant).*

I certify under penalty of law that this document and all attachments were prepared by me, or under my direction or supervision. The submitted information is to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. As specified in Tenn. Code Ann. § 39-16-702(a)(4), this declaration is made under penalty of perjury.

	09/08/2023
Signature: Josh Roman, Mayor	Date

Section 8. Signature of Department of Environment and Conservation

David W. Salyers, P.E., Commissioner	Date

CITY OF LAKELAND
SRF 2022-476-01
AUTHORIZING RESOLUTION #______________

RESOLUTION AUTHORIZING AND PROVIDING FOR THE FINANCING OF THE CONSTRUCTION OF A WATER FACILITIES PROJECT, INCLUDING AUTHORIZING THE EXECUTION OF APPLICATIONS, CONTRACTUAL AGREEMENTS, AND OTHER NECESSARY DOCUMENTS, AND MAKING CERTAIN REPRESENTATIONS, CERTIFICATIONS, AND PLEDGES OF CERTAIN REVENUE IN CONNECTION WITH SUCH FINANCING.

WHEREAS, the City of Lakeland is a public and governmental body in Lakeland (Shelby County), Tennessee (the "Local Government"); and

WHEREAS, the Local Government has determined that it is necessary and desirable to undertake certain activities or tasks in connection with a wastewater facilities project, Department of Environment and Conservation Number SRF 2022-476-01 (the "Project"), in and for the Local Government; and

WHEREAS, Tennessee Code Annotated, Section 68-221-1001 et. seq., provide for the lending of funds in the wastewater facilities Revolving Loan Fund to Local Governments for the purpose of providing funds for project loans; and

WHEREAS, the local Government has determined that it is necessary and advisable to borrow funds for the Project pursuant to these sections.

NOW, THEREFORE, be it resolved as follows:

Section 1. Local Government hereby approves the creation of indebtedness on behalf of the Local Government in the principal amount of nine million dollars ($9,000,000) by the obtaining of a Project Loan.

Section 2. The execution and delivery of the application for a Project Loan in the principal amount of nine million dollars ($9,000,000), for the purpose of funding all or a portion of the total estimated cost of the Project, which is twenty four million dollars ($24,000,000), Josh Roman, the Mayor of the Local Government, is hereby ratified and approved in all respects.

Section 3. The form, terms, and provisions of the agreement for the Project Loan among the Local Government, the Tennessee Department of Environment and Conservation and the Tennessee Local Development Authority (the "Loan Agreement"), as presented at this meeting, are hereby approved.

Section 4. The Local Government hereby agrees to honor and accept the method of financing as may be determined by the Authority pursuant to the Loan Agreement.

Section 5. The Local Government hereby agrees to make the monthly payments on the Project Loan in accordance with the Payment Schedule to be attached to the Loan Agreement.

Section 6. The Local Government hereby agrees to levy fees, rates or charges for services provided by the Project and/or to levy ad valorem taxes sufficient to pay the interest on and principal of the Project Loan in accordance with the Loan Agreement. The Local Government also agrees to levy fees, rates, or charges and/or ad valorem taxes sufficient to pay the cost of operation and maintenance of the water system of which the Project is a part, which cost shall include depreciation and all other debt service expense of the system.

Section 7. The Local Government assigns and pledges its State-Shared Taxes to the State and consents to the withholding and application of State-Shared Taxes in the event of failure by the Local Government to remit monthly payments in accordance with the terms of the Loan Agreement, as the Loan Agreement may be supplemented or amended from time to time.

Section 8. The Local Government hereby agrees that there are no local pledges of State-Shared Taxes other than those disclosed.

Section 9. The Local Government hereby agrees to obtain alternative methods of financing for all costs necessary for the completion of the Project which are in excess of the combined financing provided by any agency of the United States Government and by the Tennessee Local Development Authority.

Section 10. The Mayor of the Local Government is authorized and directed to execute the Loan Agreement, and any amendments of supplements to the Loan Agreement, in the name and behalf of the Local Government; to deliver such documents to the other parties to such documents, such execution and delivery to be conclusive proof of the approval of the Local Government of such documents; and to take such further action and to execute and deliver such further instruments or documents as such officer may consider necessary or advisable in connection with the Loan Agreement. Provided, however, this resolution shall not be deemed to grant authority to the named officer to approve any increase in the amount of the Project Loan.

Section 11. All orders, resolutions, or ordinances in conflict with this resolution are and the same are repealed insofar as such conflict exists. This resolution shall become effective immediately upon its passage.

Duly passed and approved this ___7th____ day of ____September____, 2023.

I certify under penalty of law that this document and all attachments were prepared by me, or under my direction or supervision. The submitted information is to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. As specified in Tenn. Code Ann. § 39-16-702(a)(4), this declaration is made under penalty of perjury.

____

Josh Roman, Mayor

GENERAL CERTIFICATE
CITY OF LAKELAND
SRF 2022-476-01

The undersigned, by Josh Roman, the Mayor of City of Lakeland (Shelby County), Tennessee ("Local Government"), **CERTIFIES** as follows:

1. The Local Government is a validly created and duly organized and existing subdivision of the State of Tennessee.

2. The resolution or ordinance of the Local Government duly adopted on September 7, 2023, a copy of which is attached, authorizing the undersigned to execute in the name and behalf of the Local Government all documents in connection with the Project Loan with the State of Tennessee to finance a project for:

   ☐the Drinking Water Revolving Loan Fund Act of 1997 ("Project") has not been mended, modified, supplemented, or rescinded since its date of adoption: or

   ☒the Wastewater Facilities Act of 1987 ("Project") has not been amended, modified, supplemented or rescinded since its date of adoption.

3. The resolution or ordinance of the Local Government duly adopted on April 20, 2023, a copy of which is attached, establishing the rate and fee structure for the wastewater system of which the Project is a part has not been amended, modified, supplemented, or rescinded since its date of adoption.

4. The Local Government is aware that each request for disbursement submitted pursuant to Section 5 of the Project Loan Agreement constitutes a reaffirmation by the Local Government as to the continuing truth and completeness of the statements and representations contained in the Project Loan Agreement.

   IN WITNESS OF THE CERTIFICATE, the undersigned has executed this certificate and affixed the seal, if any, of the Local Government on this 8th day of September, 2023.

I certify under penalty of law that this document and all attachments were prepared by me, or under my direction or supervision. The submitted information is to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. As specified in Tenn. Code Ann. § 39-16-702(a)(4), this declaration is made under penalty of perjury.

____
Josh Roman, Mayor

REPRESENTATION OF
LOANS AND STATE-SHARED TAXES
CITY OF LAKELAND
SRF 2022-476-01

As security for payments due under a State Revolving Fund (SRF) Loan Agreement, a local government pledges user fees, charges, and ad valorem taxes as necessary to meet its obligations under a SRF Loan Agreement. As an additional security for such payments due, a local government pledges and assigns its unobligated state-shared taxes (SSTs) in an amount equal to maximum annual debt service (MADS) requirements.

1. **State-Shared Taxes**

   The total amount of SSTs, as identified pursuant to Tenn. Code Ann. § 4-31-105(c)(2), received by the local government in the prior fiscal year of the State is $2,102,648.

2. **Prior Obligations**

   (a.) Prior SRF loans which have been funded or approved for which the Local Government has pledged its SSTs are as follows:

Loan Type	Loan #	Base Loan*	Principal Forgiveness*	MADS**
SIF #001	BF3450001	$1,490,396	$0	$89,544
SRF/Sewer	SRF 2022-476	$15,000,000	$0	$978,564

* If applicable, the original approved amount is adjusted for decreases and approved increases
**MADS is an estimate until final expenses have been determined

The total MADS from section 2(a.) having a lien on SSTs is $1,068,108.

(b.) Other prior obligations which have been funded or approved for which the local government has pledged its SSTs are as follows:

Type of Obligation	Identifying #	Loan Amount	Principal Forgiveness	MADS
QZAB/QSCB				
TLDA/Public Health				
TLDA/Transportation				

The total MADS from section 2(b.) having a lien on SSTs is $0.

(c.) The total MADS from prior obligations having a lien on SSTs [subsections 2(a)+2(b)] is $1,068,108.

3. **Loan Requests**

The loan(s) which have been applied for and for which state-shared taxes will be pledged:

Loan Type	Loan #	Anticipated Interest Rate	Base Loan	Principal Forgiveness	Anticipated MADS
SRF/Sewer	SRF 2022-476-01	3.35%	$9,000,000	$0	$618,064

The anticipated total maximum annual pledge of state-shared taxes pursuant to loan request(s) is $618,064.

4. Unobligated SSTs

The amount set forth in section (1) less the total amounts set forth in sections 2 and 3 is $416,476.

The Local government hereby represents the information presented above is accurate and understands that funding for the loan request(s) presented is contingent upon approval by the TLDA.

Duly signed by an authorized representative of the Local Government on this 8th day of September, 2023.

This is the Comptroller's certificate as required by TCA 4-31-108.

LOCAL GOVERNMENT

BY: ______________________________

Josh Roman, Mayor

REQUIREMENT FOR REPORT ON DEBT OBLIGATION
(FORM CT-0253)
CITY OF LAKELAND
SRF 2022-476-01

Pursuant to Tenn. Code Ann. § 9-21-134, a Report on Debt Obligation (the "Report") must be prepared for all debt obligations issued or entered into by any public entity and filed with its governing body with a copy sent to the Office of State and Local Finance/Comptroller of the Treasury for the State of Tennessee. The purpose of the Report is to provide clear and concise information to members of the governing or legislative body that authorized and is responsible for the debt issued.

Public entities that fail to comply with the requirements of Tenn. Code Ann. § 9-21-134 are not permitted to enter into any further debt obligations until they have complied with the law. A State Revolving Fund (SRF) loan program applicant that is not in compliance with this law should file the Report as soon as possible and provide notification of filing to the SRF loan program so that it may proceed with the loan application. Instructions on how to file the Report are located in the "Debt" category for "Local Finance" on the website of the Tennessee Comptroller of the Treasury.

Municipal Securities Rulemaking Board (MSRB) – Required Disclosure

Local governments that issue municipal securities on or after February 27, 2019, should be aware that the Securities and Exchange Commission (SEC) adopted amendments to Rule 15c2-12 of the Securities Exchange Act that require reporting on material financial obligations that could impact an issuer's financial condition or security holder's rights. The amendments add two events to the list of events that must be included in any continuing disclosure agreement that is entered into after the compliance date:

- Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material; and
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties.

To learn how to report these new disclosures please refer to the MSRB's Electronic Municipal Market Access EMMA® website (emma.msrb.org).

The applicant, __ City of Lakeland, attests that it is in compliance with Tenn. Code Ann. § 9-21-134 for its debt obligations and understands that the Report is required to be filed once the SRF loan has been approved by the Tennessee Local Development Authority and the agreement has been executed by the borrower. The applicant further acknowledges that it may be responsible to perform continuing disclosure undertakings related to SEC Rule 15c2-12. Local governments should always consult bond counsel in order to obtain advice on appropriate disclosures related to this rule.

09/08/2023

Josh Roman, Mayor　　Date

This is the Comptroller's certificate as required by TCA 4-31-108.

STATE REVOLVING FUND PROJECT LOAN AGREEMENT
CITY OF LAKELAND
SRF 2022-476-01

This Loan Agreement is among the Tennessee Department of Environment and Conservation (the "Department"), the Tennessee Local Development Authority (the "Authority") and the City of Lakeland (Shelby County) (the "Local Government"), which is a Tennessee governmental entity authorized to own operate and manage water and/or wastewater facilities. The purpose of this Loan Agreement is to provide the financing of all or a portion of a wastewater facility by the Local Government. The Local Government applied for financing on September 8, 2023, which is hereby incorporated into this Loan Agreement.

1) DEFINITIONS.

Unless the context in this Loan Agreement indicates another meaning, the following terms shall have the following meaning:

a) **"Administrative fee"** means the fee to be collected by the Authority for administration of the loan in accordance with Tenn. Code Ann. §§ 68-221-1004(a) and 68-221-1204(a), both as amended;

b) **"Agreement"** means this Loan Agreement providing financing for the Project from the Fund;

c) **"Facility"** means either a wastewater facility or a water system;

d) **"Fund"** means:

i) For wastewater projects, the wastewater revolving loan fund created by the Tennessee Wastewater Facilities Act of 1987, Tenn. Code Ann. §§ 68-221-1001 to -1015, as amended, and rules and regulations promulgated thereunder; or

ii) For water projects, the drinking water revolving loan fund created by the Drinking Water Revolving Loan Fund Act of 1997, Tenn. Code Ann. §§ 68-221-1201 to -1207, as amended, and rules and regulations promulgated thereunder;

e) **"Initiation of Operation"** means the date when all, but minor components of the Project have been built, all treatment equipment is operational, and the Project is capable of functioning as designed and constructed;

f) **"Local Government"** means the governmental entity borrowing under this Loan Agreement described in (1) Tenn. Code Ann. § 68-221-1003(7), as amended, if a wastewater facility and (2) Tenn. Code Ann. § 68-221-1203(6), as amended, if a water system;

g) **"Obligations"** means bonds, notes and any other evidence of indebtedness lawfully issued or assumed by the Local Government;

h) "**Period of Performance**" allows for the payment of expenses if they incurred during the time period stated in the contract; and if the loan recipient received prior approval from the program in writing to include the cost listing in the request for reimbursement, then it would be acceptable to pay.

i) **"Project"** means the activities or tasks concerning a facility described in the application submitted by the Local Government to be financed pursuant to this Loan Agreement;

j) **"Project Cost"** means the total amount of funds necessary to complete the Project;

k) **"Project Loan"** means the funds loaned from the Fund to finance the Project and, except for principal forgiven, if any, required to be repaid pursuant to this Loan Agreement;

l) **"Revenues"** means all fees, rents, tolls, rates, rentals, interest earnings, or other charges received or receivable by the Local Government from the water or wastewater system which is the Project, or of which the Project is or will be a component, including any revenues derived or to be derived by the Local Government from a lease, agreement or contract with any other local government, local government instrumentality, the state, or a state or federal agency for the use of or in connection with the system, or all other charges to be levied and collected in connection with and all other income and receipts of whatever kind or character derived by the Local Government from the operation of the system or arising from the system;

m) **"State"** means the state of Tennessee acting through the Department and the Authority, jointly or separately, as the context requires;

n) **"State-Shared Taxes"** has the meaning established by Tenn. Code Ann. Section 4-31-102, as amended; and

o) **"Unobligated State-Shared Taxes"** means State-Shared Taxes which have not been pledged or applied to any other prior indebtedness.

2) PROJECT.

a) **Description.**
The description of the Project is as described in the application submitted by the Local Government.

b) **Funding Sources.**
The Local Government estimates the total Project Cost to be $24,000,000 which is expected to be funded as follows:

Project Loan	$9,000,000
Principal Forgiveness	$0
Local Funds	$0
Other Funds (SRF 2022-476)	$15,000,000
TOTAL	$24,000,000

c) **Type of Project. (Please check one)**

i) ☐Planning. (Project schedule is required)

The following project schedule is established:

(1) Submission of facilities plans on or before (insert date).

ii) ☐Planning and Design. (Project schedule is required)

The following project schedule is established:

(1) Submission of facilities plans on or before (insert date).

(2) Submission of engineering plans and specifications on or before (insert date).

iii) ☒Planning, Design, and Construction. (A project schedule is required)

The following project schedule is established:

i) Submission of engineering plans and specifications on or before November 1, 2022.

ii) Start construction on or before August 1, 2023.

iii) Initiate operation on or before November 1, 2025.

iv) Complete construction on or before November 1, 2025.

The Department's State Revolving Fund Loan Program may amend the project schedule above upon written request and for good cause shown.

The written request to amend the project schedule above should be submitted to the Department within 60 days prior to the end date of the milestones established above. The written request should detail the nature of the delay(s); the amended milestone dates; and any efforts to be implemented to adhere to the amended project schedule.

Failure to adhere to the project schedule established above or secure an amended project schedule from the State Revolving Fund Loan Program, will constitute a breach of contract, and may result in loss of principal forgiveness, loss of interest rate reduction or both.

The State Revolving Fund Loan Program may take other such actions as may be necessary relative to breach of contract against a borrower that fails to carry out its obligations under Tenn. Comp. R. & Regs. Chapter 0400-46-06 and this loan agreement up to and including cancellation of loan funding.

d) **Land Ownership, Easement, and Right-of-Ways.**

Land Acquisition.

(1) Owner of a dwelling. The term owner of a dwelling means a person who is considered to have met the requirement to own a dwelling if the person purchases or holds any of the following interests in real property: Fee title, a life estate, a land contract, a 99-year lease, or a lease including any options for extension with at least 50 years to run from the date of acquisition per 40 CFR 24(20).

(2) Additionally, the borrower must own easements and/or land, or have taken condemnation proceedings needed to construct the project before plans and

specifications for a construction loan will be approved by the Department as per State Rule 0400-46-06-.06.

(3) ☐By checking this box, the Local Government certifies that all property, easements, and rights-of-way necessary to construct the Project is owned or, in the case of right-of-way, is permitted for use by the Local Government.

(4) ☐By checking this box, the Local Government certifies that it has acquired or has entered into condemnation proceedings for all real property including easements and rights-of-way that are or will be required for the construction (erection, extension, modification, addition), operation, and maintenance of the entire wastewater treatment works funded under this Project.

3) PROJECT FILES.

The State of Tennessee and/or the United States Environmental Protection Agency shall have access to the official project files and job site.

4) ASSET MANAGEMENT PLAN REQUIREMENTS. (CLEAN WATER PROJECTS ONLY)

The Local Government will comply with the Clean Water Act section 603(d)(1)(E) requirements by developing and implementing an Asset Management Plan (AMP) that includes:

a) an inventory of critical assets that are a part of the treatment works;

b) an evaluation of the condition and performance of inventoried assets or asset groupings;

c) a certification that the recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan; and

d) a plan for maintaining, repairing, and as necessary, replacing the treatment works and a plan for funding such activities; or

e) ☐By checking this box, the Local Government certifies that an AMP will be developed and implemented for the Project that is proposed for repair, replacement, or expansion.

f) ☐By checking this box, the Local Government certifies that an AMP has been developed and implemented for the Project that is proposed for repair, replacement, or expansion.

The AMP must be completed by the Notice to Proceed to start construction activities. The State and/or the federal government shall have access to the AMP for review upon the first interim construction inspection site visit. The State has developed an AMP Guide to assist in the completion of an AMP. The guide is accessible on the SRF webpage.

5) COST AND EFFECTIVENESS ANALYSIS (CEA) REQUIREMENTS. (CLEAN WATER PROJECTS ONLY)

The Local Government will comply with the Cost and Effectiveness Analysis (CEA) requirements set out in the Clean Water Act section 603(b)(13) that includes:

a) The Local Government has studied and evaluated the cost and effectiveness of the processes, materials, techniques, and technologies for carrying out the proposed or activity for which funding assistance is sought under this title; and

b) The Local Government has selected, to the maximum extent practicable, a project or activity that maximizes the potential for efficient water use, reuse, recapture, and conservation, and energy conservation, taking into account:

(i) the cost of constructing the project;

(ii) the cost of operating and maintaining the project or activity over the life of the project; and

(iii) the cost of replacing the project.

c) ☒By checking this box, the Local Government certifies that an evaluation of the Project for cost and effectiveness has been conducted that meets the requirements outlined in 5(a) and 5(b).

6) LOAN.

a) **Loan and use of proceeds.**
The State shall lend to the Local Government from funds available in the Fund an aggregate principal amount not to exceed $9,000,000 to bear interest as described in (b) below. The Project Loan shall be used by the Local Government for completion of the Project and in accordance with engineering plans and specifications and special conditions, approved and required by the Department and hereby incorporated into this Loan Agreement. Interest on the Project loan will begin to accrue upon the first disbursement of the Project Loan pursuant to Section 5 of this Loan Agreement.

b) **Interest rate.**
The rate of interest for this Project Loan is 3.35%, which is the rate established by the Authority at the meeting at which this Project Loan is approved and stated on the payment schedule which is incorporated into and attached to this Loan Agreement.

c) **Administrative fee.**
The Authority shall collect a fee equal to eight basis points of the total Project Loan, where one basis point is equal to one-hundredth of one percent (0.01%). This fee shall be payable in monthly installments equal to one-twelfth (1/12) of the annual fee amount as stated on the payment schedule.

d) **Payment schedule.**
The Local Government expressly agrees to make all payments of principal and interest in accordance with the payment schedule, including the form of payment (currently electronic funds transfer), as it is from time to time revised by the State. A revision of the payment schedule shall not be deemed to be an amendment of this Loan Agreement.

7) REPAYMENT OF PROJECT LOAN.

a) **Payments.**

i) The Local Government promises to repay to the order of the State the Project Loan plus interest, payable in installments on the 20th day of each month in accordance with the payment schedule established by the Authority and attached to this Loan Agreement. The payment schedule will require payments of interest to begin after the first disbursement pursuant to Section 6 of this Loan Agreement. The payment schedule will require repayments of principal to begin the earlier of:

(1) Within ninety (90) days after Initiation of Operation of the Project for construction loans or within two (2) years of loan approval for planning and design loans; or

(2) Within one hundred twenty (120) days after ninety percent (90%) of the Project Loan has been disbursed.

ii) Notwithstanding Section 5(a)(i)(1), the Authority may agree in the instance of a newly created water system to defer the commencement of principal repayment for no more than one year after Initiation of Operation of the Project.

b) **Reduction.**

i) The Project Loan, and the required payments made pursuant to the payment schedule, shall be reduced to reflect:

(1) Funding not listed in Section 2(b) which subsequently becomes available; or

(2) The amount actually disbursed by the State to the Local Government pursuant to the Loan Agreement as the Project Loan.

ii) If any of the conditions set out in Section (b)(i)(1) or (b)(i)(2) occur, a new payment schedule reflecting such changes shall be submitted to the Local Government to be attached to this Loan Agreement, superseding any previous schedules.

c) **Prepayment.**

The Local Government, at its option, may prepay all or any portion of the Project Loan.

d) **Principal Forgiven.**

A portion of the original principal amount of the Project loan may be forgiven by the State. The principal forgiven shall be zero percent (0%) of the original principal amount of the project loan, or if the full original amount of the Project loan is not used, then zero percent (0%) of the amount of the project loan actually disbursed. Notwithstanding Section 4 no interest shall accrue on the amount of principal forgiven pursuant to this Section 5(d).

8) DISBURSEMENT OF PROJECT LOAN.

a) **Payment Methodology.**

The Local Government shall receive disbursements of the Project Loan only for actual, reasonable, and necessary costs based upon the current approved Project Budget, not to exceed the Project Loan amount listed in Section 4(a). Upon progress toward the completion of the Project, as described in Section 4 of the Project Loan Application, the Local Government shall submit disbursement requests, including invoices and supporting documents of actual expenditures, prior to any reimbursement of allowable costs.

b) **Disbursement Requirements.**
The Local Government shall request disbursement from the State no more often than monthly with all necessary supporting documentation. Each disbursement request shall be sent to the contact indicated in Section 27 and shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly):

i) Addressed to:
Department of Environment and Conservation
State Revolving Fund Loan Program
William R. Snodgrass Tower, 312 Rosa L. Parks Avenue, 12th Floor
Nashville, Tennessee 37243

ii) Via Email: SRF.Payments@tn.gov

iii) Reference Number (assigned by the Local Government).

iv) Date.

v) Period to which the disbursement request is applicable.

vi) Project Loan Number (assigned by the Department).

vii) Local Government Name.

viii) Local Government Tennessee Edison Registration ID Number Referenced in Preamble of this Loan Agreement.

ix) Local Government Remittance Address.

x) Local Government Contact for Invoice Questions (name, phone, or fax).

xi) Itemization of Disbursement Requested for the Disbursement Period— it must detail, at minimum, all of the following:
   i. The amount requested by Project Budget line-item (including any travel expenditure reimbursement requested and for which documentation and receipts, as required by "State Comprehensive Travel Regulations," are attached to the invoice).
   ii. The amount disbursed by Project Budget line-item to date.
   iii. The total amount disbursed under the Project Loan to date.
   iv. The total amount requested (all line-items) for the Disbursement Period.

c) **The Local Government understands and agrees to all of the following:**
i) A disbursement request under this Loan Agreement shall include only requests for actual, reasonable, and necessary expenditures required in the delivery of service described by

this Loan Agreement and shall be subject to the Project Budget and any other provision of this Loan Agreement relating to allowable disbursements.

ii) A disbursement request under this Loan Agreement shall not include any request for future expenditures.

iii) The period of performance for a disbursement request (§200.77) means the time during which the Local Government may incur new obligations to carry out the work authorized under the Loan Agreement. The Local Government must include start and end dates of the period of performance in the Loan Agreement.

iv) The Local Government agrees that any pre-award costs (§200.458), which are costs incurred prior to the effective date of the Loan Agreement directly pursuant to the negotiation and in anticipation of the Loan Agreement where such costs necessary for efficient and timely performance of the scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of Loan Agreement and **only** with the prior written approval of the State. If charged to the Loan Agreement, these costs must be charged to the initial budget period of the award, unless otherwise specified by the Federal awarding agency or pass-through entity.

v) **Planning Loans Only**
   (1) The maximum allowable disbursement is 80% of the loan until the Facilities Plan is **received** by SRF.
   (2) The maximum allowable disbursement is 90% of the loan until the Facilities Plan is **approved** by SRF.

vi) **Planning and Design Loans Only**
   (1) The maximum allowable disbursement is 80% of the planning fees until the Facilities Plan is **received** by SRF.
   (2) The maximum allowable disbursement is 90% of the planning fees until the Facilities Plan is **approved** SRF.
   (3) The maximum allowable disbursement is 80% of the Design Loan or design fees until plans and specifications are **received** by SRF.
   (4) The maximum allowable disbursement is 90% of the Design Loan until plans and specifications are **approved** by SRF.

d) **Budget Line-items.**
Expenditures and disbursements under this Loan Agreement shall adhere to the Project Budget. Any increases or decreases within the Project Budget's grand total amounts shall require the Local Government to submit a request to amend the Project Budget and receive approval from the Department.

e) **Travel Compensation.**
Disbursement to the Local Government for travel, meals, or lodging shall be subject to amounts and limitations specified in the "State Comprehensive Travel Regulations," as they are amended from time to time, and shall be contingent upon and limited by the Project Budget funding for said disbursement.

f) **Procurement**.

If other terms of this Loan Agreement allow disbursements for the cost of goods, materials, supplies, equipment, or contracted services, such procurement shall be made on a competitive basis, including the use of competitive bidding procedures, where practical. The Local Government shall maintain documentation for the basis of each procurement for which a disbursement is made pursuant to this Loan Agreement. In each instance where it is determined that use of a competitive procurement method is not practical, supporting documentation shall include a written justification for the decision and for use of a non-competitive procurement. If the Local Government is a sub-recipient, the Local Government shall comply with 2 C.F.R. §§ 200.317—200.326 when procuring property and services under a federal award.

g) **Retainage**.

i) All construction contracts for the Project may provide for the withholding of retainage; provided, however, that the retainage amount may not exceed five percent (5%) of the amount of the contract.

ii) Proof of retainage deposits must be submitted with each disbursement request. In the instance of the first payment, documented proof of the retainage account must be submitted. Subsequent payments the Local Government must provide proof that retainage was deposited into the established retainage bank account. Upon the final payment requested from the Local Government, the Local Government will provide proof the all retainage is paid to its contractors.

iii) The Local Government shall release and pay all retainages for work completed pursuant to the terms of any contract to the prime contractor within 90 days after completion of the work or within 90 days after substantial completion of the project for work completed, whichever occurs first. As used in this subsection, work completed shall mean the completion of the scope of the work and all terms and conditions covered by the contract under which the retainage is being held. The prime contractor shall pay all retainages due to any subcontractor within 10 days after receipt of the retainages from the owner. Any subcontractor receiving the retainage from the prime contractor shall pay to any sub-subcontractor or material supplier all retainages due the sub-subcontractor or material supplier within 10 days after receipt of the retainages.

iv) Any default in the making of the payments shall be subject to those remedies provided in this Loan Agreement.

v) In the event that the Local Government or its prime contractor withholds retainage that is for the use and benefit of the prime contractor or its subcontractors pursuant to Tenn. Code Ann. § 66-34-104(a) and (b), neither the prime contractor nor any of its subcontractors shall be required to deposit additional retained funds into an escrow account in accordance with Tenn. Code Ann. § 66-34-104(a) and (b).

vi)

(1) It is an offense for a person, firm, or corporation to fail to comply with Tenn. Code Ann. §66-34-104(a).

(2) A violation of this subsection (e) is a Class A misdemeanor, subject to a fine of three thousand dollars ($3,000).
(3) Each day a person, firm or corporation fails to comply with subsection (a) or (b) or Tenn. Code Ann. § 66-34-104(a) is a separate violation of this subsection (e).
(4) Until the violation of this subsection (e) is remediated by compliance, the punishment for each violation shall be consecutive to all other such violations.
(5) In addition to the fine imposed pursuant to subdivisions (e)(2)(A) and (B), the court shall order restitution be made to the owner of the retained funds. In determining the appropriate amount of restitution, the formula stated in Tenn. Code Ann. § 40-35-304 shall be used.

h) **Request for Disbursement as Certification.**
Each request by the Local Government for disbursement of the Project Loan shall constitute a certification by the Local Government that all representations made in this Loan Agreement remain true as of the date of the request and that no adverse developments affecting the financial condition of the Local Government or its ability to complete the Project or to repay the Project Loan plus interest have occurred since the date of this Loan Agreement unless specifically disclosed in writing by the Local Government in the request for disbursement. Submitted requests for disbursement must be supported by proper invoices and other documentation required by and acceptable to the Department and the Authority.

i) **Payment Certification.**
After the Department has certified and the Authority has approved a request for disbursement, the Authority will disburse the Project Loan during the progress of the Project. Each disbursement shall be by electronic funds transfer, or such other form of payment as specified in the payment schedule and shall be equal to that portion of the unpaid principal amount incurred to the date of the Local Government's request for disbursement. The amount of any principal forgiven shall be allocated on a pro-rata basis to each disbursement made.

j) **90% of the Project Loan.**
No more than 90% of the Project Loan shall be paid to the Local Government prior to the time:
(1) the construction of the Project has been completed;
(2) the facilities constituting the Project are, in the opinion of the Department, in proper operation; and
(3) the Project has been approved by the Department. Following approval of the Project by the Department, the remaining 10% of the Project Loan may be paid to the Local Government. Provided, however, that if this Project Loan is for planning or planning and design, payments may be made prior to the completion of construction of the Project for the full amount of costs associated with the planning or planning and design.

9) ADDITIONAL FUNDING REQUEST.

a) **Increase in Project Loan.**
If the final Project Cost is greater than estimated in Section 2(b), then the Project Loan may be increased by an amendment executed by the parties to this Loan Agreement if the following conditions are fulfilled:

i) Amounts in the Fund are authorized and available for such increase;

ii) The increased Project Loan otherwise meets the applicable statutory requirements and the rules adopted thereunder; and

iii) Such increase in this Project Loan does not result in any violation or breach of any contract, resolution, or ordinance of the Local Government

b) **Loan Number and Interest Rate.**
A companion or supplemental loan will be issued with an new loan number and the current interest rate will be applied.

c) **Other Amendments and Modifications.**
Any other amendment or modification of this Loan Agreement must first be approved by the Authority and must be in writing executed by the parties to this Loan Agreement.

10) NOTIFICATION OF DEFAULT OR DELAY OF PROJECT PERFORMANCE.
The Local Government shall provide written notice to the Department within 30 days of becoming aware of any event that prevents or causes the default or delay in the performance of its obligations under this Loan Agreement. The written notice should describe in reasonable detail the nature of the default or delay and any efforts, workaround plans, alternative sources, or other means being conducted to resume performance. If the Local Government's failure to perform is longer than 180 days, the Department may, upon notice to Local Government: (a) cancel principal forgiveness; or (b) cancel the loan funding, in whole or in part, and place the loan in repayment. The Local Government may reapply for another SRF loan once a resolution is reached by the Local Government and the Department.

11) TERMINATION FOR CONVENIENCE.
The State may terminate this Project Loan without cause for any reason. A termination for convenience shall not be a breach of this Loan Agreement. The State shall give the Local Government at least thirty (30) days written notice before the effective termination date. The Local Government shall be entitled to disbursement of loan funds for authorized expenditures and satisfactory services completed as of the termination date, but in no event shall the State be liable to the Local Government for compensation for any service that has not been rendered. The final decision as to the amount for which the State is liable shall be determined by the State. The Local Government shall not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount for the State its exercise of its right to terminate for convenience.

12) TERMINATION FOR CAUSE.
If the Local Government fails to properly perform its obligations under this Project Loan, or if the Local Government violates any terms of this Project Loan, the State shall have the right to immediately terminate this Project Loan and withhold payments in excess of fair disbursements for completed services. Notwithstanding the exercise of the State's right to terminate this Project Loan for cause, the Local Government shall not be relieved of liability to the State and Department for damages sustained by virtue of any breach of this Project Loan by the Local Government.

13) REPRESENTATIONS AND PLEDGES OF LOCAL GOVERNMENT.
The Local Government hereby represents, agrees, and covenants with the State as follows:

a) To construct, operate, and maintain the Project in accordance, and to comply, with all applicable federal and state statutes, rules, regulations, procedural guidelines, and grant conditions;

b) To comply with:

   i) The Project schedule, engineering plans and specifications, and any and all special conditions established and/or revised by the Department; and

   ii) Any special conditions established and/or revised by the Authority including, but not limited to, the Authority's "State Revolving Fund Policy and Guidance for Borrowers" adopted on September 21, 2016, with any amendments made as of the date of execution of the Project Loan Agreement, the terms, and conditions of which are adopted by reference as if fully set forth herein;

c) To commence operation of the Project on its completion and not to contract with others for the operation and management of, or to discontinue operation or dispose of, the Project without the prior written approval of the Department and the Authority;

d) To provide for the Local Government's share of the cost of the Project;

e) To comply with applicable federal requirements including the laws and executive orders listed on Attachment A to this Loan Agreement;

f) To advise the Department before applying for federal or other state assistance for the Project;

g) To establish and maintain adequate financial records for the Project in accordance with generally accepted government accounting principles; to cause to be made an annual audit acceptable to the Comptroller of the Treasury of the financial records and transactions covering each fiscal year; and to furnish a copy of such audit to the Authority. In the event of the failure or refusal of the Local Government to have the annual audit prepared, then the Comptroller of the Treasury may appoint an accountant or direct the Department of Audit to prepare the audit at the expense of the Local Government;

h) To provide and maintain competent and adequate engineering supervision and inspection of the Project to ensure that the construction conforms with the engineering plans and specifications approved by the Department;

i) To abide by and honor any further guarantees or granting of security interests as may be required by the State which are not in conflict with state or federal law;

j) To do, file, or cause to be done or filed, any action or statement required to perfect or continue the lien(s) or pledge(s) granted or created hereunder;

k) To establish and collect, and to increase, user fees and charges and/or increase or levy, as the case may be, ad valorem taxes as needed to pay the monthly installments due under this Loan Agreement, as well as the other costs of operation and maintenance including depreciation and debt service of the system of which the Project is a part;

l) The Local Government is subject to the jurisdiction of the Water and Wastewater Financing Board ("WWFB") established in Tenn. Code Ann. § 68-221-1008 or of the Utility Management Review Board ("UMRB") created in Tenn. Code Ann. § 7-82-701 as provided by law. If the Authority, in its sole discretion, determines that the Local Government's obligations under this Loan Agreement have been or may be impaired, the Authority may refer the Local Government to the WWFB or UMRB (each a "Board") as appropriate. In the event of default under this Loan Agreement, the Authority shall refer the Local Government to the Board having jurisdiction over the entity. In such event, the Local Government covenants, to the extent permitted by law, to request advisory technical assistance from the Board and to request that the Board propose any and all management, fiscal and/or rate changes necessary to enable the Local Government to fulfill its obligations to the Authority under this Loan Agreement. The Local Government agrees to supply the Board with any information that the Board may request in connection with its analysis of the Local Government's system. The Local Government agrees that it will implement any and all technical, management, fiscal and/or rate changes recommended by the Board and determined by the Authority to be required for the Local Government to fulfill its obligations to the Authority under this Loan Agreement.

Towns, Cities, and Counties.

m) To receive the approval of the Authority prior to issuing any Obligations that are payable all or in part from any part of the Revenues if such Obligations are intended to be on parity or superior to the lien position created under this Loan Agreement;

n) To notify the Assistant Secretary to the Authority in writing prior to issuing any Obligations that are payable all or in part from any part of the Revenues if such Obligations are intended to be subordinate to the lien position created under this Loan Agreement;

o) To receive the approval of the Authority prior to pledging or encumbering the Local Government's State-Shared Taxes; and

Utility Districts & Commissions.

p) To establish and collect, and to increase user fees and charges sufficient to meet a 1.20X debt service coverage to net revenues. Net revenues are gross earnings, fees and charges, less current expenses. Current expenses are those incurred in the operation of the system, determined in accordance with generally accepted accounting principles ("GAAP"), including the reasonable and necessary costs of operating, maintaining, repairing, and ensuring the system, salaries, wages, cost of material and supplies, and insurance premiums, but shall specifically exclude depreciation and debt service payments;

q) No additional debt payable from Revenues will be issued or entered into unless:

   i) Prior approval is received from the Authority;

ii) The annual audit required by the terms of this Loan Agreement for the most recent fiscal year has been delivered within six (6) months after the end of such fiscal year;

iii) The covenant this Loan Agreement is met for the most recent fiscal year;

iv) The net revenues of the system for the next three fiscal years ending after the issuance of the additional debt will be sufficient to comply with the covenant in this Loan Agreement; and

v) The Local Government has adopted a revised schedule of rates and fees and taken action to put such revisions in effect at or prior to the issuance of the additional debt.

14) SECURITY AND DEFAULT.

a) **Towns, Cities, and Counties.** As security for payments due under this Loan Agreement, the Local Government pledges users' fees, and charges and/or ad valorem taxes, and covenants and agrees that it shall increase such fees or increase or levy, as the case may be, ad valorem taxes as needed to pay the monthly installments due under this Loan Agreement, as well as the other costs of operation and maintenance of the system, including depreciation. The Local Government covenants to establish and collect such fees and taxes and to make such adjustments to raise funds sufficient to pay such monthly payments and costs but to create only a minimum excess. The Local Government further pledges such other additional available sources of Revenues as are necessary to meet the obligations of the Local Government under this Loan Agreement.

As further security for payments due under this Loan Agreement, the Local Government pledges and assigns subject to the provisions herein its Unobligated State-Shared Taxes in an amount equal to the maximum annual debt service requirements under this Loan Agreement. If the Local Government fails to remit the monthly payments as established in the payment schedule, the Authority shall deliver by certified mail a written notice of such failure to the Local Government within five days of such failure and the Authority shall suspend making disbursements as provided in Section 6 until such delinquency is cured. If the Local Government fails to cure payment delinquency within 60 days of the receipt of such notice, such failure shall constitute an event of default under this Loan Agreement and, in addition, the Authority shall notify the Commissioner of Finance and Administration of the State of Tennessee of the default of the Local Government and the assignment of Unobligated State-Shared Taxes under this Loan Agreement. Upon receipt of such notice, the Commissioner shall withhold such sum or part of such sum from any State-Shared Taxes which are otherwise apportioned to the Local Government and pay only such sums necessary to liquidate the delinquency of the Local Government to the Authority for deposit into the fund. The Local Government acknowledges that it has no claim on State-Shared Taxes withheld as permitted under this Loan Agreement.

If the Local Government breaches any other provision of this Loan Agreement, the Authority shall deliver by certified mail a written notice of such breach to the Local Government within 30 days of the Authority learning of such breach. The Local Government's failure to cure the breach within 60 days from receipt of notice of such breach shall constitute an event of default under this Loan Agreement.

b) **Utility Districts and Commissions.** As security for payments due under this Loan Agreement, the Local Government pledges user fees and charges, and covenants and agrees that it shall increase such fees and charges as needed to pay the monthly installments due under this Loan Agreement, as well as the other costs of operation and maintenance of the system, including depreciation. The Local Government further pledges such other additional available sources of Revenues as are necessary to meet the obligations of the Local Government under this Loan Agreement.

Prior to the first disbursement of funds under this Loan Agreement, the Local Government will deposit with the Authority an amount of funds equal to the maximum annual debt service (the "security deposit"). The amount of the security deposit will be adjusted to reflect adjustments in the payment schedule. The Authority will credit the Local Government with interest earnings on the security deposit on at least an annual basis pursuant to policy of the Authority.

As further security for payments due under this Loan Agreement, the Local Government pledges, and assigns, subject to the provisions herein, any funds due to the Local Government from the State.

If the Local Government fails either to fully fund the security deposit as provided above or to remit the monthly payments as established in the payment schedule, the Authority shall deliver by certified mail written notice of such failure to the Local Government within seven days of such failure and the Authority shall suspend making disbursements as provided in Section 6 until such delinquency is cured. If the Local Government fails to cure payment delinquency within 15 days of the receipt of such notice, such failure shall constitute an event of default under this Loan Agreement, and in addition, the Authority shall apply from the security deposit only the funds necessary to liquidate the amount of the delinquency of the Local Government to the Authority as of that date. If the funds deposited in the security deposit are not sufficient to cure the delinquency, the Authority shall notify the Commissioner of Finance and Administration, and the Commissioner shall withhold such amount from any funds otherwise due to the Local Government from the State and pay such amount to the Authority for deposit into the Fund. The Local Government acknowledges that it has no claim on such funds withheld or paid over as permitted under this Loan Agreement. The Local Government shall replenish the security deposit within 60 days from any withdrawal of funds from that account by the Authority to liquidate the delinquency as provided above. Failure to replenish the security deposit within 60 days shall constitute an event of default under this Loan Agreement.

If the Local Government breaches any other provision of the Loan Agreement, the Authority shall deliver by certified mail a written notice of such breach to the Local Government within 30 days of the Authority learning of the breach. The Local Government's failure to cure any breach within 60 days from receipt of notice of such breach shall constitute an event of default under this Loan Agreement.

c) **Applicable to ALL.** Upon an event of default, the Authority may declare all unpaid principal and interest to be immediately due and payable as well as pursue all available legal and equitable remedies. The Local Government shall be responsible for all costs that the Authority incurs in enforcing the provisions of this Loan Agreement after an event of default, including, but not limited to, reasonable attorneys' fees.

15) CONDITIONS PRECEDENT.

This Loan Agreement is further conditioned on the receipt of the following documents, in form and substance acceptable to the Authority, if applicable, on or before the date of the first disbursement of the Project Loan; each document is to be dated or certified, as the case may be, on or before the date of the first disbursement of the Project Loan:

a) A general certificate of the Local Government certifying the resolution or ordinance authorizing the Local Government to enter into this Loan Agreement, the resolution or ordinance authorizing the rate and fee structure for the users of the system, and other matters;

b) An opinion of the attorney or special counsel to the Local Government stating:

   i) The Local Government has been duly created and is validly existing and has full power and authority (under its charter and by-laws or general law, if applicable, and other applicable statutes) to enter into and carry out the terms of this Loan Agreement;

   ii) This Loan Agreement is duly executed and constitutes a valid and binding contract of the Local Government, enforceable in accordance with its terms except as the enforceability thereof may be limited by bankruptcy, reorganization, insolvency, moratorium, or similar laws affecting the enforcement of creditors rights generally;

   iii) This Loan Agreement is not in conflict in any material way with any contracts, resolutions, or ordinances of the Local Government; and

   iv) There is no litigation materially adversely affecting this Loan Agreement or the financial condition of the Local Government;

c) An opinion of a licensed engineer or certified public accountant as to the sufficiency of the rates, fees and charges and any other fees and charges to meet costs of operation and maintenance, including depreciation and all debt service of the Local Government, as set forth in Paragraph 11(k) above;

d) An opinion of a licensed engineer as to the reasonableness of the project costs and as to the estimated completion date of the Project;

e) If the Local Government is a **Utility District or Commission** and the Project for the expansion of a wastewater facility rather than remedial (correction of public health problem), the Local Government shall submit written evidence of consent to the expansion by the relevant governing bodies;

f) If the Local Government is a **Town, City, or County**, a representation of the Local Government as to loans and State-Shared Taxes.

16) NONDISCRIMINATION.

The Local Government hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Project Loan or in the employment practices of the Local Government on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by federal, Tennessee state constitutional, or statutory law. The Local Government shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

17) PUBLIC NOTICE.

All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Local Government in relation to this Project Loan shall include the statement, "This project is funded by the Tennessee State Revolving Loan Program." All notices by the Local Government in relation to this Project Loan shall be approved by the State.

18) RECORDS.

The Local Government and any approved subcontractor shall maintain documentation for all charges under this Project Loan. The books, records, and documents of the Local Government, insofar as they relate to work performed or money received under this Project Loan, shall be maintained in accordance with applicable Tennessee law. In no case shall the records be maintained for a period of less than five (5) full years from the date of the final payment. The Local Government's records shall be subject to audit at any reasonable time and upon reasonable notice by the Grantor State Agency, the Comptroller of the Treasury, or their duly appointed representatives.

a) The records shall be maintained in accordance with Governmental Accounting Standards Board (GASB) Accounting Standards or the Financial Accounting Standards Board (FASB) Accounting Standards Codification, as applicable, and any related AICPA Industry Audit and Accounting guides.

b) In addition, documentation of grant applications, budgets, reports, awards, and expenditures will be maintained in accordance with the U.S. Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Grant expenditures shall be made in accordance with local government purchasing policies and procedures and purchasing procedures for local governments authorized under state law. The Local Government shall also comply with any recordkeeping and reporting requirements prescribed by the Tennessee Comptroller of the Treasury.

c) The Local Government shall establish a system of internal controls that utilize the COSO Internal Control - Integrated Framework model as the basic foundation for the internal control system. The Local Government shall incorporate any additional Comptroller of the Treasury directives into its internal control system.

d) Any other required records or reports which are not contemplated in the above standards shall follow the format designated by the head of the Grantor State Agency, the Central Procurement Office, or the Commissioner of Finance and Administration of the State of Tennessee.

19) LICENSURE.
Any person performing work funded through this Loan Agreement shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses.

20) AUDIT REPORT.

a) The Local Government shall be audited in accordance with applicable Tennessee law.

b) The Local Government will comply with the following 2 C.F.R. Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

c) The funding for this loan could be disbursed from federal or state sources or both. Therefore, the recipient should consider that all funding received is a federal award and abide by all relevant federal and/or state compliance requirements.

d) The funding for this Project Loan is:
CFDA Title: Capitalization Grants for Clean Water State Revolving Funds CFDA#: 66.458
Research and Development Award: Number
Grant Number: CS47000122
Federal Awarding Agency: Environmental Protection Agency

e) Confirmations of funds disbursed can be obtained at fiscal year-end from the Tennessee Comptroller of the Treasury, Division of Local Government Audit's Website at https://comptroller.tn.gov/. Any questions regarding sources of funds should be directed to the Department.

f) At fiscal year-end, contact state SRF Loan Program for a breakdown by specific grant period(s), loan(s), and amount(s).

i) 2 C.F.R. Part 200.501, 200.505, 200.512 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

2 C.F.R. § 200.501 states, "A non-Federal entity that expends $750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this part."

2 C.F.R. § 200.512 states, "(1) The audit must be completed, and the data collection form described in paragraph (b) of this section and reporting package described in paragraph (c) of this section must be submitted within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period. If the due date falls on a Saturday, Sunday, or Federal holiday, the reporting package is due the next business day."

2 C.F.R. § 200.505 states, "In cases of continued inability or unwillingness to have an audit conducted in accordance with this part, Federal agencies and pass-through entities must take appropriate action as provided in § 200.338 Remedies for noncompliance."

A copy of the audit report shall be provided to the Comptroller by the licensed, independent public accountant. Audit reports shall be made available to the public.

21) DAVIS-BACON ACT.

The Davis-Bacon Act, 46 Stat. 1494 (Pub. Law 71-800), and Related acts apply to contractors and subcontractors performing on federally funded or assisted contracts in excess of $2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. The Davis-Bacon Act (DBA) and Related Acts require contractors and subcontractors to pay their laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area. The Davis-Bacon Act directs the Department of Labor to determine such locally prevailing wage rates. The Davis-Bacon Act applies to contractors and subcontractors performing work on federal or District of Columbia contracts. The prevailing Davis-Bacon Act wage provisions apply to the "Related Acts," under which federal agencies assist construction projects through grants, loans, loan guarantees, and insurance.

For prime contracts in excess of $100,000, contractors and subcontractors must also, under the provisions of the Contract Work Hours and Safety Standards Act, as amended, pay laborers and mechanics, including guards and watchmen, at least one and one-half times their regular rate of pay for all hours worked over 40 in a workweek. The overtime provisions of the Fair Labor Standards Act may also apply to DBA-covered contracts.
The Local Government will comply with the following:

a) The Local Government must adhere to the most current Wage Rate (Davis-Bacon Act) applicable to the project.

b) The bid advertisement for construction must state the wage rate requirements. The wage rate needs to be current at the bid opening.

c) The wage determination (including any additional classifications and wage rates conformed) and a WH-1321 - Davis-Bacon Poster English and a WH-1321 - Davis Bacon Poster Spanish must be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen.

d) The wage rate information can be obtained at www.wdol.gov/.

22) AMERICAN IRON AND STEEL.

The American Iron and Steel (AIS) provision requires Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) assistance recipients to use iron and steel products that are produced in the United States. This requirement applies to projects for the construction, alteration, maintenance, or repair of a public water system or treatment works.

The Clean Water Act (CWA) includes permanent requirements for the use of AIS in CWSRF projects. Section 608 of the CWA now contains requirements for AIS that repeat those of the Consolidated Appropriations Act of FY 2014. As such, all CWSRF projects must comply with Section 608 of the CWA for implementation of the permanent AIS requirements. Therefore, all guidance's adopted for FY 2014 apply for the permanent AIS requirements for the CWSRF. The AIS provision is a permanent requirement for CWSRF treatment works projects. The America's Water Infrastructure Act of 2018 amended the Safe Drinking Water Act to extend the AIS provision for DWSRF projects through Fiscal Year 2023.

Waiver. Each Local Government that receives CWSRF and/or DWSRF water infrastructure financial assistance is required to use American made iron and steel products in the construction of its project. However, if the recipient can justify a claim made under one of the categories below, a waiver may be granted. Until a waiver is granted by EPA, the AIS requirement must be adhered to as described in the Act.

EPA's implementation memorandum on AIS requirements includes specific instructions for communities interested in applying for a waiver.

How to Request a Waiver
General Steps:

a) Community prepares the waiver request and submits it to the State SRF. The request should include project specifications for the product.

b) State SRF reviews and submits the request to EPA.

c) EPA posts the waiver request for public comment for 15 days (see the Waiver Requests Received by EPA tab).

d) EPA provides a response and posts it on the website.

23) BUILD AMERICA, BUY AMERICA (BABA) ACT

In accordance with the Infrastructure Investment and Jobs Act (IIJA), Public Law No. I 17-58, the Local Government must comply with all federal requirements applicable to receiving assistance from IIJA funding, which includes that all of the iron and steel, manufactured products, and construction materials used in the Project are to be produced in the United States unless:

a) the Local Government has requested and obtained a waiver from the State pertaining to the Project, or the Project is otherwise covered by a general applicability waiver; or
b) all of the contributing Agencies have otherwise advised the Local Government in writing that the BABA requirements are not applicable to the Project.

EPA's BABA implementation memorandum includes specific instructions for product coverage, waivers, co-funding, and documenting compliance. For more information on the BABA requirements, visit the EPA Office of Water's website at https://www.epa.gov/cwsrf/build-america-buy-america-baba or you may also email questions to BABA-OW@epa.gov or contact the State. For information on approved waivers, visit https://www.epa.gov/cwsrf/build-america

24) DISADVANTAGED BUSINESS ENTERPRISE (MBE)/WOMEN'S BUSINESS ENTERPRISE (WBE)

In accordance with federal Executive Order 11625 dated October 13, 1971, and Executive Order 12138 dated May 18, 1979, the local government must make a good faith effort to include participation from Disadvantaged Business Enterprises (DBE) in sub-agreement awards. The Minority Business Enterprises (MBE) fair share goal is 2.6% for construction and 5.2% for supplies, services, and equipment. The Women's Business Enterprises (WBE) fair share goal is 2.6% for construction and 5.2% for supplies, services, and equipment.

Pursuant to 40 C.F.R. § 33.301, the recipient agrees to make the following good faith efforts whenever procuring construction, equipment, services, and supplies under an EPA financial assistance agreement, and to require that sub-recipients, loan recipients, and prime contractors also comply. Records documenting compliance with the six good faith efforts shall be retained:

a) Ensure Disadvantaged Business Enterprises (DBE) are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State, and Local Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.

b) Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.

c) Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State, and local Government recipients, this includes dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.

d) Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.

e) Use the services and assistance of the Small Business Administration (SBA) and the Minority Business Development Agency of the Department of Commerce.

f) If the prime contractor awards subcontracts, require the prime contractor to take the steps in paragraphs (a) through (e).

25) TITLE VI COMPLIANCE.

Local Government shall comply with requirements of Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d-1, pursuant to the guidelines established by the Tennessee Human Rights Commission's Title VI Compliance Office, by completing all of the following items:

a) Provide name and contact information of Local Government's Title VI Coordinator to State.

b) Ensure Policies and Procedures Manual contains a Title VI section with information on: (a) Filing a complaint; (b) Investigations; (c) Report of findings; (d) Hearings and appeals; (e) Description of Title VI Training Program; (f) Limited English Proficiency (LEP) procedure; and (g) Retaliation.

c) Train all staff (regular, contract, volunteer) on Title VI upon employment and annually thereafter. Training documentation shall be made available upon request of State and include: 1) dates and duration of each training; 2) list of staff completing training on each date.

d) Annually complete and submit a Title VI self-survey as supplied by Department.

e) Implement a process and provide documentation to ensure service recipients are informed of Title VI and how to file a discrimination complaint.

f) Additional Title VI resources may be found at: Title VI Compliance Program Website.

26) FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA).
This Project Loan requires the Local Government to provide supplies or services that are funded in whole or in part by federal funds that are subject to FFATA. The Local Government is responsible for ensuring that all applicable FFATA requirements are met and that the Local Government provides information to the State as required.

27) DATA UNIVERSAL NUMBERING SYSTEM (DUNS).
The Local Government will obtain a Data Universal Numbering System (DUNS) number and maintain its DUNS number for the term of this Project Loan. More information about obtaining a DUNS Number can be found at: http://fedgov.dnb.com/webform/.

28) GOVERNING LAW.
This Loan Agreement shall be governed by and construed in accordance with the laws of the state of Tennessee. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this Loan Agreement. The Local Government acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees, including but not limited to, the Department, the Authority, and the employees thereof, arising under this Loan Agreement shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. Title 9, Chapter 8.

29) SEVERABILITY.
In the event any covenant, condition or provision of this Loan Agreement is held to be invalid or unenforceable by a final judgment of a court of competent jurisdiction, the invalidity thereof shall in no way affect any of the other covenants, conditions, or provisions hereof.

30) NOTICES COMMUNICATIONS AND CONTACTS.
All instructions, notices, consents, demands, or other communications required or contemplated by this Project Loan shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of

method of transmission, shall be addressed to the respective party as set out below: Any notice shall be delivered to the parties at the addresses below (or such other addresses as the parties shall specify to each other in writing):

To Department:	Tennessee Department of Environment and Conservation State Revolving Fund Loan Program 312 Rosa L. Parks Ave, 12th Floor Nashville, TN 37243 ATTN: Administrative/Financial Manager
To Authority:	Tennessee Local Development Authority Cordell Hull Building 425 Rep. John Lewis Way N. Nashville, TN 37243-3400 ATTN: Assistant Secretary
To Local Government:	City of Lakeland 10001 Highway 70 Lakeland, Tennessee 38002 ATTN: Josh Roman, Mayor

31) SECTION HEADINGS.

Section headings are provided for convenience of reference only and shall not be considered in construing the intent of the parties to this Loan Agreement.

32) SPECIAL CONDITIONS.

N/A

33) EFFECTIVE DATE.

The effective date of this Loan Agreement shall be the date on which the Authority approves this Loan Agreement as by the signature.

IN WITNESS WHEREOF, the parties to this Loan Agreement have caused the Loan Agreement to be executed by their respective duly authorized representatives.

LOCAL GOVERNMENT	**TENNESSEE LOCAL DEVELOPMENT AUTHORITY**
Name: City of Lakeland (City)	Name:
Signature: Josh Roman, Mayor	Signature:
Date: 09/08/2023	Date:
	Meeting Approval Date:
	Interest Rate:

APPROVED AS TO FUNDING:

COMMISSIONER, DEPARTMENT OF ENVIRONMENT AND CONSERVATION	**COMMISSIONER OF FINANCE AND ADMINISTRATION**
Signature: David W. Salyers, P.E., Commissioner	Signature:
Date:	Date:

APPROVED AS TO FORM:

DEPARTMENT OF ENVIRONMENT AND CONSERVATION
OFFICE OF GENERAL COUNSEL

Signature:

Date:

(PLEASE TYPE ON CITY ATTORNEY'S LETTERHEAD)
(MUST BE SIGNED ON OR AFTER THE DATE OF THE LOAN AGREEMENT SIGNATURE)

September 8, 2023

Tennessee Local Development Authority and
Tennessee Department of Environment and Conservation
Attention: State Revolving Fund Loan Program
Rosa L Parks Ave, 12th Floor
Nashville, TN 37243

RE: City of Lakeland (Shelby County), Tennessee
SRF 2022-476-01
New Pumpstation/Interceptor

Dear Madam/Sir:

I am the City Attorney for City of Lakeland, Tennessee and I have reviewed the Revolving Fund Loan Agreement for the above referenced project (the "Agreement") in the amount of $9,000,000.

Pursuant to provisions of Paragraph 9 of the Loan Agreement, you have requested that the City of Lakeland, Tennessee furnish you with my opinion as to certain matters. It is my opinion that:

1. The City of Lakeland, Tennessee, a municipality, has been duly created and is validly existing and has full power and authority (under its Charter and By-laws or general law, if applicable, and other applicable statutes) to enter into and carry out the terms of the Agreement;

2. The Agreement is duly executed and constitutes a valid and binding contract to the City of Lakeland, Tennessee, a municipality, enforceable in accordance with its terms except as the enforceability thereof may be limited by bankruptcy, reorganization, insolvency, moratorium, or similar laws affecting the enforcement of creditors rights generally;

3. The Agreement is not in conflict in any material way with any contracts or ordinances of the City of Lakeland, Tennessee, municipality; and

4. There is no litigation materially adversely affecting the Agreement or the financial condition of the City of Lakeland, Tennessee, Tennessee, a municipality.

Sincerely,

Name, Title
Firm

(PLEASE TYPE ON ENGINEER'S LETTERHEAD)
(MUST BE SIGNED ON OR AFTER THE DATE OF THE LOAN AGREEMENT SIGNATURE)

September 8, 2023

Tennessee Local Development Authority and
Tennessee Department of Environment and Conservation
Attention: State Revolving Fund Loan Program
Rosa L Parks Ave, 12th Floor
Nashville, TN 37243

RE: City of Lakeland (Shelby County), Tennessee
SRF 2022-476-01
New Pumpstation/Interceptor

Dear Madam/Sir:

We are the consulting engineers for the City of Lakeland Tennessee. Pursuant to Paragraph 9 of the Revolving Fund Loan Agreement in the amount of $9,000,000 to finance the above referenced project, you have requested that the City of Lakeland furnish you with our opinion as to certain matters. We are of the opinion:

1. The user charges implemented by the City of Lakeland, Tennessee are sufficient based on a Rate Study dated August 23, 2023 to meet costs of operation and maintenance including depreciation and all debt service of the system; and

2. The estimated Project costs are reasonable; and

3. The estimated completion date of the Project will be November 1, 2025

Sincerely,

Name
Firm

ATTACHMENT A

FEDERAL LAWS AND EXECUTIVE ORDERS

ENVIRONMENTAL:

Clean Air Act (Pub. L. 101-549, 42 U.S.C. § 7401, et seq.), as amended.

Endangered Species Act (Pub. L. 93-205, 16 U.S.C. § 1531, et seq.), as amended.

Environmental Justice, Executive Order 12898, 59 Fed. Reg. 7629 (1994), as amended.

Floodplain Management, Executive Order 11988 42 Fed Reg. 26951 (1977), as amended by Executive Order 12148, 44 FR 43239 (1979) (pertaining to Federal Emergency Management) and as further amended by Executive Order 13690, 80 FR 6425 (2015), as amended.

Protection of Wetlands, Executive Order 11990, 42 Fed Reg. 26961 (1977), as amended.

Farmland Protection Policy Act, (Pub. L. 97-98, 7 U.S.C. § 4201, et seq.), as amended.

Fish and Wildlife Coordination Act, (Pub. L. 85-624, 16 U.S.C. § 661 et seq.), as amended.

National Historic Preservation Act of 1966, (Pub. L. 113-287, 54 U.S.C. § 300101 et seq.), as amended.

Water Pollution Control Act of 1972, (Pub. L. 114-181, 33 U.S.C. § 1251 et seq.), as amended.

Safe Drinking Water Act (Title XIV of the Public Health Service Act, Pub. L. 93-523, 42 U.S.C. § 300f et seq.), as amended.

Wild and Scenic Rivers Act, (Pub. L. 90-542, 28 U.S.C. § 1271, et seq.), as amended.

Water Resources Reform and Development Act (WRRDA), (Pub. L. 113-121).

America's Water Infrastructure Act of 2018 (AWIA), (Pub. L. 115-270).

Archeological and Historic Preservation Act of 1974, (Pub. L. 86-523, 16 U.S.C. 469-469c), as amended

Improper Payment Elimination and Recovery Act of 2010, (31 U.S.C. § 3321 et seq.).

ECONOMIC AND MISCELLANEOUS AUTHORITIES:

Demonstration Cities and Metropolitan Development Act of 1966, (Pub. L. 89-754, 42 U.S.C. § 3331, et seq.), as amended.

Inter-governmental Review of Federal Programs, Executive Order 12372, 47 Fed. Reg. 30959 (1982), as amended.

Procurement Prohibitions under Section 306 of the Clean Air Act, 42 U.S.C. § 7606, and Section 508 of the Clean Water Act, 33 U.S.C. § 1368, including Executive Order 11738, 38 Fed. Reg. 25161(1973) (Administration of Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants and Loans), as amended.

Uniform Relocation and Real Property Acquisition Policies Act (Pub. L. 91-646, 42 U.S.C § 4601, et seq.), as amended.

Debarment and Suspension, Executive Order 12549, 51 Fed. Reg. 6370 (1986), as amended.

Kickbacks from Public Works Employees Prohibited, 18 U.S.C. § 874.

Requirements for Public Work Contractors to Comply with U.S. Dept. of Labor Regulations (Pub. L. 103-322, Title XXXIII, § 330016(1)(K), 40 U.S.C. § 3145), as amended.

Contract Work Hours and Safety Standards Act (Pub. L. 111-350, 40 U.S.C. § 3701, et seq.), as amended.

SOCIAL POLICY AUTHORITIES:

Age Discrimination in Employment Act (Pub. L 114-181, 29 U.S.C. § 621, et seq.), as amended.

Title VI of Civil Rights Act of 1964 (Pub. L. 88-352, 42 U.S.C. § 2000d, et seq.), as amended, and related anti-discrimination statutes.

Section 504 of the Rehabilitation Act of 1973 (Pub. L. 93-112, 29 U.S.C. § 701), as amended, and Executive Order 12250 (45 Fed. Reg. 72995 (1980)).

Equal Employment Opportunity, Executive Order 11246 [30 Fed. Reg. 12319, 12935 (1965)].

Executive Order 11375 (32 Fed. Reg. 14303 (1967)), and Executive Order 13672 (79 Fed. Reg. 42971 (2014)).

Women's and Minority Business Enterprise Executive Orders 11625 (36 Fed. Reg. 19967 ((1971)), 12138 (44 Fed. Reg. 29637 (1979)), and 12432 (48 Fed. Reg. 32551 (1983)).

Section 129 of Small Business Administration Reauthorization and Amendment Act (Pub. L. 100-590, 15 USC § 637), as amended.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION
STATE REVOLVING FUND LOAN PROGRAM

STATE REVOLVING FUND LOAN
BUDGET/RE-BUDGET FORM
PROJECT # SRF 2022-476-01

CHECK ONE:
X Clean Water
Drinking Water

LEGAL NAME OF APPLICANT: City of Lakeland
ADDRESS: 10001 Highway 70
CITY, STATE, ZIP: Lakeland, TN 38002

CLASSIFICATIONS OF COSTS	(1) CURRENT SRF BUDGET ($)	(2)* SRF ADJUSTMENT* ($)	(3)*=(1)+(2)* REVISED SRF BUDGET* ($)	(4) LOCAL SHARE ($)	(5) LOCAL SHARE ADJUSTMENT* ($)	(6) REVISED LOCAL SHARE* ($)	(7) OTHER FUNDS ($)	(8)=(1)+(4)+(7) OR, IF RE-BUDGET, (8)=(3)*+(6)*+(7) CURRENT TOTAL PROJECT COSTS ($)
(a) Administrative & Legal Fees	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$75,000.00	$75,000.00
(b) Land Costs, Appraisals	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
(c) Planning Fees	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$13,000.00	$13,000.00
(d) Design Fees	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$456,261.00	$456,261.00
(e) Engineering Basic Fees	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$587,500.00	$587,500.00
(f) Other Engineering Fees	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$20,500.00	$20,500.00
(g) Project Inspection Fees	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$564,800.00	$564,800.00
(h) Construction and Project Improvement Costs								
(h1) Clear Creek Interceptor	$8,801,307.95	$0.00	$8,801,307.95	$0.00	$0.00	$0.00	$13,282,939.00	$22,084,246.95
(h2)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
(h3)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
(h4)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
(h5)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
(h6)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
(h7)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
(h8)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
(i) Equipment	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
(j) Miscellaneous Costs	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
(k) Contingencies	$198,692.05	$0.00	$198,692.05	$0.00	$0.00	$0.00	$0.00	$198,692.05
TOTALS	**$9,000,000.00**	**$0.00**	**$9,000,000.00**	**$0.00**	**$0.00**	**$0.00**	**$15,000,000.00**	**$24,000,000.00**

ENGINEER'S OR AUTHORIZED REPRESENTATIVE'S SIGNATURE

09/08/2023
DATE

*Applicable only to budget revisions.
**Only forms submitted with original signatures will be processed.
NOTE: Additional columns may be added, if necessary, to accommodate additional funding agencies.
Form Revised 8-2002

RESOLUTION R-119-2023

AMENDING RESOLUTIONS R-134-2022, R-25-2023, AND R-70-2023 AND THE CALENDAR YEAR 2023 CITY OF LAKELAND MEETING CALENDAR

WHEREAS, the Board of Commissioners of the City of Lakeland, Tennessee, (the "Board") set the meeting calendar for calendar year 2023 with Resolution R-134-2022; and,

WHEREAS, the Board revised the meeting calendar for calendar year 2023 with Resolution R-25-2023; and,

WHEREAS, the Board further revised the meeting calendar for calendar year 2023 with Resolution R-70-2023; and,

WHEREAS, the Board deems it appropriate to revise the meeting calendar:

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the City of Lakeland, Tennessee, hereby amends Resolutions R-134-2022, R-25-2023, and R-70-2023 by cancelling the regular meeting scheduled for Thursday, November 2, 2023, and adding a regular meeting on Tuesday, November 7, 2023.

APPROVED AND ADOPTED by the Board of Commissioners of the City of Lakeland, Tennessee this 7th day of September 2023, the public welfare requiring it.

____

Josh Roman, *Mayor*

ATTEST:

____

Sue Lipscomb
Recorder Pro Tempore

RESOLUTION R-122-2023

REPEALING AND RESCINDING RESOLUTIONS R-58-2023 AND R-59-2023

WHEREAS, the Board of Commissioners of the City of Lakeland, Tennessee (the "Board") authorized the creation of a Crime Prevention Neighborhood Watch liaison role with Resolution R-58-2023, adopted on April 20, 2023; and,

WHEREAS, the Board appointed Commissioner Connie McCarter as the Crime Prevention Neighborhood Watch liaison with Resolution R-59-2023, adopted on April 20, 2023; and,

WHEREAS, on June 15, 2023, the Board voted unanimously (of those present) that the Neighborhood Watch liaison fall under the Community Advisory Board; and,

WHEREAS, Resolution R-1-2023, adopted January 12, 2023, appointed Commissioner Michele Dial as the Community Advisory Board liaison:

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the City of Lakeland, Tennessee, that the separate appointment of a Commissioner as Crime Prevention Neighborhood Watch liaison is no longer appropriate, and that Resolutions R-58-2023 and R-59-2023 are hereby repealed and rescinded, effective immediately.

APPROVED AND ADOPTED by the Board of Commissioners of the City of Lakeland, Tennessee, this 7th day of September 2023, the public welfare requiring it.

____
Josh Roman, *Mayor*

ATTEST:

____
Sue Lipscomb
Recorder Pro Tempore

RESOLUTION R-123-2023

AUTHORIZING THE CITY ATTORNEY TO FILE AND PURSUE CONDEMNATION PROCEEDINGS CONCERNING A PARCEL WITHIN THE LAKELAND GATEWAY TIF DISTRICT OWNED BY SUKABHI AND GANGABEN PATEL FOR THE NECESSARY CONSTRUCTION OF PUBLIC SAFETY FACILITIES

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, the BOC established "*Public Safety: Coordinate with public safety partners to determine and support facility needs, crime prevention awareness and communication, and increase presence in the City of Lakeland"* as one of the official strategic goals of the City of Lakeland (the "City") in Resolution R-24-2023 on February 9, 2023; and,

WHEREAS, the Shelby County Sheriff's Office ("SCSO") has expressed interest in partnering with the City of Lakeland to build and/or occupy facilities in Lakeland that would accommodate this goal; and,

WHEREAS, in February 2023, the Lakeland Industrial Development Board, Lakeland Board of Commissioners, and 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, pursuant to Resolution R-68-2023, adopted May 18, 2023, the Board of Commissioners 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 owned by Sukabhi and Gangaben Patel located at 3645 Canada Road, Lakeland, TN 38002 and identified as Parcel ID L0159 00117C ("Subject Property") has been identified as the best location for the proposed Public Safety facility, occupied by the SCSO, within the Lakeland Gateway TIF District; and,

WHEREAS, the Board of Commissioners has determined that acquisition of the Subject Property is necessary to accomplish the City's public safety strategic goals and provide for SCSO presence in the Lakeland Gateway, as the Subject Property is ideally located to serve this priority, need, and partnership due to its visibility in the City's primary gateway, ease of transportation access, and proximity to existing residential and commercial properties to support public safety; and,

RESOLUTION R-123-2023

AUTHORIZING THE CITY ATTORNEY TO FILE AND PURSUE CONDEMNATION PROCEEDINGS CONCERNING A PARCEL WITHIN THE LAKELAND GATEWAY TIF DISTRICT OWNED BY SUKABHI AND GANGABEN PATEL FOR THE NECESSARY CONSTRUCTION OF PUBLIC SAFETY FACILITIES

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 Public Safety facility project; and,

WHEREAS, the proposed Public Safety facility will serve the residents and commercial enterprises of the City and the proposed partnership with the SCSO will assist in offsetting the operational costs associated with the same; and,

WHEREAS, the proposed Public Safety facility project, including the necessary property acquisition in fee simple for the Subject Property identified above and further described in **Exhibit A**, is for public use and is in the public interest because it will permit increased policing presence in the City and accomplish one of the BOC's strategic goals as set forth in February 2023; and,

WHEREAS, the acquisition of the Subject Property, owned by Sukabhi and Gangaben Patel, in fee simple is necessary in order to complete the Public Safety facility project; and,

WHEREAS, the City of Lakeland has authorized and received an appraisal in the amount of one million two hundred thousand dollars ($1,200,000) of the Subject Property, owned by Sukabhi and Gangaben Patel, in fee simple; and,

WHEREAS, pursuant to Resolution R-68-2023, the City has attempted to acquire the Subject Property in fee simple by agreement through the City Manager; and,

WHEREAS, the owner of the Subject Property is presently unwilling to accept the appraisal amount; and,

WHEREAS, it appears that condemnation proceedings will be necessary in order to obtain the necessary described property in fee simple, owned by Sukabhi and Gangaben Patel, in order to complete the Public Safety facility project:

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 proceed with the initiation, filing, and pursuit of condemnation proceedings in Court to acquire the necessary Subject Property in fee simple.

AUTHORIZING THE CITY ATTORNEY TO FILE AND PURSUE CONDEMNATION PROCEEDINGS CONCERNING A PARCEL WITHIN THE LAKELAND GATEWAY TIF DISTRICT OWNED BY SUKABHI AND GANGABEN PATEL FOR THE NECESSARY CONSTRUCTION OF PUBLIC SAFETY FACILITIES

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 initiation of condemnation proceedings, of one million two hundred thousand dollars ($1,200,000), said amount representing the fair market value of the necessary Subject Property in fee simple for which condemnation proceedings by exercise of the power of eminent domain are hereby authorized.

APPROVED AND ADOPTED by the Board of Commissioners of the City of Lakeland, Tennessee on this 7th day of September 2023, the public welfare requiring it.

____
Josh Roman, *Mayor*

ATTEST:

____
Sue Lipscomb
Recorder Pro Tempore

EXHIBIT A

First American

First American Title Insurance Company
511 Union St, Suite 1600
Nashville, TN 37219
Phn - (901)821-6500
Fax - (866)845-4353

File No. 110042280 Customer: Foundation Title and Escrow, Series, LLC

Records of Shelby County, Tennessee

Title vested in: Sukhdev Patel and wife, Gangaben Patel - as to the Property described in Warranty Deeds X6 1161 and X6 9722. and Sukabhai Patel and wife, Gangaben Patel - as to the property described in Warranty Deed AS 0908.
Borrower(s): Sukabhi Patel and Gangaben Patel

Property Address:
3645 Canada Rd
Lakeland, Tennessee 38002-8077

Legal Description:
Tract 1:

Being part of the Lakeland Development Corporation property located on the west side of Canada Road North of Interstate Highway 1-40 and more particularly described as follows:

BEGINNING at a concrete right-of-way monument at the intersection of the northerly right-of-way line of Interstate 1-40 with the West right-of-way line of Canada Road (90 feet from center line) and running thence on a magnetic beating of North 24 degrees 33 minutes West with the West line of Canada Road 199.6 feet to a concrete right-of-way monument at an offset in the West right-of-way line of Canada Road; thence North 65 degrees 27 minutes East along said offset 15 feet to a concrete right-of-way monument; thence continuing northwardly with the West line of Canada Road (75 feet from center line) North 24 degrees 33 minutes West, 70.69 feet to an iron pipe, the beginning point of the parcel hereinafter described, said beginning point being 50 feet northwardly from the northeast corner of the American Oil Company Tract, and running thence North 26 degrees 33 minutes West with the West line of Canada Road 200 feet to an iron pipe; thence South 65 degrees 27 minutes West, 200 feet to an iron pipe; thence South 24 degrees 33 minutes East, 200 feet to an iron pipe; thence North 65 degrees 27 minutes East, 200 feet to the point of beginning.

Being the same property conveyed to Sukhdev Patel and wife, Gangaben Patel by virtue of Special Warranty Deed from Phillips Petroleum Company, a Delaware Corporation, dated February 25, 1986, and recorded on March 12th, 1986 as Instrument No. X6 1161, in the records of the Register's Office of Shelby County, Tennessee.

Tract 2:

Part of the Clair D. Vander Schaaf. Jr. Property as recorded in Instrument No. in W4 5219 in the Register's Office of Shelby County, Tennessee, note particularly described as follows:

Beginning at a found iron pin, the southwest corner of the Reproco, Inc. Property recorded in Book 6274. Page 495, in said Register's Office; thence N 24 degrees 33 minutes 00 seconds w along the west line of said Reproco, Inc. Property a distance of 200.00 feet to a bolt, the northwest corner of said Reproco, Inc. Property: thence S 65 degrees 27 minutes 00 seconds W a distance of 54.45 feet to an iron pin: thence S 24 degrees 33 minutes 00 seconds E a distance of 200.00 feet to an iron pin; thence N 65 degrees 27 minutes 00 seconds E a distance of 54.45 feet to the point of beginning and containing 10.890 square feet or 0.25 acres of land.

Being the same property conveyed to Sukhdev Patel and wife, Gangaben Patel by virtue of Warranty Deed from Clair D. Vander Schaaf, Jr., Trustee, dated April 3rd, 1986 and recorded on April 4th, 1986 as Instrument No. X6

9722, in the records of the Register's Office of Shelby County, Tennessee.

Tract 3:

PARCEL I:

Being a 50.00 foot wide ingress-egress easement as recorded In Deed Book 6276 Page 496 and part of the Clair D. Vander Schaaf. Jr. Trustee property as recorded in Instrument No. H4-5219 both in the Shelby County Register's Office and being described as follows:

Beginning at a point in the west line of Canada Road. said point being the southeast corner of the Reproco. Inc. property as recorded in Deed Book 6274, Page #95 in the Shelby County Register's Office; thence along the west line of Canada Road. South 25 degrees 07 minutes 53 seconds east, 50.00 feet to a point in the said vest line. said point being the northeast corner of the George H. Horton et. 31. property as recorded in Instrument No. V3-6196 in the Shelby County Register's Office; thence along the north line of the Horton property, south 65 deg rees 02 minutes 49 seconds west, 254.45 feet to a point; thence north 25 degrees 07 minutes 53 seconds west, 50.00 feet to a point, said point being the southwest corner of the Reproco, Inc., property; thence along the south line of the Reproco property, north 65 degrees 02 minutes 29 seconds east, 254.45 feet to the point of beginning and containing 12,723 square feet or 0.29 acres more or less.

PARCEL II:

Being part of the Clair D. Vander Schaaf. Jr.. Trustee property as recorded in Instrument No. W4-5219, in the Shelby Count Register's Office and being described as follows:

Beginning at the southwest corner of the Reproco, Inc. property as recorded in Deed Book 627,4 Page 495, in the Shelby County Register's Office, said point being 254.45 feet west of the west line of Canada Road (150.0 feet wide), as measured along the south line of the Reproco property; thence south 25 degrees 07 minutes 53 seconds east, 50.00 feet to a point; thence south 65 degrees 02 minutes 09 seconds west, 150.00 feet to a point; thence north 25 degrees 07 minutes 53 seconds west, 250.00 feet to a point; thence north 65 degrees 02 minutes 29 seconds east 150.00 feet to a point; same being the northwest corner of the Reproco, Inc. property; thence along the west line of the Reproco, property, south 25 degrees 07 minutes 53 seconds east. 200.00 feet to the point of beginning and containing 37.500 square feet or 0.86 acres more or less.

Being the same property conveyed to Sukabhai Patel and wife, Gangaben Patel by virtue of Warranty Deed from Clair D. Vandeschaaf, Jr., Trustee, dated September 6th, 1988, and recorded on August 16th, 1988 as Instrument No. AS 0908, in the records of the Register's Office of Shelby County, Tennessee.

Abstractor Note: For the purpose of title examination covering subject property, as of March 12, 1986 - as to the Property described in Warranty Deed X6 1161; April 4, 1986 - as to the Property described in Special Warranty Deed X6 9722; and September 16, 1988 - as to the Property described in Warranty Deed AS 0908., title to the property was vested in Sukhdev Patel and wife, Gangaben Patel - as to the Property described in Warranty Deeds X6 1161 and X6 9722. and Sukabhai Patel and wife, Gangaben Patel - as to the property described in Warranty Deed AS 0908., and has been found acceptable for title insurance by First American Title Insurance Company, subject to the following exceptions.

Restriction/Easements:
Restrictions 6274-495; Easements 5932-389, 6104-998, 6274-495, E5 2354, AS 0908, GL 3264, 04053376, 08014645.

Other:
NOTE: A - Names Checked - Sukhdev Patel and wife, Gangaben Patel - NONE: Sukabhai Patel and wife, Gangaben Patel - NONE: Gita Sam Shiv - NONE: B - Note: The title search preformed on the land described did not disclose any open deeds of trust and/or mortgages of record. Please Verify.

Certification Date: June 29, 2023

AS 0908

3

WARRANTY DEED

THIS INDENTURE, made and entered into this 6th day of September, 19 88, by and between

CLAIR D. VANDERSCHAAF, JR., TRUSTEE

hereinafter called Grantor,

and

SUKABHAI PATEL and wife, GANGABEN PATEL

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 the County of Shelby State of Tennessee, to-wit.

SEE ATTACHED ADDENDUM FOR LEGAL DESCRIPTION

Grantee by acceptance of this deed agrees for himself, his successors or assigns to extend an eight inch sewer line from Canada Road to the Southwesterly edge of the 250 feet by 150 foot parcel of land described as Parcel II. Grantee further covenants and promises to construct the sewer line in conformity with all applicable city/county regulations and codes. This sewer line is to commence at Canada Road and will run along the Southerly edge of the Relax Inn/Northerly edge of the 50 by 254.45 foot parcel described as Parcel I. Grantee covenants and promises to construct the sewer line simultaneously with or prior to the commencement of any permanent improvements on Parcel I. The obligation of the grantee herein shall run with the land and shall be a burden upon the land referred to above and a benefit to the land adjacent to the parcels owned by the Grantee herein.

Being all or part of same property described under Shelby County Register's No. W4-5219;

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 or, if not husband and wife then 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

and any existing easements of record as Instrument No. E5-2354; Book 6104, Page 98; Book 5932, Page 389;

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

Clair D. VanderSchaaf, Jr., Trustee

AS 0908

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 $ 60,000.00 which amount is equal to or greater than the amount which the property transferred would command at a fair and voluntary sale.

Virginia Webb, agent
Affiant

Subscribed and sworn to before me this the 6th day of September 19 88

Daniel D. Erickson Notary Public

My commission expires: 12/7/91

Person or Agency responsible for payment of taxes:
Name Sukabhai Patel et ux
Address 3645 Canada Road
Lakeland, Tennessee 38002
Property Address Unimproved Property

STATE OF TENNESSEE,
COUNTY OF SHELBY

On this 6th day of September 19 88, before me personally appeared Clair D. VanderSchaaf, Jr., Trustee

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
12/7/91

Daniel D. Erickson Notary Public

STATE OF TENNESSEE,
COUNTY OF SHELBY

On this ______ day of ______ 19 ______, before me personally appeared ______ with whom I am personally acquainted and who, upon oath, acknowledged himself to be the ______ of ______, the within named Grantor, a corporation, and that such ______ being authorized to do so, executed the foregoing instrument for the purpose therein contained, by signing the name of the Corporation by himself as such ______

WITNESS my hand and Notarial Seal at office the day and year above written.

My commission expires

Notary Public

STATE OF TENNESSEE,
COUNTY OF SHELBY

On this ______ day of ______ 19 ______ before me personally appeared ______ and ______ and ______, with each of whom I am personally acquainted, and who, upon their several oaths, acknowledged themselves to be partners and all of the partners in ______ the within named Grantor, a partnership, and that they, as such partners, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the partnership by themselves as such partners

WITNESS my hand and Notarial Seal at office the day and year above written

My commission expires

Notary Public

Title No ______

File No 88-1538

Prepared by LAW FIRM OF W. TERRY EDWARDS, P.C.
6510 Stage Road
Memphis, TN 38134

AS 0908

ADDENDUM TO WARRANTY DEED DATED SEPTEMBER 6, 1988, BY AND BETWEEN CLAIR D. VANDERSCHAAF, JR., TRUSTEE, hereinafter called Grantor, and SUKABHAI PATEL and wife, GANGABEN PATEL, hereinafter called Grantees

PARCEL I:

Being a 50.00 foot wide ingress-egress easement as recorded in Deed Book 6274, Page 496 and part of the Clair D. VanderSchaaf, Jr. Trustee property as recorded in Instrument No. W4-5219 both in the Shelby County Register's Office and being described as follows:

Beginning at a point in the west line of Canada Road, said point being the southeast corner of the Reproco, Inc. property as recorded in Deed Book 6274, Page 495 in the Shelby County Register's Office; thence along the west line of Canada Road, South 25 degrees 07 minutes 53 seconds east, 50.00 feet to a point in the said west line, said point being the northeast corner of the George M. Horton et. al. property as recorded in Instrument No. V3-6196 in the Shelby County Register's Office; thence along the north line of the Horton property, south 65 degrees 02 minutes 49 seconds west, 254.45 feet to a point; thence north 25 degrees 07 minutes 53 seconds west, 50.00 feet to a point, said point being the southwest corner of the Reproco, Inc., property; thence along the south line of the Reproco property, north 65 degrees 02 minutes 29 seconds east, 254.45 feet to the point of beginning and containing 12,723 square feet or 0.29 acres more or less.

PARCEL II:

Being part of the Clair D. VanderSchaaf, Jr., Trustee property as recorded in Instrument No. W4-5219 in the Shelby County Register's Office and being described as follows:

Beginning at the southwest corner of the Reproco, Inc. property as recorded in Deed Book 6274, Page 495, in the Shelby County Register's Office, said point being 254.45 feet west of the west line of Canada Road (150.0 feet wide), as measured along the south line of the Reproco property; thence south 25 degrees 07 minutes 53 seconds east, 50.00 feet to a point; thence south 65 degrees 02 minutes 09 seconds west, 150.00 feet to a point; thence north 25 degrees 07 minutes 53 seconds west, 250.00 feet to a point; thence north 65 degrees 02 minutes 29 seconds east 150.00 feet to a point, same being the northwest corner of the Reproco, Inc. property; thence along the west line of the Reproco, property, south 25 degrees 07 minutes 53 seconds east, 200.00 feet to the point of beginning and containing 37,500 square feet or 0.86 acres more or less.

X6 9722

WARRANTY DEED

MST Tract Reference: 2

THIS INDENTURE, made and entered into this 3rd day of April, 19 86, by and between Clair D. Vander Schaaf, Jr., Trustee

party of the first part, and

Sukhdev Patel and wife, Gangaben Patel

party of the second part,

WITNESSETH: That for and in consideration of Ten Dollars ($10.00), cash in hand paid, and other good and valuable considerations, the receipt of all of which is hereby acknowledged, the said party of the first part has bargained and sold and does hereby bargain, sell, convey and confirm unto the said party of the second part the following described real estate, situated and being in City of Lakeland County of Shelby, State of Tennessee:

Part of the Clair D. Vander Schaaf, Jr. Property as recorded in Instrument No. W4 5219 in the Register's Office of Shelby County, Tennessee, more particularly described as follows: BEGINNING at a found iron pin, the southwest corner of the Reproco, Inc. Property as recorded in Book 6274, Page 495, in said Register's Office; thence N 24 degrees 33 minutes 00 seconds W along the west line of said Reproco, Inc. Property a distance of 200.00 feet to a bolt, the northwest corner of said Reproco, Inc. Property; thence S 65 degrees 27 minutes 00 seconds W a distance of 54.45 feet to an iron pin; thence S 24 degreees 33 minutes 00 seconds E a distance of 200.00 feet to an iron pin; thence N 65 *(continued on reverse side)

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 said party of the second part, his heirs, successors and assigns in fee simple forever.

The said party of the first part does hereby covenant with the said party of the second part that he is lawfully seized in fee of the aforedescribed real estate; that he has good right to sell and convey the same; that the same is unencumbered,

except 1986 City of Lakeland and Shelby County taxes, which the party of the first part covenants and agrees to pay prior to the delinquency date,

and that the title and quiet possession thereto he will warrant and forever defend against the lawful claims of all persons.

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.

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

Clair D. Vander Schaaf, Jr., Trustee

STATE OF TENNESSEE, COUNTY OF SHELBY

Before me, a Notary Public in and for said State and County, duly commissioned and qualified, personally appeared Clair D. Vander Schaaf, Jr., Trustee

to me known to be the person.... described in and who executed the foregoing instrument, and acknowledged that ....he.... executed the same for the purposes therein contained.

WITNESS my hand and Notarial Seal at office this 3rd day of April 19 86

My commission expires November 5, 1988

Robert Schneider

Notary Public

(FOR RECORDING DATA ONLY)

Property address 0.25 @ on W side of Canada Rd Lakeland, TN 38028

Mail tax bills to: (Person or Agency responsible for payment of taxes)

Sukhdev Patel
223 Seaton Road #27
Forrest City, AR 72335

This instrument prepared by:

Robert Schneider, Attorney
6363 Poplar Avenue, Suite 108
Memphis, TN 38119

State tax $ 23.40

Register's fee .50

Recording fee $6.00

Total 29.90

I, or we, hereby swear or affirm that, to the best of affiant's knowledge, information, and belief, the actual consideration for this transfer or value of the property transferred, whichever is greater, is $ *****9,000.00 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 3rd day of April, 19 86

Notary Public

Commission Expires November 5, 1988

T.G. # 270325 (RS)

Return to: Mid-South Title

Mid-South Title Insurance Corporation

P. O. BOX 432, MEMPHIS, TENN.

Form 85 Revised 4/10/79

Continuation of Legal Description

* degrees 27 minutes 00 seconds E a distance of 54.45 feet to the point of beginning and containing 10,890 square feet or 0.25 acres of land."

WARRANTY DEED

Compliments of

Mid-South Title

Memphis, Tennessee

Form 25

X 6 9 7 2 2

STATE TAX 23.40
REGISTER'S FEE 50
RECORDING FEE 600 2990
APR 4 2 45 PM '86

STATE OF TENNESSEE
SHELBY COUNTY
REGISTER

2340
650
29.90

Appraisal Report

Relax Inn
3645 Canada Road
Lakeland, Shelby County, Tennessee 38002

Report Date: July 3, 2023

FOR:

City of Lakeland
10001 Highway 70
Lakeland, Tennessee 38002

Client Number: N/A

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:
TN01-23-0015-000

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

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

July 3, 2023

Mr. Michael Walker
City of Lakeland
10001 Highway 70
Lakeland, Tennessee 38002

RE: Appraisal Report
Relax Inn
3645 Canada Road
Lakeland, Shelby County, Tennessee 38002

Dear Mr. Walker:

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. This report supersedes the prior report with the same Subject and Effective Date. The Market Analysis has been revised and it did not alter the market value.

The subject property, as referenced above, is located west side of Canada Road, 260 feet south of Davies Plantation Road. It is further identified as tax parcel number L0159 00117C. The subject site is a 2.32-acre or 101,016-square-foot parcel. It is improved with an operating independent motel with 30 rooms. It is assumed to be in average condition and being professionally managed. We were not in contact with the property owner nor management.

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 City of Lakeland and the intended user of this report is the client 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:

- We were not provided historical operating data nor budgeted operations for the subject property; the as is market value is based on our projections of income and expenses for the subject and is a result of research of the market and relative published data.

Hypothetical Conditions:

- None.

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
Property Rights Appraised	Fee Simple
Effective Date of Value	January 27, 2023
Value Conclusion	**$1,200,000**
	$11.88 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	
Client Identification Number	N/A
Property Name	Relax Inn
Property Address	3645 Canada Road Lakeland, Shelby County, Tennessee 38002
Latitude & Longitude	35.224991, -89.738397
Tax Parcel Number	L0159 00117C
Property Owner	Sukabhai Patel and Gangaben Patel
Site	
Zoning	Regional Commercial (C-2)
FEMA Flood Map No.	47157C0330G
Flood Zone	X
Gross Land Area	101,016 square feet
Usable Land Area	101,016 square feet
Existing Improvements	
Property Use	Hotel
Occupancy Type	Owner and tenant occupied
Gross Building Area (GBA)	10,476 sf
Net Rentable Area (NRA)	10,476 sf
Number of Units	30
Number of Buildings	1
Number of Stories	1
Year Built	1986
Condition	Average
Construction Class	D - Wood Frame
Construction Quality	Average
Surface Parking	38 spaces
Valuation Opinions	
Highest & Best Use - As Vacant	Commercial development with an emphasis on retail and service
Highest & Best Use - As Improved	Redevelopment of the property for commercial use with an emphasis on retail and service
Reasonable Exposure Time	Less than 12 months
Reasonable Marketing Time	Less than 12 months

Value Indications

Approach to Value	As Is
Sales Comparison - Land Only	$1,200,000
Cost	Not Developed
Income Capitalization	Not Developed

Value Conclusion

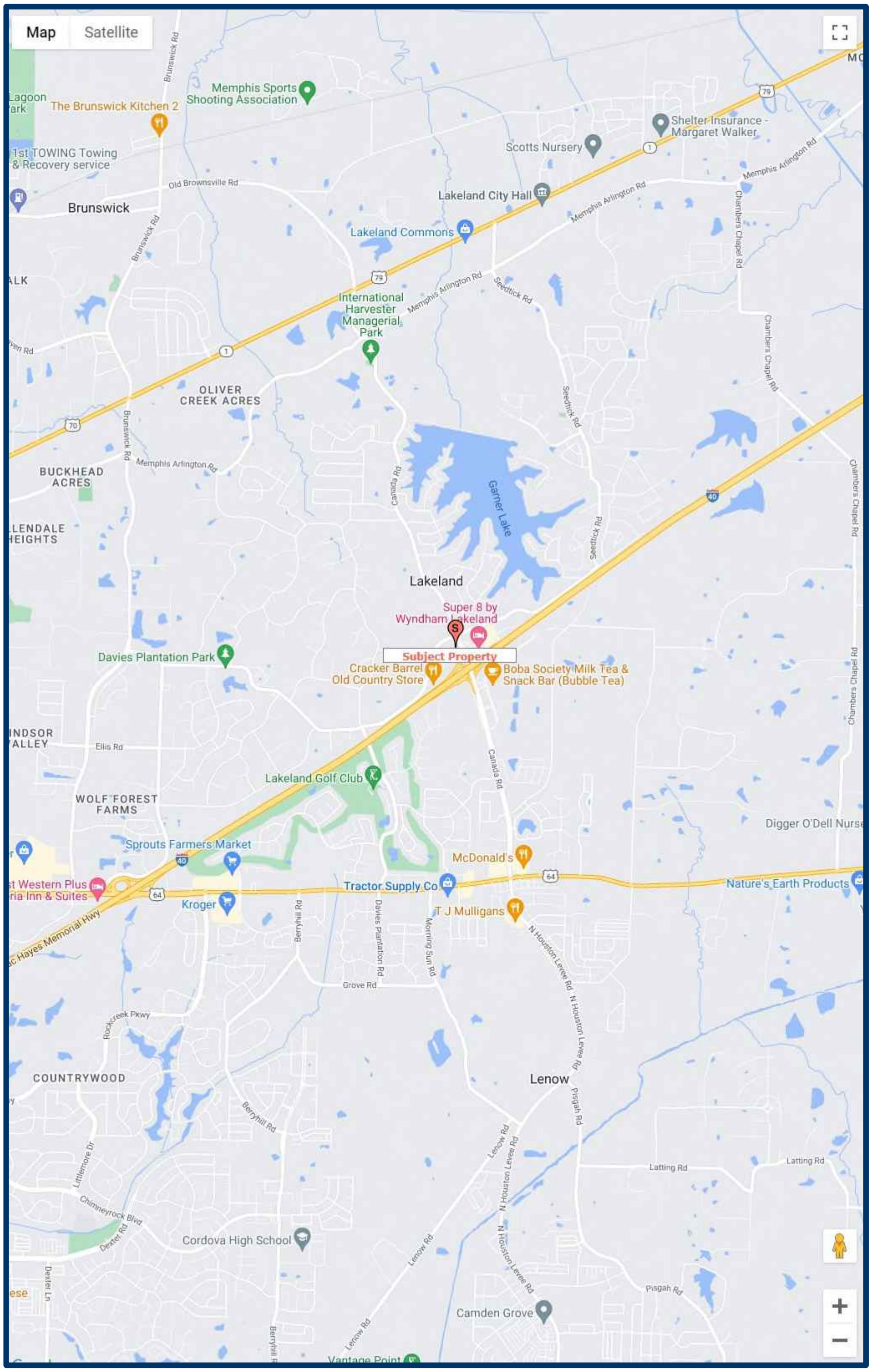
Component	As Is
Value Type	Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	January 27, 2023
Value Conclusion	**$1,200,000**
	$11.88 psf

Aerial and Front Views

AERIAL VIEW

VIEW FROM FRONTAGE ROAD

Location Map



Introduction

Client and Intended Users of the Appraisal

The client in this assignment is City of Lakeland and the intended user of this report is the client. 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 3645 Canada Road, Lakeland, Shelby County, Tennessee 38002. The subject property is further identified by the tax parcel number L0159 00117C.

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 land with improvements that add no contributory value.

Use of Real Estate as Reflected in this Appraisal

The as is opinion of value for the subject property reflects use as land with improvements that add no contributory value.

Ownership of the Property

According to Warranty Deed instrument number AS0908, title to the subject property is vested in Sukabhai Patel and Gangaben Patel.

History of the Property

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

Analysis of Listings/Offers/Contracts

The subject is not known to be offered for sale on the open market. There are no known pending contracts of recent offers.

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	January 27, 2023

Date of Report

The date of this report is July 3, 2023.

List of Items Requested but Not Provided

A current survey, historical income/expenses, environmental survey, site plan, floor plans, and a complete inspection of the property were not provided. This is not a comprehensive list.

Assignment Issues

Historical and projected operating income and expenses were not provided for our review. We were not provided communication with the hotel staff nor ownership.

[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

- We were not provided historical operating data nor budgeted operations for the subject property; the as is market value is based on our projections of income and expenses for the subject and is a result of research of the market and relative published data.

Hypothetical Conditions

- None.

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 a limited property inspection, examination of public records, and review of aerial photos.
- Economic Characteristics - The subject property economic characteristics were identified via information contained within our company database as well as third party sources.
- Physical Characteristics - The subject property physical characteristics were identified via a limited property inspection, examination of public records, and review of aerial photos.

Extent to Which the Property Was Inspected

We completed limited on-site inspection on January 27, 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. The subject property is improved with a motel that is an interim use and the highest and best use of the site is redevelopment for commercial use(s), thus, the cost and income approaches to value were not developed. 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

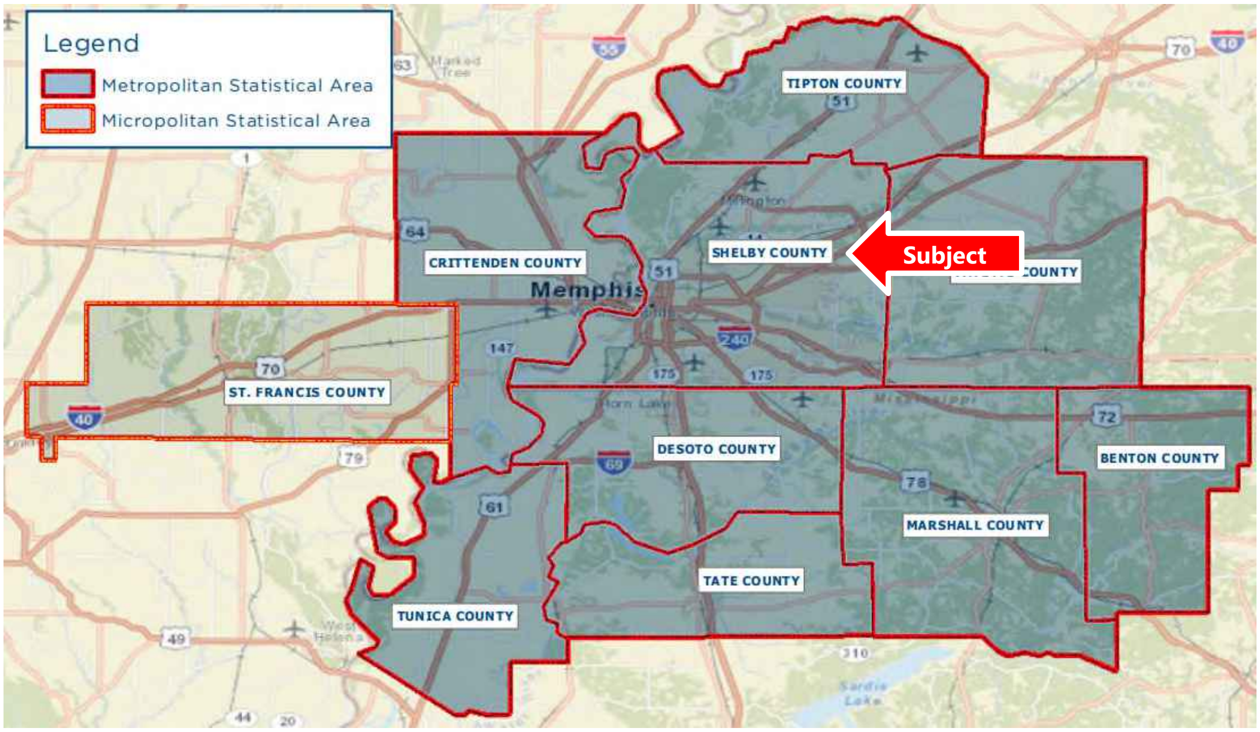
The analyses, opinions, and conclusions were developed and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; and the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

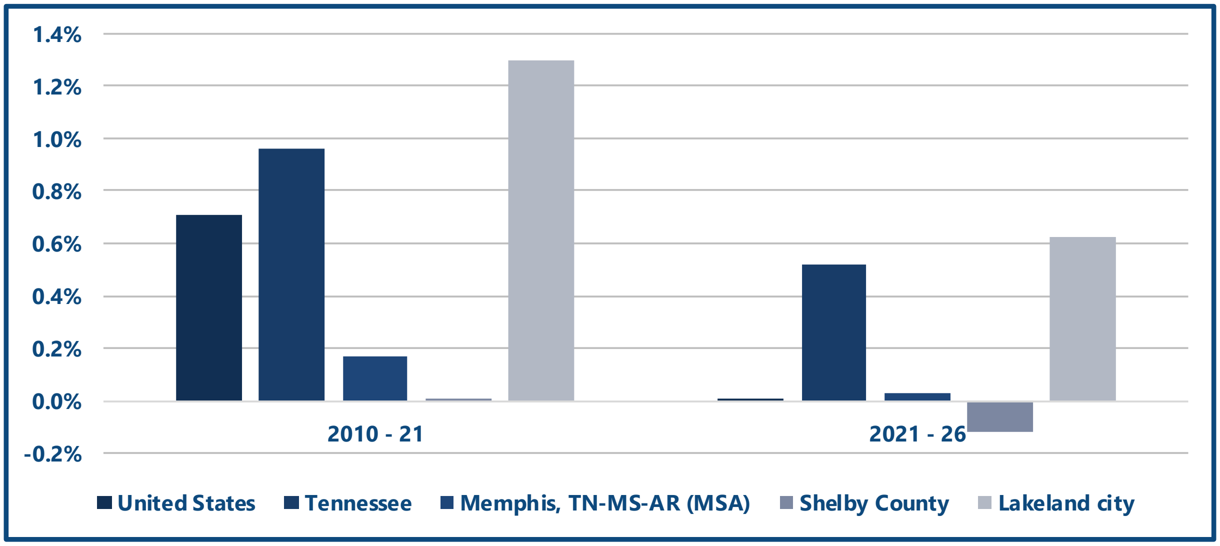
Population

The following chart illustrates the population characteristics:

Population

Area	2010	Estimated 2021	Annual Δ 2010 - 21	Projected 2026	Annual Δ 2021 - 26
United States	308,745,538	333,793,107	0.7%	333,934,112	0.0%
Tennessee	6,346,105	7,049,134	1.0%	7,233,909	0.5%
Memphis, TN-MS-AR (MSA)	1,316,100	1,341,320	0.2%	1,343,178	0.0%
Shelby County	927,644	928,521	0.0%	922,985	-0.1%
Lakeland city	12,462	14,356	1.3%	14,810	0.6%

Source: ESRI (ArcGIS)

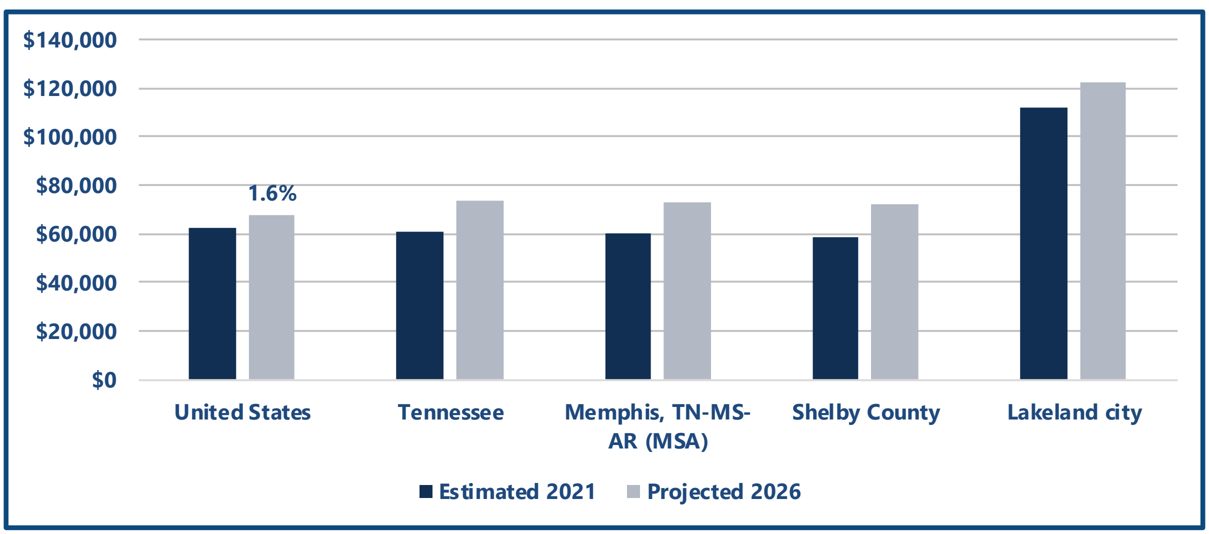


Source: Bureau of Labor Statistics - data not seasonally adjusted; [1]Annual - most recent for US, others lag by 1-2 mos.)

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 2021	Projected 2026	Annual Δ 2021 - 26
United States	$62,203	$67,325	1.6%
Tennessee	$61,059	$73,828	3.9%
Memphis, TN-MS-AR (MSA)	$60,088	$73,025	4.0%
Shelby County	$58,770	$72,242	4.2%
Lakeland city	$111,492	$122,104	1.8%

Source: ESRI (ArcGIS)

Education

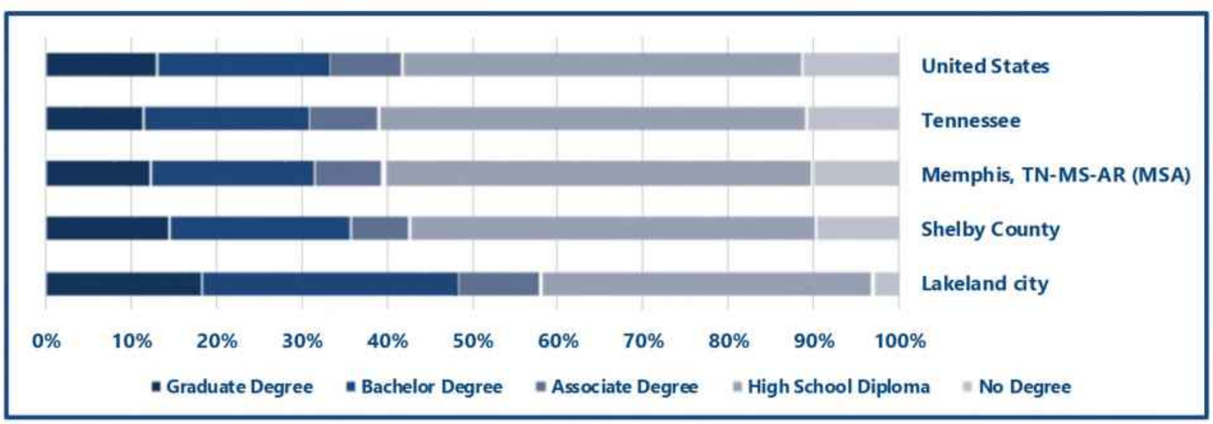
Educational attainment refers to the highest level of education completed. Higher ratios of graduate and bachelor's degree attainment generally reflect a more desirable employee base. The following chart presents education attainment for the region:

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	11.4%	19.4%	8.2%	50.4%	10.7%
Memphis, TN-MS-AR (MSA)	12.2%	19.2%	8.2%	50.2%	10.1%
Shelby County	14.3%	21.2%	7.1%	47.6%	9.8%
Lakeland city	18.1%	30.0%	9.9%	38.8%	3.1%

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

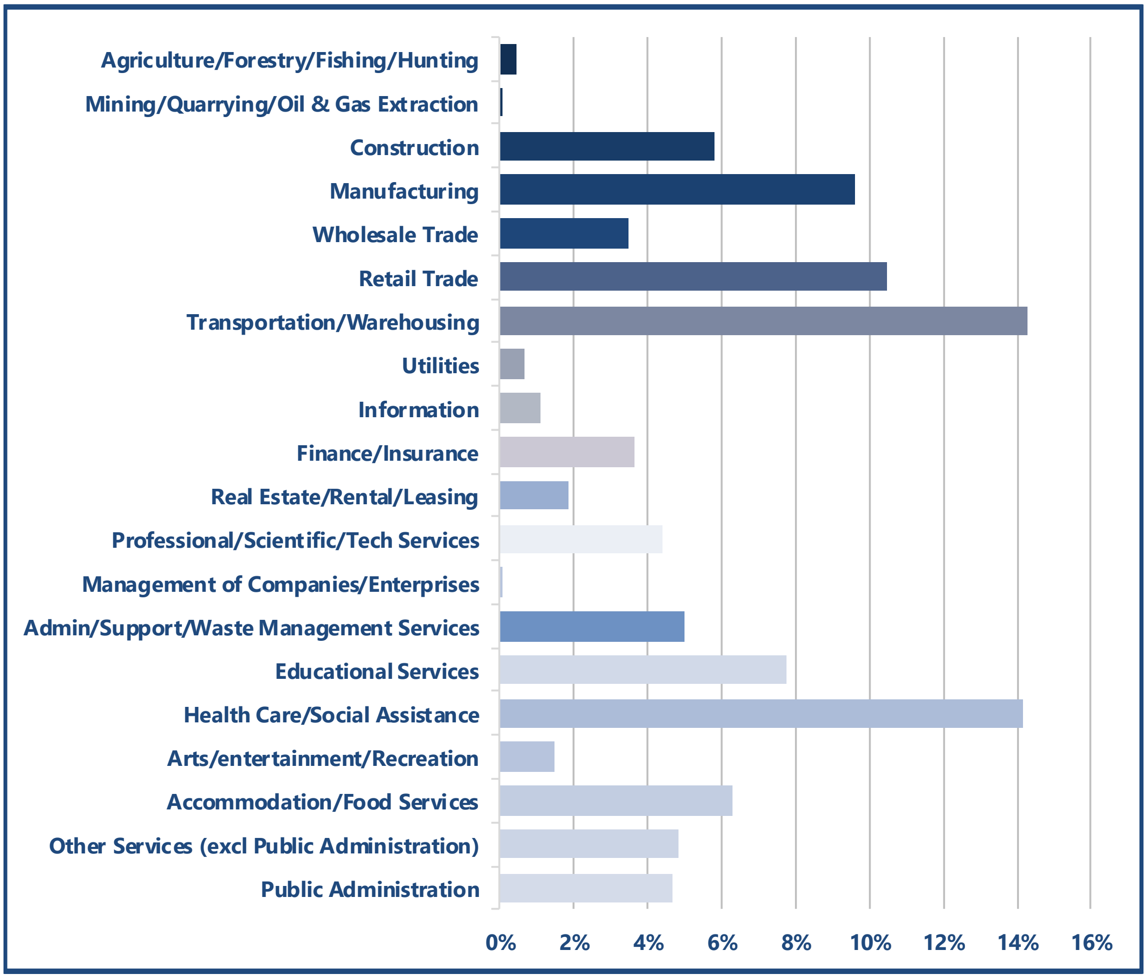
Source: Memphis Regional Chamber

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)

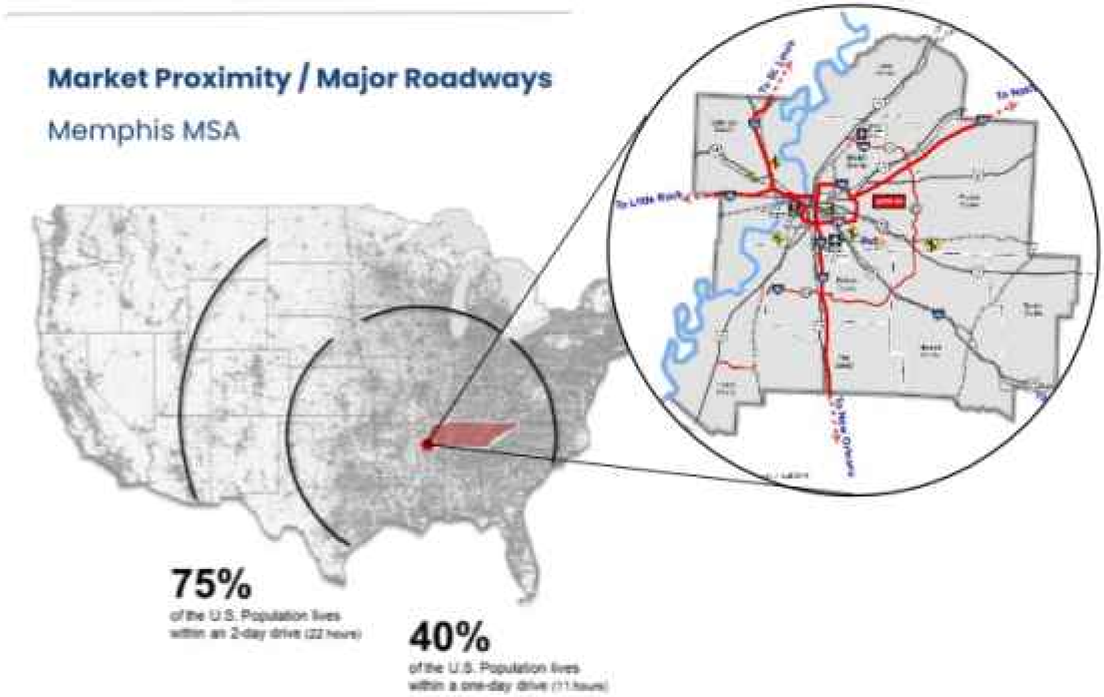


Source: ESRI (ArcGIS)

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

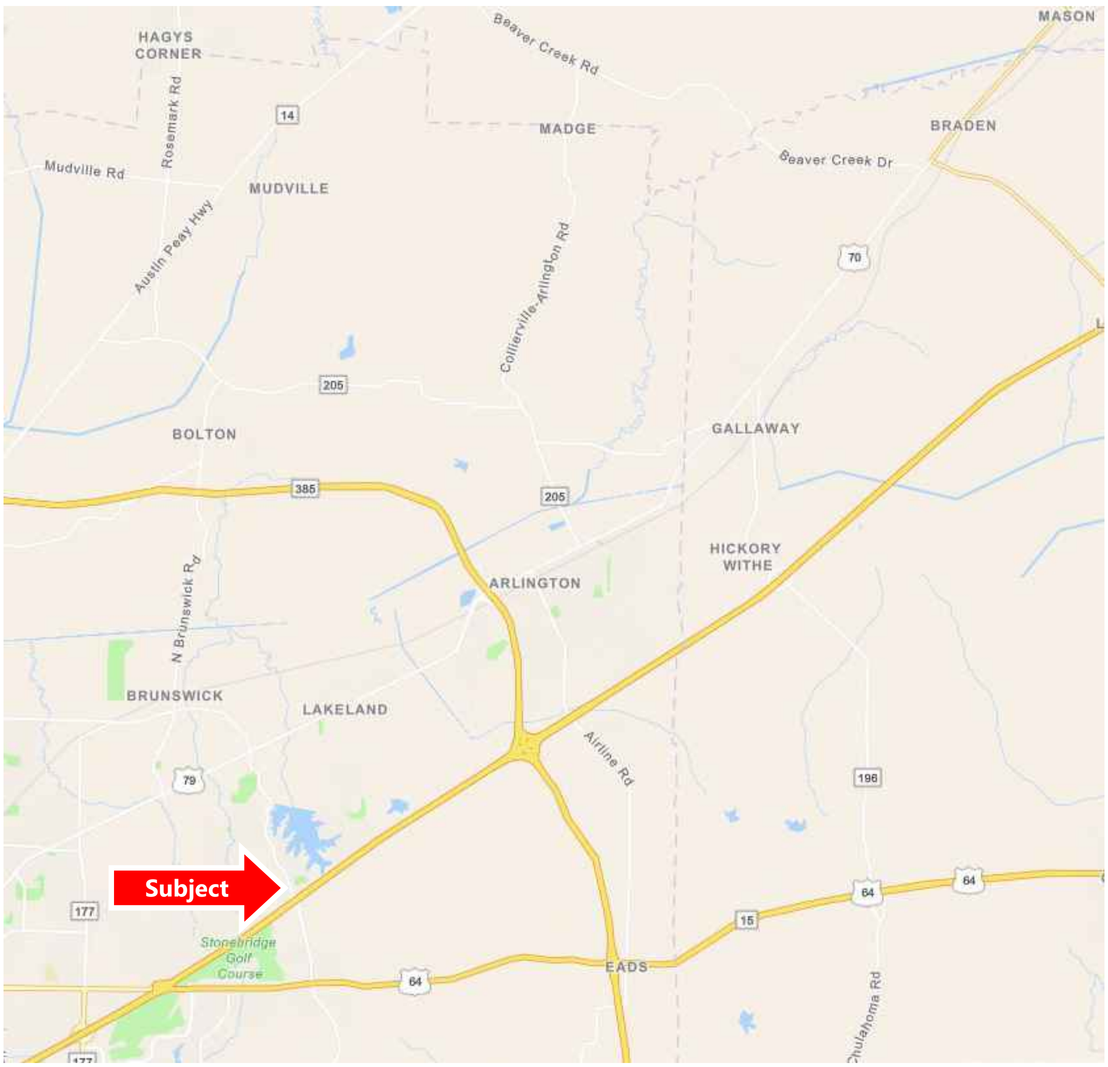
The economic, social, governmental, and environmental forces affect local and regional property values. These have interacted in such a way that the MSA has become recognized as a center for distribution, education, and agribusiness. The area has realized growth in tourism and offers excellent healthcare 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 and Neighborhood Analysis

Boundaries

The general market area of the subject is commonly referred to as Lakeland/Arlington, 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			
2010 Population	3,440	26,622	81,455
2021 Population Estimate	3,688	31,681	88,931
2026 Population Projection	3,783	31,677	88,504
Annual % Change (2021 - 2026)	0.5%	0.0%	-0.1%
Housing Unit Summary			
2010 Housing Units	1,298	10,582	31,441
% Owner Occupied	87.8%	70.3%	72.9%
% Renter Occupied	8.2%	24.6%	21.6%
2021 Housing Units	1,458	12,365	34,052
% Owner Occupied	81.9%	68.5%	67.3%
% Renter Occupied	9.0%	27.3%	28.6%
2026 Housing Units	1,443	12,228	33,823
% Owner Occupied	82.3%	70.0%	68.3%
% Renter Occupied	12.2%	26.9%	28.0%
Annual % Change (2021 - 2026)	-0.1%	-0.2%	-0.1%
Income Summary			
2021 Median Household Income Estimate	$122,352	$101,587	$92,080
2026 Median Household Income Projection	$134,077	$111,598	$102,411
Annual % Change	1.9%	1.9%	2.2%
2021 Per Capita Income Estimate	$59,893	$50,698	$46,072
2026 Per Capita Income Projection	$67,411	$59,167	$54,461
Annual % Change	2.4%	3.1%	3.4%

Source: ESRI (ArcGIS) *(Lat: 35.224991, Lon: -89.738397)*

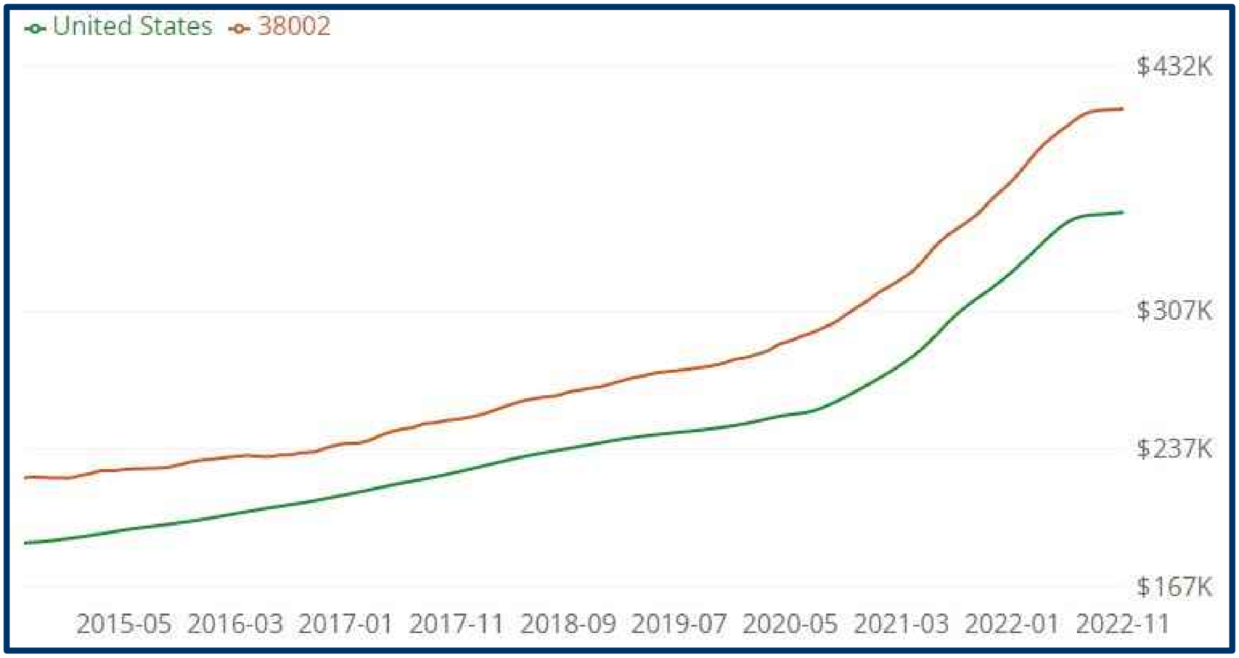
Within a three-mile radius, the reported population is 31,681 with no projected growth. There are 12,365 housing units within that three-mile radius. A decline is projected and at a rate of 0.2% annually. Most of the housing is owner-occupied. Our research indicates that property values in the area are stable to increasing.

Within a three-mile radius, the median household income is $101,587. Looking ahead, annual household income growth is projected at 1.9% 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	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	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 # Blds	Existing Inventory Total RBA (000)	Vacancy	YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates	Yearly 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:

- This area is in the growth stage of the market life cycle;
- A population growth of approximately 0.0% 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 west side of Canada Road, 260 feet south of Davies Plantation Road. It is also located within the northwest quadrant of Canada Road and Interstate 40. The characteristics of the site are summarized as follows:

Site Characteristics

Gross Land Area:	2.32 Acres or 101,016 SF
Usable Land Area:	2.32 Acres or 101,016 SF
Usable Land %:	100.0%
Shape:	Rectangular
Average Depth:	404.00 feet
Topography:	Level
Drainage:	Appears adequate
Grade:	At street grade
Utilities:	All Available - Public
Off-Site Improvements:	Public street with municipal improvements; convenience stores; offices; restaurant; childcare facility; hotel/motels.
Interior or Corner:	Interior
Signalized Intersection:	Yes: - Traffic signal at the site that enhances access

Street Frontage / Access

Frontage Road	Primary	Secondary
Street Name:	Canada Road	I-40
Street Type:	Public	Public
Frontage (Linear Ft.):	250	N/A
Number of Curb Cuts:	1	None
Traffic Count (Cars/Day):	10,431	69,585

Flood Zone Data

Flood Map Panel/Number:	47157C0330G
Flood Map Date:	February 6, 2013
Portion in Flood Hazard Area:	0.0%
Flood Zone:	X; Outside 0.2% annual chance flood; Zone X is an area of minimal flood hazard, usually depicted on FIRMs as above the 500 year flood level. Zone X is the area determined to be outside the 500 year flood and protected by levee from 100 year flood

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. The client is urged to obtain a current environmental assessment from a qualified expert in that field to gain more information relating to environmental issues.
Easements/Encroachments:	Utility Easements
Wetlands Classification:	None reflected o National Wetlands Inventory Mapper

Adjacent Land Uses

North:	Convenience store with fuel pumps, childcare facility
South:	Partially developed vacant land that includes I-40 right-of-way
East:	Convenience store with fuel pumps, restaurant
West:	Partially developed vacant land

Site Ratings

Access:	Average
Visibility:	Average

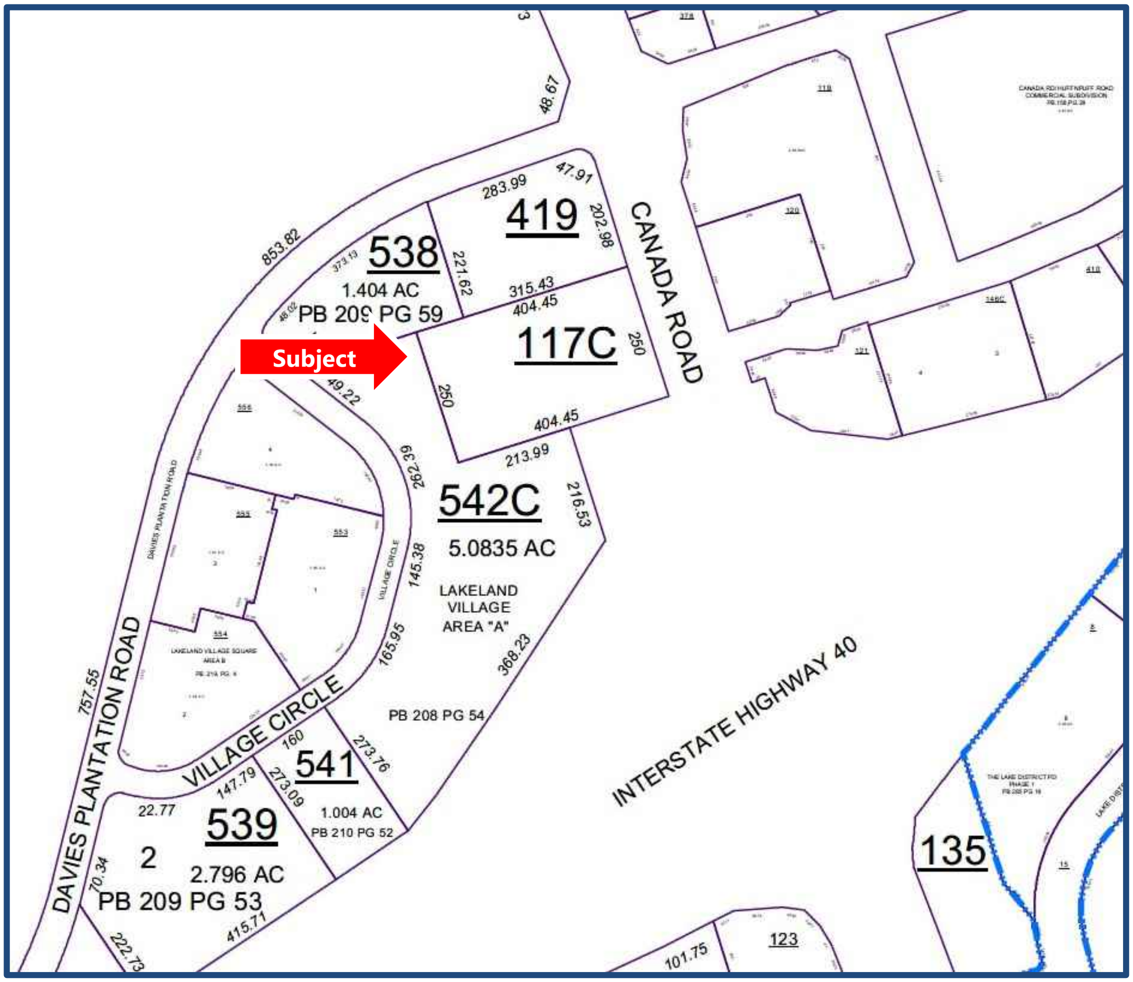
Zoning Designation

Zoning Jurisdiction:	Lakeland, TN
Zoning Classification:	C-2, Regional Commercial
General Plan Designation:	The property is within a recorded subdivision
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 site is considered fully developed. It is improved with an operating hotel. It has road frontage that is rated as good. The vegetation is predominantly ground cover. The site abuts vacant land (includes right-of-way for I-40) and a convenience store. The site is not considered atypical of the market area.

TAX MAP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542C
5.0835 AC
LAKELAND
VILLAGE
AREA "A"
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165.95
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PB 208 PG 54
VILLAGE CIRCLE
DAVIES PLANTATION ROAD
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541
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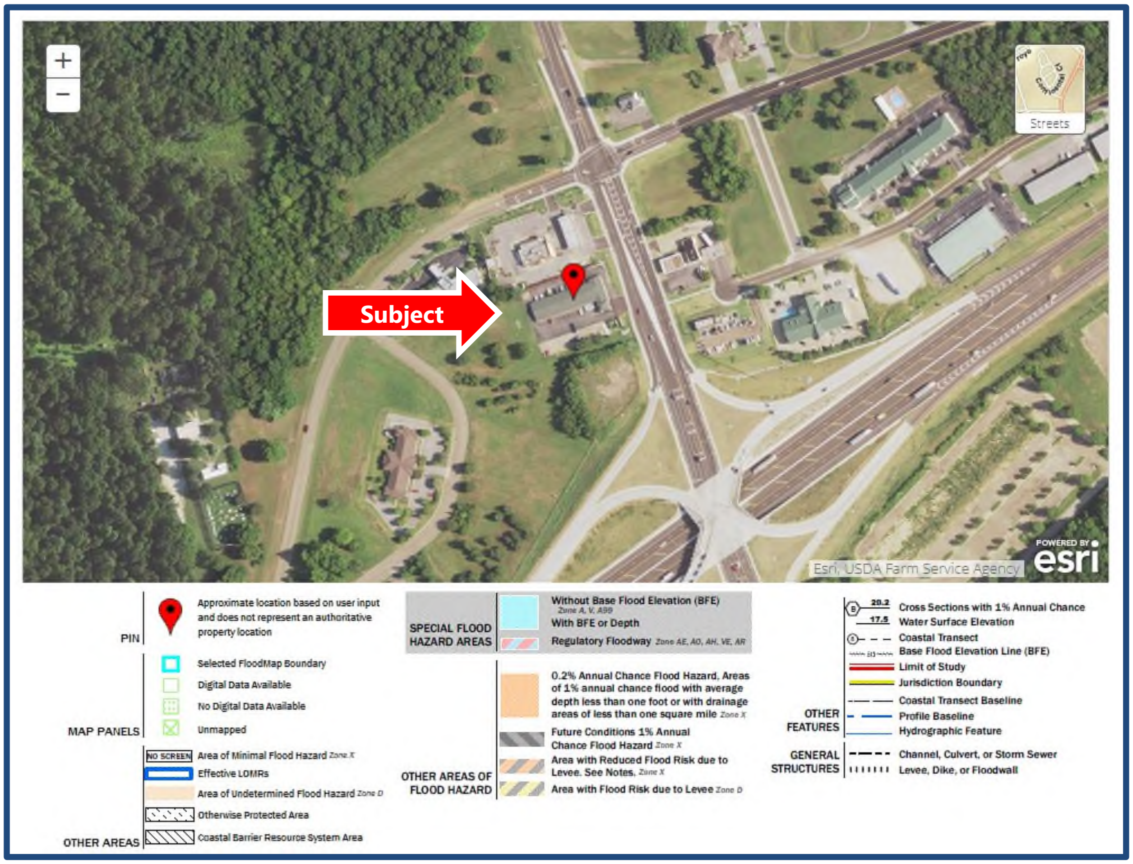
273.76
273.09
1.004 AC
PB 210 PG 52
539
147.79
22.77
2
2.796 AC
PB 209 PG 53
70.34
415.71
222.73
INTERSTATE HIGHWAY 40
135
123
101.75

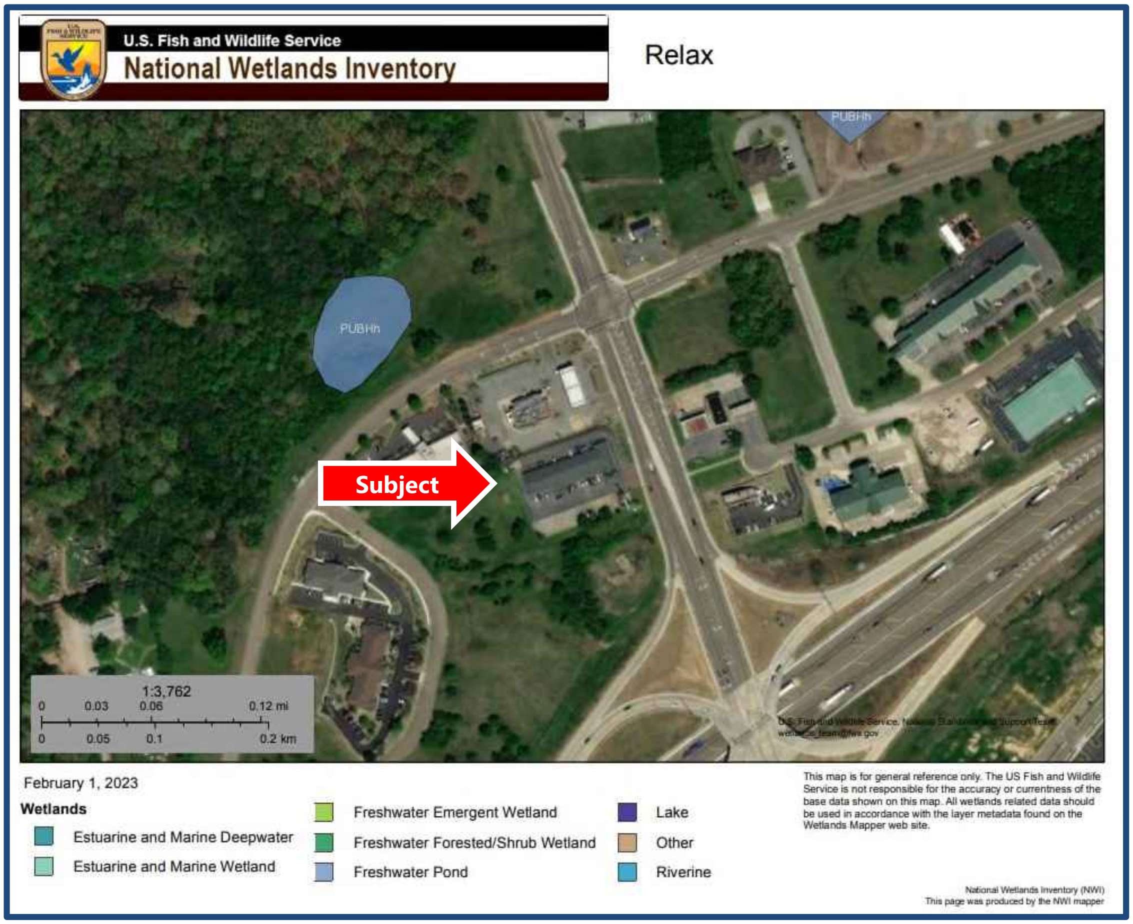
COUNTY GIS WITH TAX PARCEL OVERLAY

AERIAL MAP WITH CONTOURS

FLOOD MAP


Subject
Streets
Esri, USDA Farm Service Agency
POWERED BY esri
PIN
Approximate location based on user input and does not represent an authoritative property location
MAP PANELS
Selected FloodMap Boundary
Digital Data Available
No Digital Data Available
Unmapped
OTHER AREAS
NO SCREEN
Area of Minimal Flood Hazard Zone X
Effective LOMRs
Area of Undetermined Flood Hazard Zone D
Otherwise Protected Area
Coastal Barrier Resource System Area
SPECIAL FLOOD HAZARD AREAS
Without Base Flood Elevation (BFE) Zone A, V, A99
With BFE or Depth
Regulatory Floodway Zone AE, AO, AH, VE, AR
OTHER AREAS OF FLOOD HAZARD
0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
Future Conditions 1% Annual Chance Flood Hazard Zone X
Area with Reduced Flood Risk due to Levee. See Notes. Zone X
Area with Flood Risk due to Levee Zone D
20.2
17.5
Cross Sections with 1% Annual Chance Water Surface Elevation
Coastal Transect
Base Flood Elevation Line (BFE)
Limit of Study
Jurisdiction Boundary
OTHER FEATURES
Coastal Transect Baseline
Profile Baseline
Hydrographic Feature
GENERAL STRUCTURES
Channel, Culvert, or Storm Sewer
Levee, Dike, or Floodwall

WETLANDS MAP



ZONING MAP


Subject
Zoning Classification
C-2: General Business
Zoom to

Improvements Description

It is improved with an operating independent motel with 30 rooms. It is assumed to be in average condition and being professionally managed. We were not in contact with the property owner nor management.

Improvement Characteristics

Property Type:	Motel
Property Subtype:	Limited-service, exterior corridor, independent
Investment Class:	D
Number of Buildings:	1
Number of Stories	1.0
Construction Class:	D - Wood Frame per Marshall Valuation Service
Construction Quality:	Average
Gross Building Area (GBA):	10,476 SF (based on Assessor data)

Ratios & Parking

Land-to-Building Ratio:	9.6 to 1 (Usable Land/GBA)
Floor Area Ratio (FAR):	0.10 (based on GBA)
Parking Spaces:	38
Parking Ratio:	1.1 spaces/room
Parking Comments:	Adequate

Property Features

Restaurant:	No
Fitness/Exercise Facility:	No
Whirlpool/Sauna:	No
Swimming Pools:	No
Gated Parking/Access:	No/single apron along Canada Road
Security Personnel:	None known
Other Property Amenities:	Canopy at lobby entrance

Unit Features

Beds:	1 King or 2 Queens
Appliances:	Mini refrigerator
TV:	Flat screen
Furniture:	Nightstands, telephones, clock radio, wall and floor lamps, artwork, mirror, cabinet/dresser, desk, chair
Wi-Fi:	Yes
Restroom Finish:	Tile floor, painted drywall, fiberglass surround

Patio/Balcony:	No
Movable windows:	Yes, partially

Age / Life

Year Built:	1986
Renovated/Yr. Renovated:	Unknown
Condition:	Average (assumed)
Actual Age:	37 years
Effective Age:	35 years
Typical Building Life:	35 years
Remaining Economic Life:	0 years

Structural Characteristics

Foundation:	Concrete slab
Building Frame:	Wood
Exterior Walls:	Brick
Roof Type / Material:	Gable / Composition shingle
Sound Insulation:	Average
Functional Utility:	Average

Interior

Floors:	Vinyl
Walls:	Painted drywall
Ceilings:	Sheetrock
Lighting:	LED

Mechanical Systems

Electrical:	Adequate for current use
Plumbing:	Typical of use
Heating:	PTAC at guest rooms
Air Conditioning:	PTAC at guest rooms
Fire Protection/Sprinklers:	None
Elevators:	0

Site Improvements

Site Improvements:	1 hotel building, guest parking lot, canopy at lobby entrance, after-hours window, ingress/egress at Canada Road
Landscaping:	Average

Legal, Conforming Status

Legally Permitted Use:	Yes
Conforms to Parking:	Yes
Conformity Conclusion:	The current use is a legal, conforming use.

Deferred Maintenance

There is no known deferred maintenance.

Analysis/Comments on Improvements

The function and utility of the property is adequate and designed for its current use based upon a comparison of similar properties in the market area. The site is developed with an exterior corridor motel with 30 rooms. The improvements provide for a competitive hotel development within its immediate market area. The building contains a lobby with front desk, hotel laundry, and guest rooms.

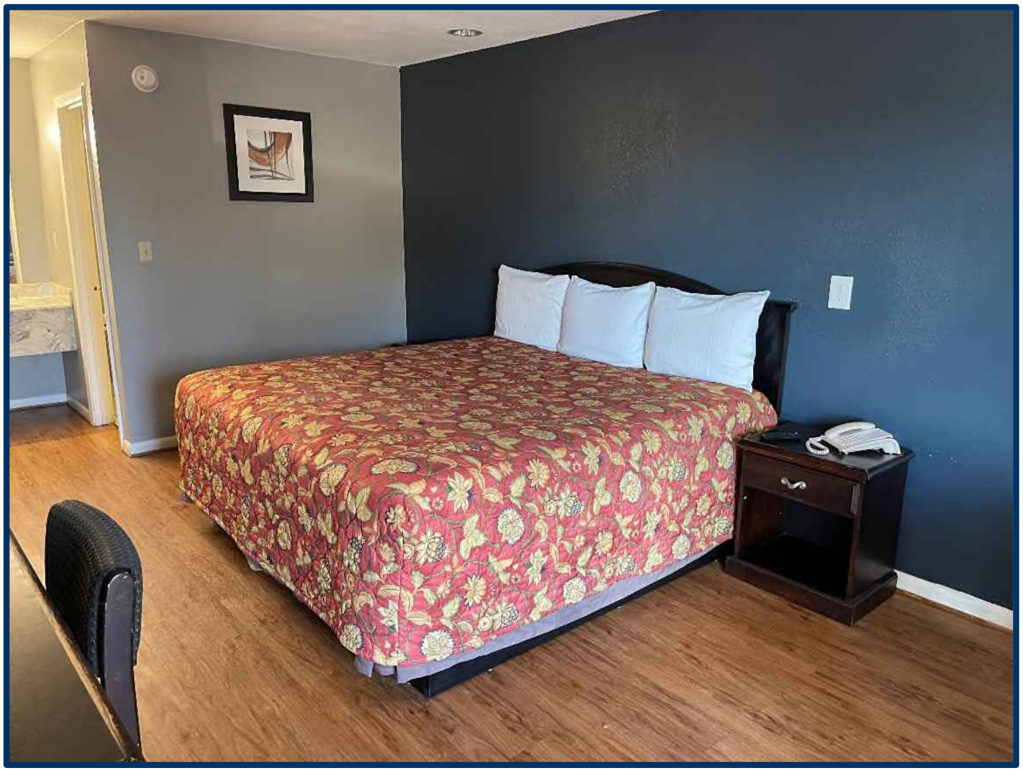
Subject Photographs

Looking west from Canada Road at the site

South portion of the site

North portion of the site


West portion of the site



King room

Queen/Queen room

Assessment and Tax Data

The Assessor Parcel Number is listed in the table below. An overview of property taxes is as follows:

- Properties are appraised for tax purposes every four years in Shelby & Fayette Counties and every six years in Tipton County;
- The last re-appraisal was completed in 2021 for Shelby & Fayette Counties and 2020 for Tipton County;
- 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 an incorporated municipality and is subject to city and county taxes. The taxes for the subject are calculated as follows:

Ad Valorem Tax Schedule

Tax Parcel Number: L0159 00117C

Shelby County Year	Actual 2022
Appraised Value	
Land:	$577,600
Improvements:	$152,100
Total:	$729,700
Per Square Foot:	$69.65
% Change:	N/A
Assessment Ratio	40.00%
Assessed Value	
Land:	$231,040
Improvements:	$60,840
Total:	$291,880
% Change:	N/A
Tax Rate	$4.430000
% Change:	N/A
Millage Rate	per $100
	Actual
Tax Expense	2022
Total:	$12,930
Per Square Foot:	$1.23

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 the online data which indicates that the subject property taxes were current as of the date of value. Outstanding property taxes, though not delinquent, for the subject total $19,141.

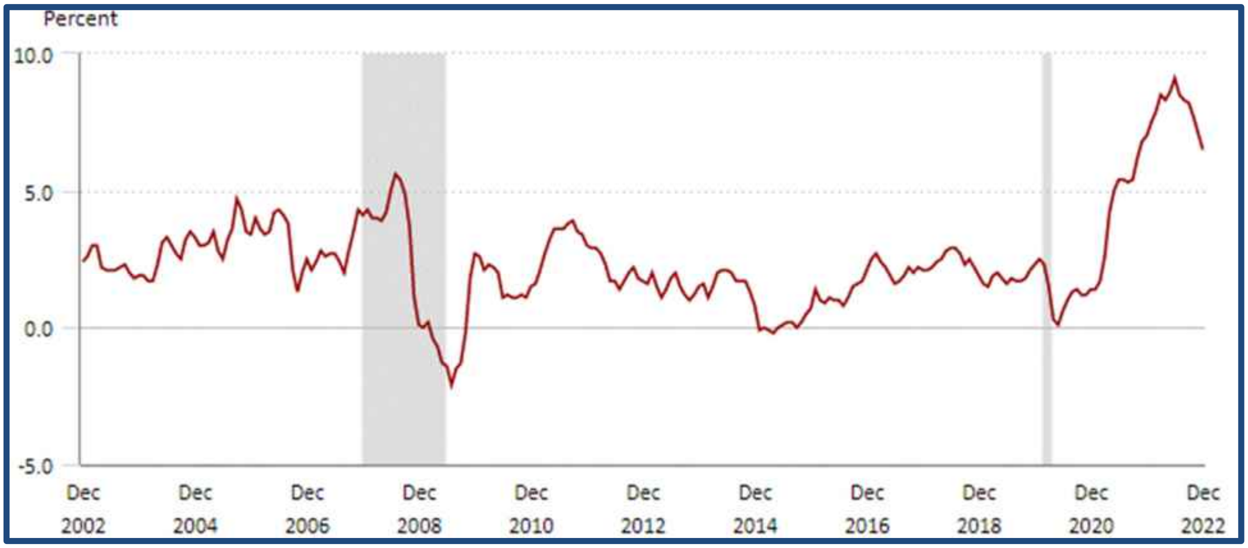
- The assessed value of the subject is less than the market value of the subject. An appeal of the assessed value is not recommended.

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

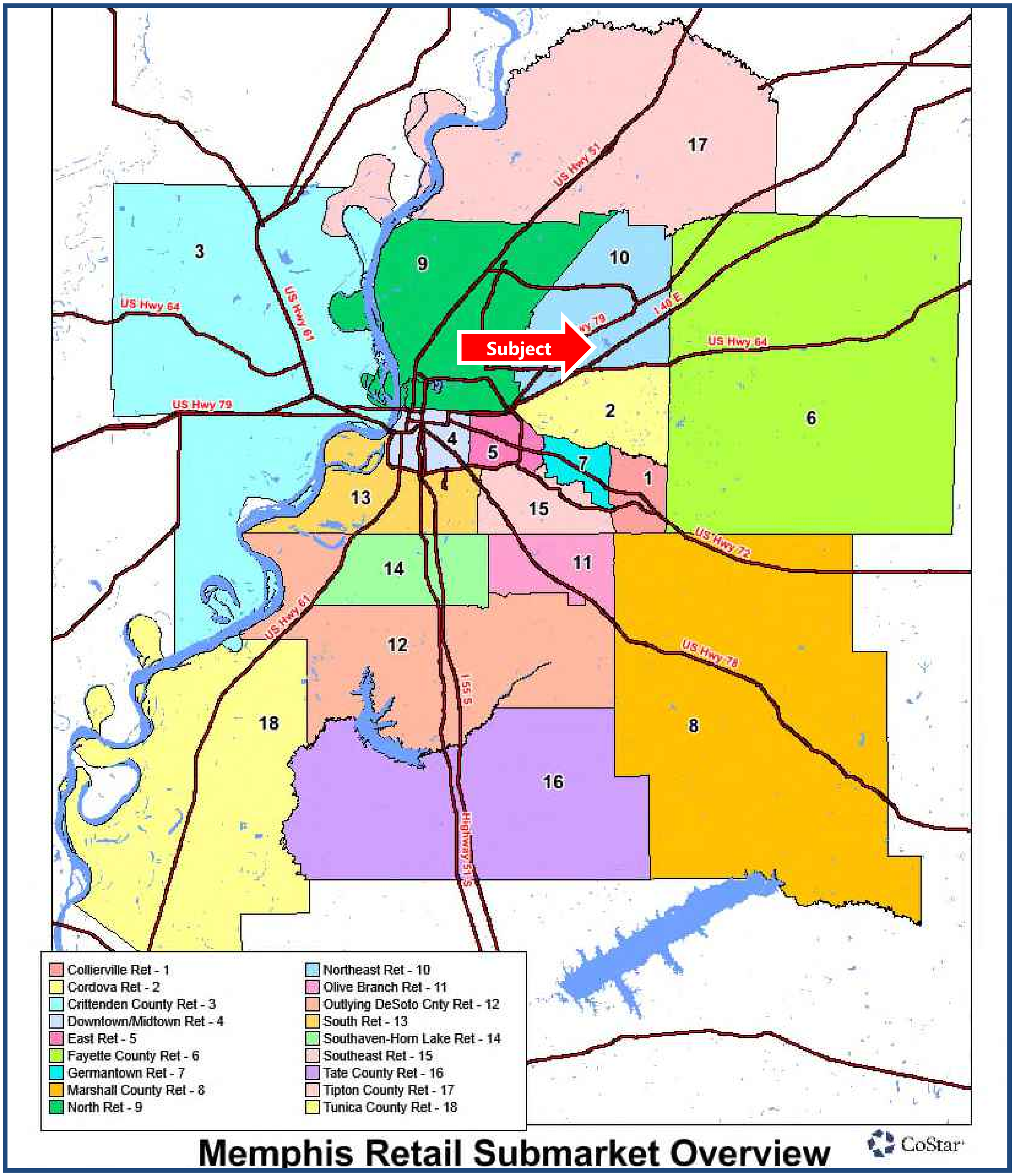
To combat inflation, the Federal Reserve raised the federal funds rate by 25 basis points in March 2022, reflecting the first increase since 2018. However, this increase had little to no impact in year over year inflation and the Federal Reserve raised rates by an additional 50 basis points in May 2022, 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.

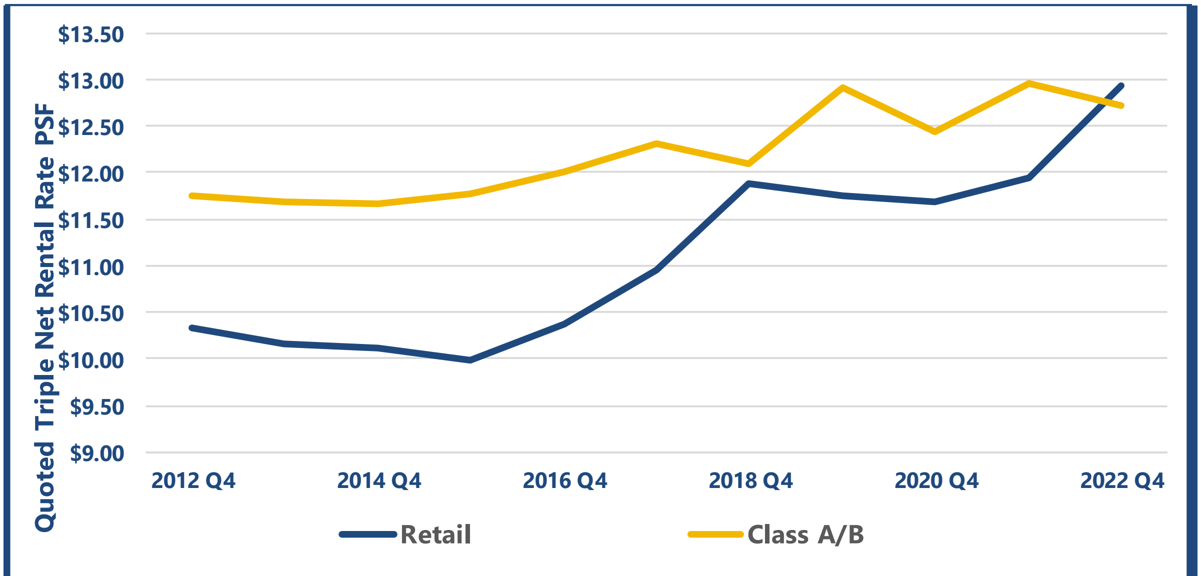
Local Market Performance

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/B. The following is the Memphis MSA hotel-motel market map, as presented by CoStar Group, Inc.

COSTAR SUBMARKET MAP - RETAIL



MEMPHIS MSA - QUOTED RENTAL RATE TRENDS



Time Period	2022 Q4	1-Year	3-Year	5-Year	10-Year
Memphis MSA - Retail	$12.94 PSF	$11.94 PSF	$11.76 PSF	$10.96 PSF	$10.32 PSF
Annual Growth Rate	-	*8.4%*	*3.2%*	*3.4%*	*2.3%*
Memphis MSA - Class A/B	$12.71 PSF	$12.95 PSF	$12.91 PSF	$12.30 PSF	$11.76 PSF
Annual Growth Rate	-	*-1.9%*	*-0.5%*	*0.7%*	*0.8%*

Source: CoStar Group, Inc.

Memphis MSA - Retail

The Memphis MSA had a 2022 4th Quarter average quoted rental rate of $12.94 per square foot for Retail space, compared to $11.94 in the 2021 4th Quarter, or a 8.4% increase over the prior year. This was higher than the long-term trend.

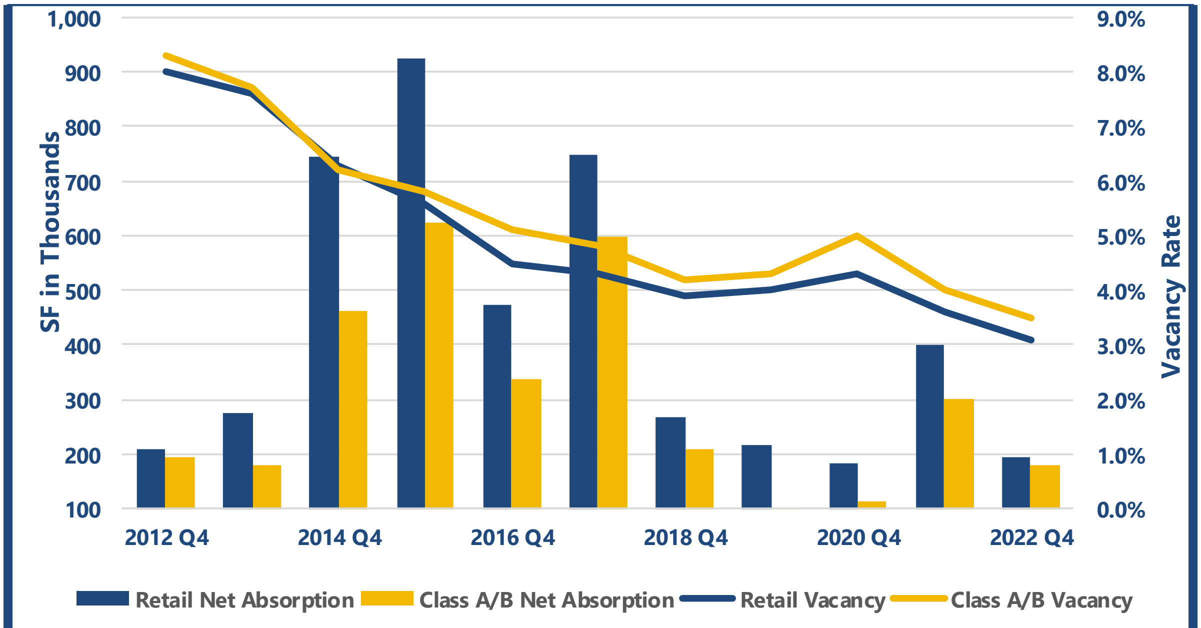
Memphis MSA - Class A/B

The Memphis MSA had a 2022 4th Quarter average quoted rental rate of $12.71 per square foot for Class A/B space, compared to $12.95 in the 2021 4th Quarter, or a 1.9% decrease over the prior year. This was lower than the long-term trend.

Sector Comparison

The average quoted rental rate for Class A/B space was 1.8% lower than Retail space and the long-term growth trend was lower.

MEMPHIS MSA - VACANCY AND NET ABSORPTION TRENDS



Time Period	2022 Q4	1-Year	3-Year	5-Year	10-Year
Memphis MSA - Retail	3.1%	3.6%	4.0%	4.3%	8.0%
Avg. Annual Net Absorp. SF	-	*717.1K*	*547.3K*	*540.3K*	*991.4K*
Avg. Annual Deliveries SF	-	*273.9K*	*366K*	*353.5K*	*590.8K*
Memphis MSA - Class A/B	3.5%	4.0%	4.3%	4.8%	8.3%
Avg. Annual Net Absorp. SF	-	*462.2K*	*368.8K*	*375.3K*	*667.4K*
Avg. Annual Deliveries SF	-	*185.9K*	*296.5K*	*272.7K*	*460.3K*

Source: CoStar Group, Inc.

Memphis MSA - Retail

The Memphis MSA had a 2022 4th Quarter vacancy rate of 3.1% for Retail space. Net absorption was positive with 717,069 square feet absorbed in the prior year and 273,860 square feet delivered. This resulted in a vacancy rate decrease of 50 basis points.

Memphis MSA - Class A/B

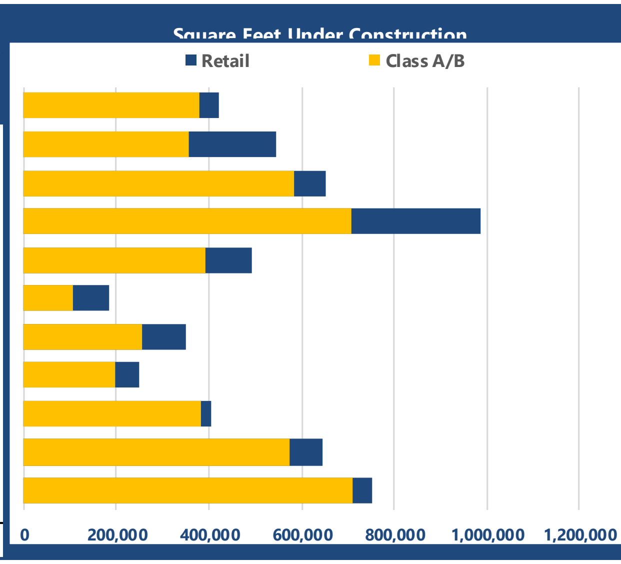
The Memphis MSA had a 2022 4th Quarter vacancy rate of 3.5% for Class A/B space. Net absorption was positive with 462,191 square feet absorbed in the prior year and 185,942 square feet delivered. This resulted in a vacancy rate decrease of 50 basis points.

Sector Comparison

The vacancy rate for Class A/B space was similar 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		
Period	Existing Bldgs	Existing SF	U/C SF	Existing Bldgs	Existing SF	U/C SF
2012 Q4	8,312	86M	422K	2,472	46.7M	379.9K
2013 Q4	8,351	86.4M	543.2K	2,495	47M	355.6K
2014 Q4	8,404	87.1M	650.6K	2,530	47.4M	583.2K
2015 Q4	8,441	88.2M	986.5K	2,555	48.4M	705.5K
2016 Q4	8,493	89.4M	491.3K	2,594	49.4M	391.7K
2017 Q4	8,553	90.1M	184.3K	2,643	50M	106K
2018 Q4	8,598	90.4M	349.2K	2,677	50.2M	254.6K
2019 Q4	8,639	90.8M	248.5K	2,708	50.5M	196.7K
2020 Q4	8,685	91.2M	403.7K	2,742	50.7M	383.4K
2021 Q4	8,731	91.7M	645K	2,780	51.2M	573.2K
2022 Q4	8,775	91.9M	751.8K	2,809	51.4M	710.4K
Annual Average			***516K***			***421.8K***



Source: CoStar Group, Inc.

Memphis MSA - Retail

There were 8,775 buildings totaling 91.93 million square feet of Retail space in the Memphis MSA with 751,812 square feet under construction in the 2022 4th Quarter. New construction represented 0.8% of existing supply.

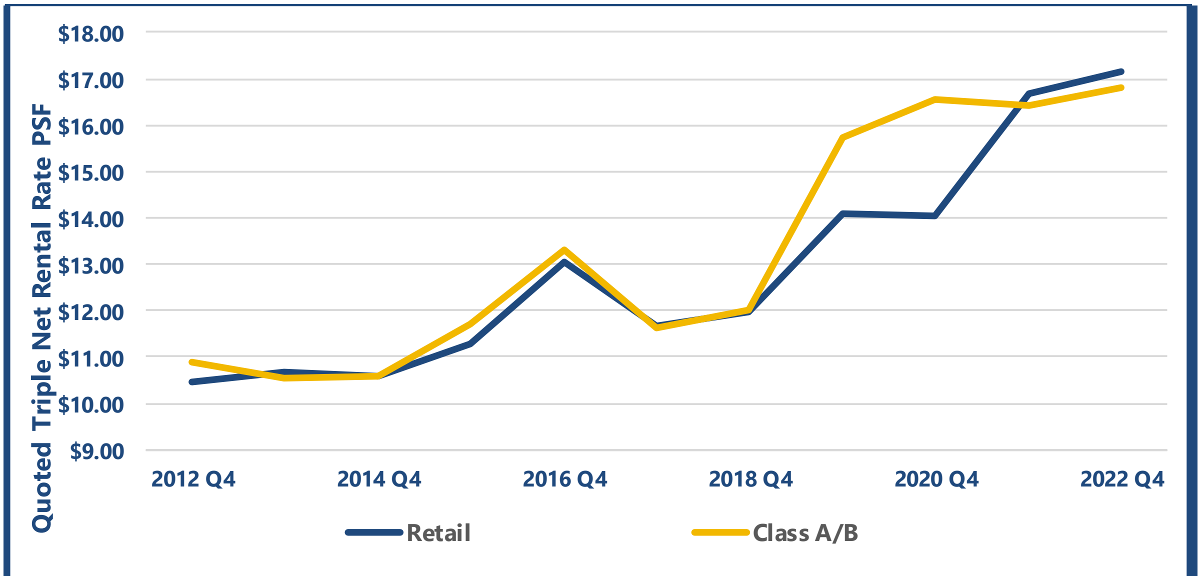
Memphis MSA - Class A/B

There were 2,809 buildings totaling 51.4 million square feet of Class A/B space in the Memphis MSA with 710,357 square feet under construction in the 2022 4th Quarter. New construction represented 1.4% of existing supply.

Sector Comparison

Class A/B space represented 55.9% of existing supply and 94.5% of new construction in the 2022 4th Quarter.

NORTHEAST - QUOTED RENTAL RATE TRENDS



Time Period	2022 Q4	1-Year	3-Year	5-Year	10-Year
Northeast - Retail	$17.14 PSF	$16.69 PSF	$14.08 PSF	$11.65 PSF	$10.47 PSF
Annual Growth Rate	-	*2.7%*	*6.8%*	*8.0%*	*5.9%*
Northeast - Class A/B	$16.80 PSF	$16.44 PSF	$15.73 PSF	$11.63 PSF	$10.89 PSF
Annual Growth Rate	-	2.2%	2.2%	7.6%	4.4%

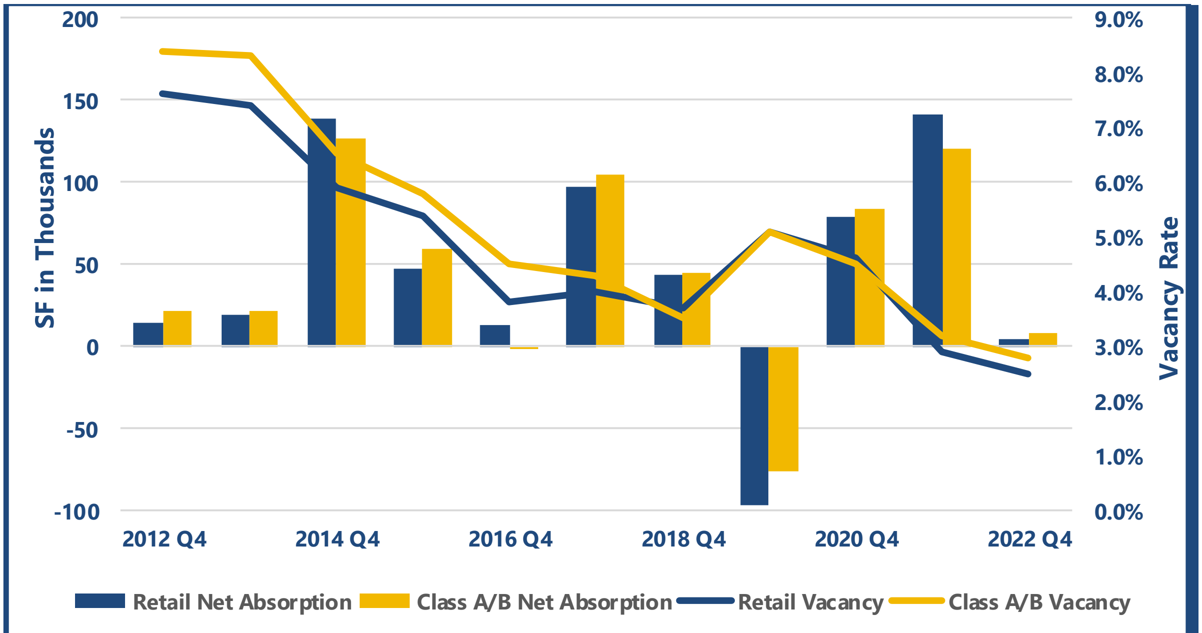
Source: CoStar Group, Inc.

Northeast - Retail
The Northeast had a 2022 4th Quarter average quoted rental rate of $17.14 per square foot for Retail space, compared to $16.69 in the 2021 4th Quarter, or a 2.7% increase over the prior year. This was lower than the long-term trend.

Northeast - Class A/B
The Northeast had a 2022 4th Quarter average quoted rental rate of $16.80 per square foot for Class A/B space, compared to $16.44 in the 2021 4th Quarter, or a 2.2% increase over the prior year. This was lower than the long-term trend.

Sector Comparison
The average quoted rental rate for Class A/B space was 2.0% lower than Retail space and the long-term growth trend was lower.

NORTHEAST - VACANCY AND NET ABSORPTION TRENDS



Time Period	2022 Q4	1-Year	3-Year	5-Year	10-Year
Northeast - Retail	2.5%	2.9%	5.1%	4.0%	7.6%
Avg. Annual Net Absorp.	-	*-10.8K*	*108.6K*	*62.5K*	*116.6K*
Avg. Annual Deliveries	-	*39K*	*66.8K*	*56K*	*81.2K*
Northeast - Class A/B	2.8%	3.2%	5.1%	4.3%	8.4%
Avg. Annual Net Absorp.	-	*-29.3K*	*80.7K*	*53.9K*	*105.3K*
Avg. Annual Deliveries	-	*28.1K*	*59.8K*	*51.8K*	*76.7K*

Source: CoStar Group, Inc.

Northeast - Retail

The Northeast had a 2022 4th Quarter vacancy rate of 2.5% for Retail space. Net absorption was negative with -10,848 square feet absorbed in the prior year and 38,996 square feet delivered. This resulted in a vacancy rate decrease of 40 basis points.

Northeast - Class A/B

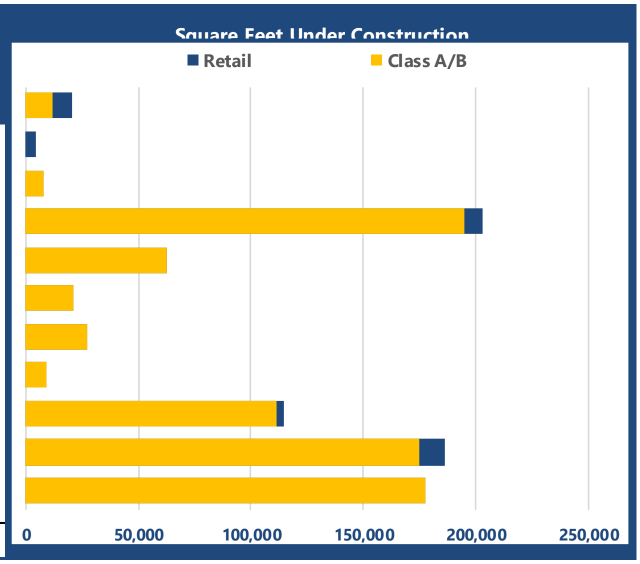
The Northeast had a 2022 4th Quarter vacancy rate of 2.8% for Class A/B space. Net absorption was negative with -29,321 square feet absorbed in the prior year with 28,052 square feet delivered. This resulted in a vacancy rate decrease of 40 basis points.

Sector Comparison

The vacancy rate for Class A/B space was similar 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	Existing SF	U/C SF	Northeast - Class A/B Existing Bldgs	Existing SF	U/C SF
2012 Q4	427	7.6M	20.8K	261	6M	11.5K
2013 Q4	429	7.6M	4.2K	262	6M	0K
2014 Q4	432	7.7M	7.5K	264	6.1M	7.5K
2015 Q4	435	7.8M	202.7K	267	6.1M	195.2K
2016 Q4	443	8M	62.8K	273	6.3M	62.8K
2017 Q4	453	8.1M	21.2K	283	6.5M	21.2K
2018 Q4	458	8.1M	27.4K	288	6.5M	27.4K
2019 Q4	464	8.2M	9K	294	6.6M	9K
2020 Q4	471	8.2M	114.6K	300	6.6M	111.6K
2021 Q4	479	8.3M	186K	306	6.7M	175.1K
2022 Q4	488	8.4M	177.6K	312	6.7M	177.6K
Annual Average			***75.8K***			***72.6K***



Source: CoStar Group, Inc.

Northeast - Retail
There were 488 buildings totaling 8.4 million square feet of Retail space in the Northeast with 177,600 square feet under construction in the 2022 4th Quarter. New construction represented 2.1% of existing supply.

Northeast - Class A/B
There were 312 buildings totaling 6.7 million square feet of Class A/B space in the Northeast with 177,600 square feet under construction in the 2022 4th Quarter. New construction represented 2.6% of existing supply.

Sector Comparison
Class A/B space represented 80.4% of existing supply and 100.0% of new construction in the 2022 4th 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 commercial development with an emphasis on retail and service.

Highest and Best Use Conclusion

The conclusion of the highest and best use is for commercial development with an emphasis on retail and service.

Highest and Best Use As Improved

The determination of the highest and best use of the subject property as improved is focused on three possible conditions that may represent the maximally productive use of the property: (1) continuation of the existing use, (2) modification of the existing use, or (3) demolition and redevelopment of the land. In addition, the presence of surplus or excess land is identified.

As noted, the analyzed use of the subject property is as a motel property. The subject improvements were completed in 1986 and, as of the date of value, were assumed to be in average condition. We are not aware of any significant upgrades and/or renovations. The subject property had an estimated remaining economic life of 0 years. An existing use will typically continue until land value less demolition costs exceeds the value of the existing use, which is the case with the subject property.

Continuation of Existing Use

The improvements are in average condition and there are no known items of deferred maintenance that would impact the current economic viability. The change in value following necesssary renovations would not be sufficient to ensure the financial feasibility of the current improvements.

Continuation of the improvements as they exist does not meet the tests for physical possibility, legal permissibility and financial feasibility. We considered two methods that are generally applied to motel valuation by prospective buyers to determine the financial feasibility of the development as it currently exists.

We applied a market extracted gross rooms revenue multiplier to the subject 30-room motel. The room revenue multiplier was taken from a broad range of sales with an emphasis on independents with similar, projected operations as is assumed to exist at the subject. We estimated forward-looking operations at the subject based on Smith Travel Research data for 4 area hotels within Lakeland and Cordova (Wolfchase area). This data supports our projections of 50% occupancy and $50.00 average daily rate. The following applied revenue multiplier is considered reasonable for an independent exterior corridor motel within the Lakeland/Cordova hospitality market.

We also applied a market extracted sale price per room to the subject 30-room motel. The Memphis area sales that we considered occurred from 2021 through year-to-date January 28, 2023. The properties consisted of motels and hotels and franchised or independent. The applied price per room is considered reasonable for an exterior corridor motel that is smaller than market typical and is not affiliated with a national franchise. The following table summarizes those projections.

Motel Valuation Models

Rooms	Occupancy	ADR	Annual Room Revenue	Room Revenue Multiplier	Result
30	50%	$50.00	$273,750	3.0	$821,250
Rooms	**Comps Sale Price per Room Range**		**Mean of Comps Price per Room**	**Applied Price per Room**	**Result**
30	$11,764	$40,404	$21,957	$27,500	$825,000

Market demand for such properties as the subject does not provide economic support for the existing use for the foreseeable future.

Modification of Existing Use
Conversion of the improvements does not meet the tests for physical possibility and legal permissibility. The current use does not align with current market expectations. Therefore, modification of the existing use is not financially feasible.

Demolition
The estimated value (see previous models) of the subject property does not exceed the value of the land as though vacant plus demolition costs. Therefore, demolition and redevelopment of the site is maximally productive.

Interim Use
In instances where the highest and best use will likely change in the foreseeable future, the current or an alternate use during that interim period is appropriately termed an interim use. Interim uses are current highest and best uses that are anticipated to change in the foreseeable future. Examples of these generally involve surface uses (farms, parking lots, exterior storage, or recreational uses) or older structures no longer appropriate for their intended/initial highest and best use. The current use does represent an interim use.

Highest and Best Use As Improved Conclusion
The highest and best use of the subject property, as improved, is the redevelopment of the property for commercial use with an emphasis on retail and service.

Most Probable Buyer
As of the date of value, the most probable buyer of the subject property is an investor.

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 gross 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

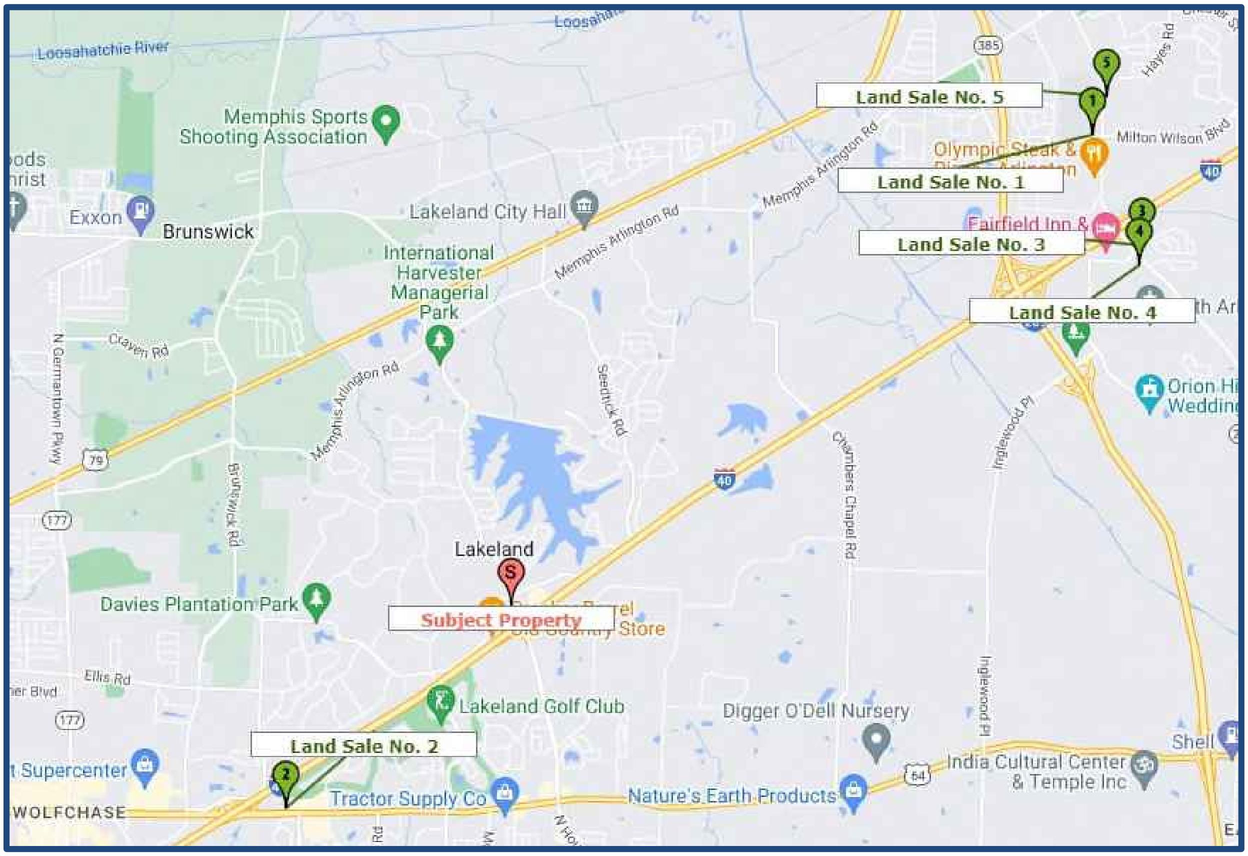
To obtain and verify comparable sales of vacant land properties, we conducted a search of public records, field surveys, interviews with knowledgeable real estate professionals in the area, and a review of our internal database.

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	Gross Sq. Ft.	Location		Zoning	Proposed Use	Sales Price Actual	Per Sq. Ft.
1	December-21	34,935	Milton Wilson Road	Arlington, TN	SC	Commercial	$349,351	$10.00
2	September-21	47,263	US Highway 64	Lakeland, TN	C-2	Commercial	$567,151	$12.00
3	August-21	66,400	Airline Road	Arlington, TN	B-2	Convenience Store	$1,005,779	$15.15
4	June-21	189,486	Airline Road	Arlington, TN	SC	Convenience Store	$1,450,000	$7.65
5	March-21	51,401	5476 Airline Road	Arlington, TN	SC	Retail / Office	$462,607	$9.00

COMPARABLE SALES MAP



Comparable Land Sale 1

Property Identification

Property/Sale ID	11262588/1608709
Property Type	Commercial
Property Name	Patel Site
Address	Milton Wilson Road
City, State Zip	Arlington, Tennessee 38002
County	Shelby
MSA	Memphis, TN-AR-MS
Submarket	Northeast
Latitude/Longitude	35.271551/-89.667931
Tax ID	A0142 00867

Transaction Data

Sale Date	12-23-2021	**Financing**	Cash to Seller
Sale Status	Closed	**Conditions of Sale**	Typical
Grantor	West Land Partners, LLC	**Recording Number**	21159276
Grantee	ManojKumar Pravinbhai Patel	**Sale Price**	$349,351
		Adjusted Price	$349,351
Property Rights	Fee Simple		

Property Description

Gross Acres	0.80	**Shape**	Rectangular
Gross SF	34,935	**Topography**	Level
Usable Acres	0.80	**Utilities**	All Available - Public
Usable SF	34,935	**Drainage**	Appears adequate
Front Feet	169	**Flood Hazard Zone**	X
Proposed Use	Commercial	**Zoning Code**	SC
Visibility	Fair	**Zoning Description**	Shopping Center
Corner/Interior	Interior		

Indicators

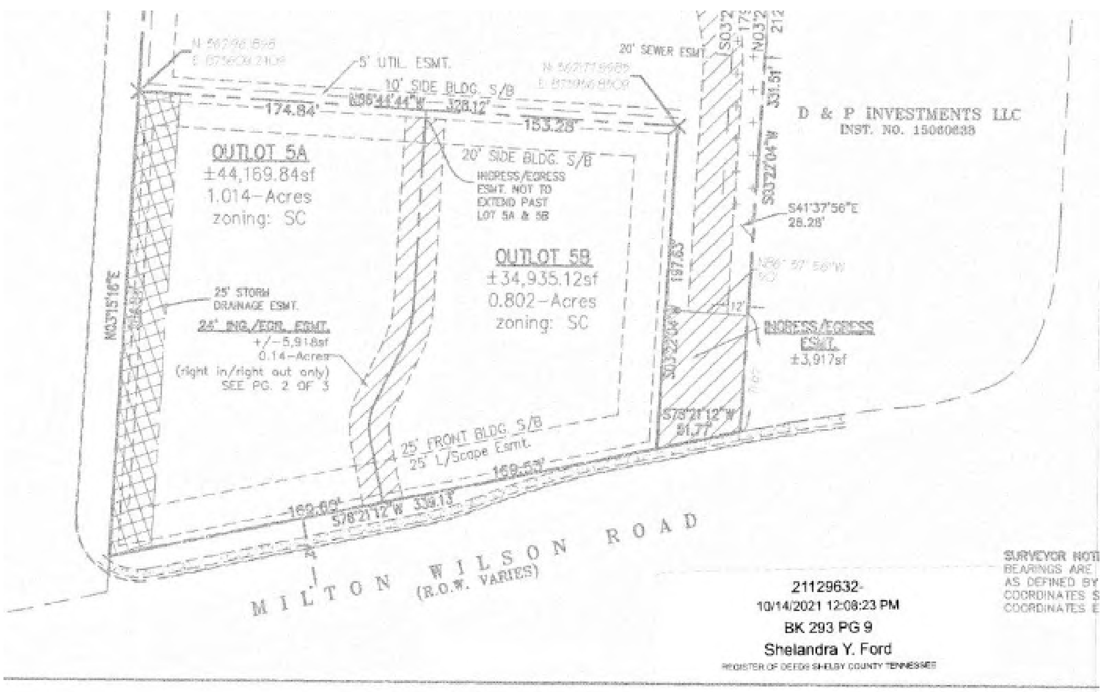
$/Gross Acre	$435,600	**$/Usable SF**	$10.00
$/Gross SF	$10.00	**$/FF**	$2,067.17
$/Usable Acre	$435,600		

Verification

Confirmed With	Public records
Confirmation Date	08-25-2022

Remarks

This is the sale of Outlot 5B of Arlington Place Subdivision. It was a partially developed lot at the time of sale. Airline Road is half of a block east of the site. The immediate area is improved with a public school campus, office and commercial uses. Arlington was experiencing continued growth at the time of sale.



COMPARABLE LAND SALE 2

Property Identification

Property/Sale ID	11209379/1573435
Property Type	Commercial
Property Name	Jackland Holdings LLC
Address	US Highway 64
City, State Zip	Lakeland, Tennessee 38002
County	Shelby
MSA	Memphis, TN-AR-MS
Submarket	Northeast
Latitude/Longitude	35.204991/-89.765603
Tax ID	L0159 00529

Transaction Data

Sale Date	09-15-2021	**Financing**	Cash to Seller
Sale Status	Closed	**Conditions of Sale**	Typical
Grantor	Highway 64 Partners, LP et al	**Recording Number**	21115474
		Sale Price	$567,151
Grantee	Jackland Holdings, LLC	**Adjusted Price**	$567,151
Property Rights	Fee Simple		

Property Description

Gross Acres	1.09	**Corner/Interior**	Interior
Gross SF	47,263	**Shape**	Irregular
Usable Acres	1.09	**Topography**	Level
Usable SF	47,263	**Utilities**	All Available - Public
Front Feet	140	**Drainage**	Appears adequate
Avg. Depth	328.00	**Flood Hazard Zone**	X
Proposed Use	Commercial	**Zoning Code**	C-2
Access Rating	Good	**Zoning Description**	General Business
Visibility	Good		

Indicators

$/Gross Acre	$522,720	**$/Usable SF**	$12.00
$/Gross SF	$12.00	**$/FF**	$4,051.08
$/Usable Acre	$522,720		

Verification

Confirmed With	Deed
Confirmed By	Edward Apple
Confirmation Date	01-21-2022

Remarks

This is the sale of undeveloped vacant land. It is 1 block east of I-40 and north of Hwy 64; located along a private drive that runs parallel to the highway. There is dense development in the immediate area. Highway 64 is a primary commercial corridor within the market area. The site has access to a traffic light that enhances ingress/egress.

Comparable Land Sale 3

Property Identification

Property/Sale ID	11164520/1548124
Property Type	Commercial
Property Name	C-Store Site
Address	Airline Road
City, State Zip	Arlington, Tennessee 38002
County	Shelby
MSA	Memphis, TN-AR-MS
Submarket	Northeast
Latitude/Longitude	35.260623/-89.662041
Tax ID	A0152 00267

Transaction Data

Sale Date	08-13-2021	**Financing**	Cash to Seller
Sale Status	Closed	**Conditions of Sale**	Typical
Grantor	Trails, LLC	**Recording Number**	21105355
Grantee	BR Partners, LLC	**Sale Price**	$1,005,779
Property Rights	Fee Simple	**Adjusted Price**	$1,005,779

Property Description

Gross Acres	1.52	**Visibility**	Good
Gross SF	66,400	**Corner/Interior**	Corner
Usable Acres	1.52	**Shape**	Rectangular
Usable SF	66,400	**Topography**	Level
Front Feet	240	**Utilities**	All Available - Public
Avg. Depth	230.00	**Drainage**	Adequate
Proposed Use	Convenience Store	**Flood Hazard Zone**	X
Access Rating	Average	**% in Flood Hazard**	0.0%
Rail Access	No	**Zoning Code**	B-2
Water/Port Access	No	**Zoning Description**	Commercial

Indicators

$/Gross Acre	$659,817	**$/Usable SF**	$15.15
$/Gross SF	$15.15	**$/FF**	$4,190.75
$/Usable Acre	$659,817		

Verification

Confirmed With	Buyer/Agent
Confirmed By	Andrew Trott, MAI
Confirmation Date	08-04-2021

Remarks

Sale of a corner tract located at the corner of Airline Road and Arlington Trail, just south of the I-40 interstate. The sales price stipulated that the seller is expected to developer the site with all utilities, curb cuts and a access road along the northern boundary. The site is being purchased for future development as a convenience store.

COMPARABLE LAND SALE 4

Property Identification

Property/Sale ID	11189533/1560491
Property Type	Commercial
Property Name	Phoenix Airline
Address	Airline Road
City, State Zip	Arlington, Tennessee 38002
County	Shelby
MSA	Memphis, TN-AR-MS
Submarket	Northeast
Latitude/Longitude	35.258602/-89.662328
Tax ID	A0152 00098

Transaction Data

Sale Date	06-24-2021	**Financing**	Cash to Seller
Sale Status	Closed	**Conditions of Sale**	Typical
Grantor	Gerald D. Lawson and Glen Bascom II	**Deed Book/Page**	21071625
		Sale Price	$1,450,000
Grantee	Phoenix Airline LLC	**Adjusted Price**	$1,450,000
Property Rights	Fee Simple		

Property Description

Gross Acres	4.35	**Shape**	Triangular
Gross SF	189,486	**Topography**	Level
Usable Acres	4.35	**Utilities**	All Available - Public
Usable SF	189,486	**Drainage**	Appears adequate
Front Feet	800	**Flood Hazard Zone**	X
Avg. Depth	300.00	**% in Flood Hazard**	0.0%
Proposed Use	Convenience Store	**Zoning Code**	SC
Access Rating	Average	**Zoning Description**	Shopping Center Commercial
Visibility	Average		
Corner/Interior	Interior		

Indicators

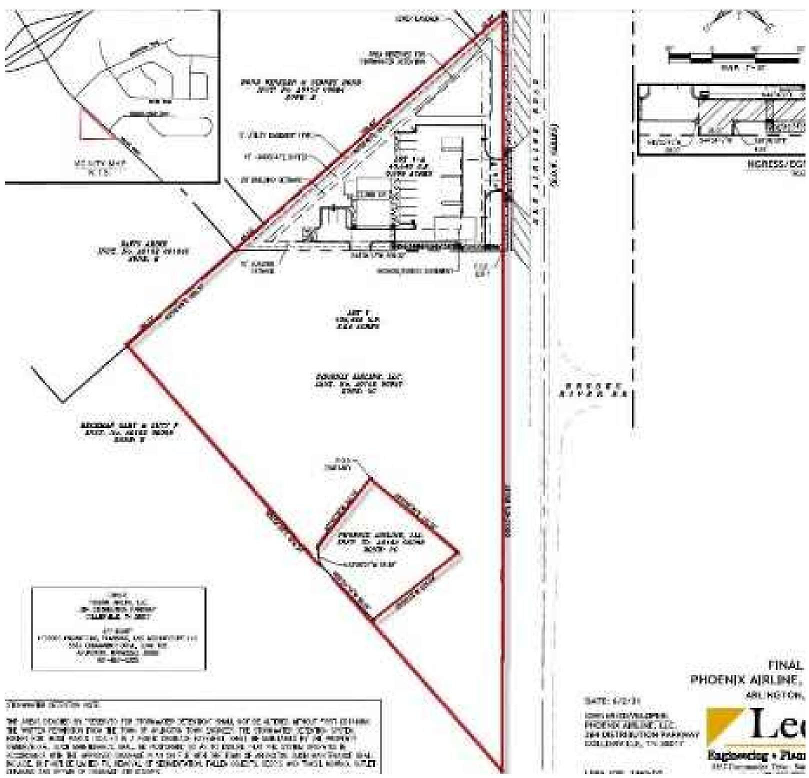
$/Gross Acre	$333,333	**$/Usable SF**	$7.65
$/Gross SF	$7.65	**$/FF**	$1,812.50
$/Usable Acre	$333,333		

Verification

Confirmed With	Buyer, Deed
Confirmed By	Andrew Trott, MAI
Confirmation Date	10-22-2021

Remarks

Sale of a 4.35 acre parcel of vacant land located along the west side of Airline Road, just south of I-40. The site has a triangular shape that excludes a 12,000 sf+- cemetery. The site is wooded and generally level. All utilities are available. The northern portion is expected to be developed with a convenience store with the remainder to be utilized for future commercial development.



COMPARABLE LAND SALE 5

Property Identification

Property/Sale ID	11262600/1608719
Property Type	Commercial
Property Name	Crye-Leike Commercial Building
Address	5476 Airline Road
City, State Zip	Arlington, Tennessee 38002
County	Shelby
MSA	Memphis, TN-AR-MS
Submarket	Northeast
Latitude/Longitude	35.275325/-89.666220
Tax ID	A0142 00327C

Transaction Data

Sale Date	03-02-2021	**Financing**	Cash to Seller
Sale Status	Closed	**Conditions of Sale**	Typical
Grantor	William R. Powell and Tyler Little	**Recording Number**	21024488
		Sale Price	$462,607
Grantee	Harold E. Crye, Trustee	**Adjusted Price**	$462,607
Property Rights	Fee Simple		

Property Description

Gross Acres	1.18	**Visibility**	Good
Gross SF	51,401	**Corner/Interior**	Interior
Usable Acres	1.18	**Shape**	Irregular
Usable SF	51,401	**Topography**	Gently sloping
Front Feet	269	**Utilities**	All Available - Public
No. of Units	6	**Drainage**	Appears adequate
Density (Units/Ac)	5.08	**Flood Hazard Zone**	X
Proposed Use	Retail / Office	**Zoning Code**	SC
Proposed Bldg SF	8,400	**Zoning Description**	Shopping Center

Indicators

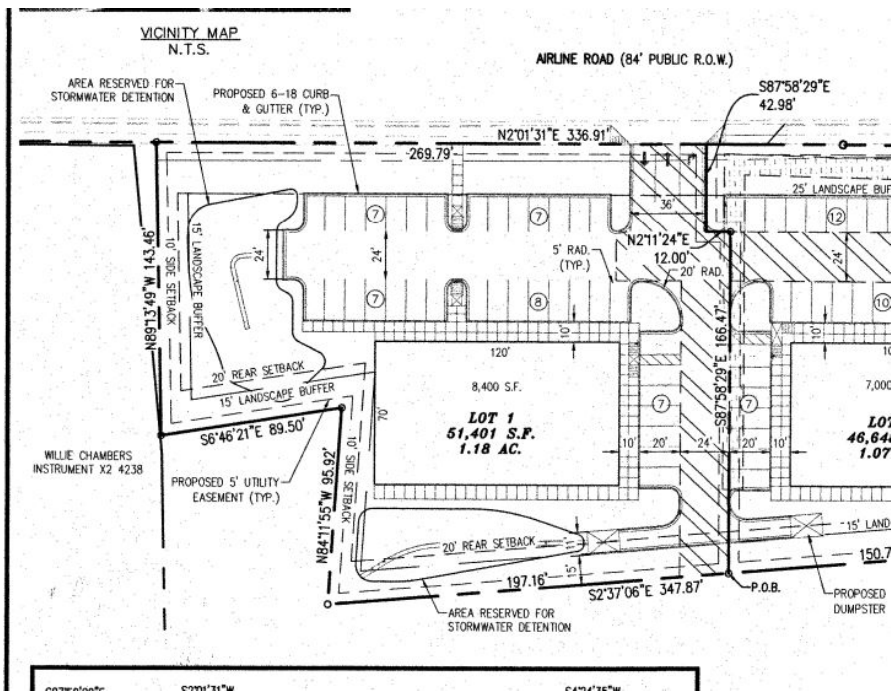
$/Gross Acre	$392,040	**$/FF**	$1,719.73
$/Gross SF	$9.00	**$/Unit**	$77,101
$/Usable Acre	$392,040	**$/SF of Bldg Area**	$55.07
$/Usable SF	$9.00		

Verification

Confirmed With	Public records
Confirmation Date	08-25-2022

Remarks

This is the sale of undeveloped land along a primary corridor in/for Arlington, TN. It is located on the east side of Airline Road and opposite of an entry drive into the public high school campus. The community was experiencing notable development and construction activity at the time of sale. The general area has a moderate level of density with respect to residential and commercial developments. The site is 1.3 miles south of US Hwy 70/79 and 0.90 miles north of I-40.



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.

Discussions with market participants and a review of market data indicated overall market conditions for similar properties had been improving with historical transactions confirming this trend. When appropriate, we have applied adjustments for market conditions.

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."

The subject property consists of 2.32 gross acres (101,016 gross square feet), and 2.32 acres (101,016 square feet) of useable land area. The sales range in size from 34,935 to 189,486 square feet and required size adjustments. We applied an adjustment factor of approximately 2.0% per doubling to each sale, resulting in adjustments of 5.0% for 4 of the 5 comparable land sales.

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 interior location of the subject site has been considered in our analysis. Sale 3 is located at the intersection of a secondary thoroughfare and tertiary street for the market area. This sale has been adjusted downward as it is considered superior when compared to the subject.

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 is a developed site with a level topography and the vegetation consists primarily of ground cover. Sales 4 and 5 are undeveloped sites and they have both been adjusted upward by 10%.

Visibility/Traffic

The exposure of the subject is based on visibility from the frontage road coupled with the traffic volumes (when pertinent and available). Exposure, and/or visibility, for the subject is rated as very good when consideration is given to the fact that modern vertical improvements will have visibility from not only its frontage road but also Interstate 40. Traffic volume along Canada Road is estimated at more than 10,000 cars per day and more than 69,000 along I-40. None of the sales are estimated to benefit from similar traffic volume as present at the subject. All of the sales have inferior traffic volume and have been adjusted upward by 5% to 10%.

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 # 5
Sale ID		1608709	1573435	1548124	1560491	1608719
Date of Value & Sale	January-23	December-21	September-21	August-21	June-21	March-21
Unadjusted Sales Price		$349,351	$567,151	$1,005,779	$1,450,000	$462,607
Gross Square Feet	101,016	34,935	47,263	66,400	189,486	51,401
Unadjusted Sales Price per Gross Sq. Ft.		**$10.00**	**$12.00**	**$15.15**	**$7.65**	**$9.00**
Transactional Adjustments						
Property Rights Conveyed	*Fee Simple*	*Fee Simple*	*Fee Simple*	*Fee Simple*	*Fee Simple*	*Fee Simple*
Adjusted Sales Price		$10.00	$12.00	$15.15	$7.65	$9.00
Financing Terms	*Cash to Seller*	*Cash to Seller*	*Cash to Seller*	*Cash to Seller*	*Cash to Seller*	*Cash to Seller*
Adjusted Sales Price		$10.00	$12.00	$15.15	$7.65	$9.00
Conditions of Sale	*Typical*	*Typical*	*Typical*	*Typical*	*Typical*	*Typical*
Adjusted Sales Price		$10.00	$12.00	$15.15	$7.65	$9.00
Expenditures after Sale						
Adjusted Sales Price		**$10.00**	**$12.00**	**$15.15**	**$7.65**	**$9.00**
Market Conditions Adjustments						
Elapsed Time from Date of Value		*1.10 years*	*1.37 years*	*1.46 years*	*1.59 years*	*1.91 years*
Market Trend Through	October-22	0.8%	1.0%	1.1%	1.3%	1.6%
Subsequent Trend Ending	January-23	-	-	-	-	-
Analyzed Sales Price		**$10.08**	**$12.13**	**$15.32**	**$7.75**	**$9.14**
Physical Adjustments						
Location	*3645 Canada Road Lakeland, Tennessee*	*Milton Wilson Road Arlington, Tennessee*	*US Highway 64 Lakeland, Tennessee*	*Airline Road Arlington, Tennessee*	*Airline Road Arlington, Tennessee*	*5476 Airline Road Arlington, Tennessee*
Adjustment		-	-	-	-	-
Size	*101,016 sf*	*34,935 sf*	*47,263 sf*	*66,400 sf*	*189,486 sf*	*51,401 sf*
Adjustment		-5.0%	-5.0%	-5.0%	-	-5.0%
Corner Exposure	*Interior*	*Interior*	*Interior*	*Corner*	*Interior*	*Interior*
Adjustment		-	-	-10.0%	-	-
Topography	*Level*	*Level*	*Level*	*Level*	*Level*	*Gently sloping*
Adjustment		-	-	-	10.0%	10.0%
Visibility/Traffic	*Very Good*	*Moderate*	*Good*	*Moderate*	*Moderate*	*Moderate*
Adjustment		10.0%	5.0%	10.0%	10.0%	10.0%
Net Physical Adjustment		5.0%	-	-5.0%	20.0%	15.0%
Adjusted Sales Price per Gross Square Foot		**$10.58**	**$12.13**	**$14.55**	**$9.30**	**$10.51**

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 Gross Square Foot	$7.65	$7.75	$9.30
Max. Sales Price per Gross Square Foot	$15.15	$15.32	$14.55
Median Sales Price per Gross Square Foot	$10.00	$10.08	$10.58
Mean Sales Price per Gross Square Foot	$10.76	$10.88	$11.41

The most comparable sale was Sale 2 with an adjusted sale price of $12.13 per gross square foot. This sale is similar in that it is located in Lakeland, as is the subject, had similar exposure, and required only 5% net physical adjustment. We also applied more weight to Sales 1 and 3 versus Sales 4 and 5 because of their low net physical adjustments. The value of the subject is supported at a unit price that is near the adjusted prices of these sales.

Demolition Costs

We estimated demolition costs at $5.00 per square foot of gross building area, which was applied to our preliminary value indication. The basis for the demolition cost is supported by Marshall & Swift Valuation Service (national CoreLogic publication for cost estimation) and a land developer located within the Memphis MSA that provided local costs estimates applicable to the subject.

Demolition Cost Calculation

Item		Amount
Existing GBA		10,476
Demolition Cost (psf)	x	$5.00
Profit Factor	x	1.15
Demolition Cost Estimate		**$60,000**

The land value conclusions are summarized as follows:

Land Value Conclusion

Market Value Opinion				
101,016 square feet	x	**$12.50 psf**	=	**$1,260,000**
		Less Demolition Costs :		$60,000
				$1,200,000

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 not a sufficient 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 - Land Only	$1,200,000
Cost	Not Developed
Income Capitalization	Not Developed

Value Conclusion

Component	As Is
Value Type	Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	January 27, 2023
Value Conclusion	**$1,200,000**
	$11.88 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:

- We were not provided historical operating data nor budgeted operations for the subject property; the as is market value is based on our projections of income and expenses for the subject and is a result of research of the market and relative published data.

Hypothetical Conditions:

- None.

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 3 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
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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.
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 continuing education program for Designated Members of the Appraisal Institute.

Todd Glidewell

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

Addenda

Glossary

Qualifications

- Dana Richardson - Senior Appraiser
- Todd Glidewell, MAI - Senior Managing Director

Information on Valbridge Property Advisors

Office Locations

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 le*ase. (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:
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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

Arkansas Appraiser Licensing & Certification Board

This is to certify that
Dana B Richardson
Credential # CG-3435
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: 6/27/2023
Chairman

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:	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

33801

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

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 **STATUS: ACTIVE**

TODD GLIDEWELL

HAS BEEN GRANTED A LICENSE AS A
STATE CERTIFIED GENERAL APPRAISER

Effective Date: 07/01/2021 **Expiration Date:** 06/30/2023

Todd Glidewell

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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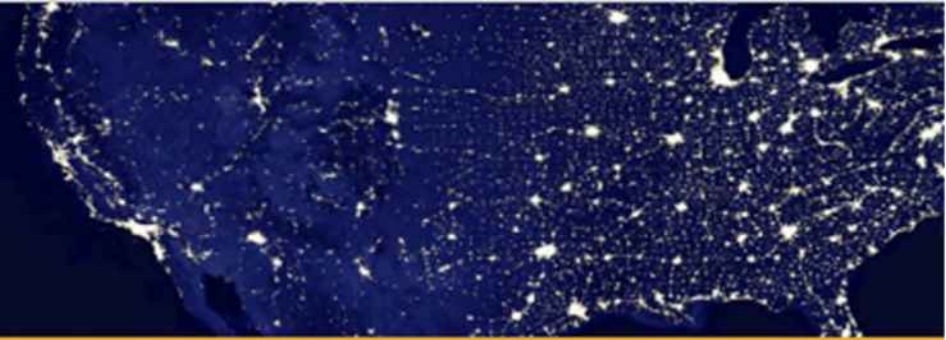

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