

RESOLUTION 16-404

**TO APPROVE LAND ACQUISITION PURCHASE FOR TRACT 31
OF THE DUPLEX ROAD WIDENING PROJECT**

WHEREAS, the City of Spring Hill is in the process of widening Duplex Road;
and

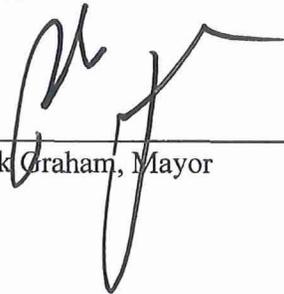
WHEREAS, in order to complete the project, the City must acquire land in the
form of right-of-ways and easements from property owners along Duplex Road; and

WHEREAS, the City is working with Tennessee Department of Transportation
on this project, known as State Project Number 60LPLM-F2-019 and Federal Project
Number STP-M-247(9); and

WHEREAS, the cost of the acquisition will be \$199,900.00 to the tract owner
(Gloria A. Vaughn & Douglas H. Vaughn; Teresa Ann Gilbreath; Pamela Gail Kincaid;
Douglas H. Vaughn, Jr.; and Michael Vaughn) and \$500.00 to the closing agent
(Southeast Title of Tennessee, Inc.) for closing costs.

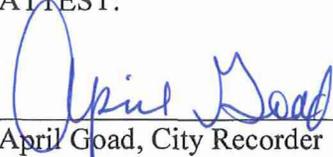
NOW THEREFORE, BE IT RESOLVED, that the City of Spring Hill, Board
of Mayor and Aldermen authorizes a total land acquisition purchase in the amount of
\$200,400.00 to Southeast Title of Tennessee, Inc., 40 Middleton Street, Nashville, TN
37210 for Tract number 31 of the Duplex Road widening project.

Passed and adopted this 16th day of February, 2016.



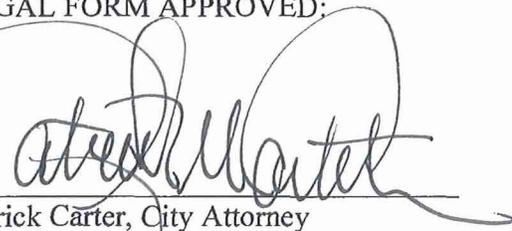
Rick Graham, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney



Date: February 16, 2016

To: Spring Hill Board of Mayor and Aldermen

From: Dan Allen
Infrastructure Director

Re: Duplex Road Widening Project – Tract 31

Resolution 16-404 to purchase right of way easements for Tract 31 was presented to BOMA for approval on January 4, 2016. Due to the construction drawings needing to be amended, this resolution was deferred. The amended construction drawings resulted in additional funds due to the tract owner. Corresponding paperwork was completed and a new contract was signed by the tract owner(s) on February 13, 2016.

Resolution 16-404 has been amended to reflect the new amount due and is being presented for BOMA approval on the February 16, 2016 agenda.

REVISED

CITY OF SPRING HILL
Agreement of Sale

STATE PROJ. NO: 60LPLM-F2-019 COUNTY/S MAURY

FED PROJ. NO: STP-M-247(9) TRACT #: 31

PIN #: 103169.00 NEGOTIATOR: Debra Rhemann DATE PRINTED: _____

OWNERS: Gloria A. Vaughn & Douglas H. Vaughn, husband & wife (Life Estate), Teresa Ann Gilbreath, Pamela Gail Kincaid, Douglas H. Vaughn, Jr., and Michael (Woody) Vaughn

This agreement entered into on 2/13/16
Date

between Gloria A. Vaughn & Douglas H. Vaughn, husband & wife (Life Estate), Teresa Ann Gilbreath, Pamela Gail Kincaid, Douglas H. Vaughn, Jr., and Michael (Woody) Vaughn
Seller Names

herein after called Seller and the Department of Transportation hereinafter called Department shall continue for a period of 90 days under the terms and conditions listed below. This Agreement embodies all considerations agreed to between the Seller and the Department.

- A. The Seller hereby offers and agrees to convey to the Department all interest in the lands identified as TRACT 31 on the right-of-way plan for the above referenced project upon the Department tendering the purchase price of **\$199,900.00**, said tract being further described on the attached legal description
- B. The Department agrees to pay for the expenses of title examination, preparation of instrument of conveyance and recording of deed. The Department will reimburse the Seller for expenses incident to the transfer of the property to the Department. Real Estate Taxes will be prorated.

The following terms and condition will also apply unless otherwise indicated:

- C. Retention of Improvements Does not Retain Improvements Not applicable
Seller agrees to retain improvements under the terms and conditions stated in ROW Form-32A attached to this document and made a part of this Agreement of Sale.
- D. Utility Adjustment Not Applicable
The Seller agrees to make at his expense the below listed repair, relocation or adjustment of utilities owned by him. The purchase price offered includes \$ N/A to compensate the owner for his expenses.
- E. Other

The Seller states in the following space the name of any Lessee of any part of the property to be conveyed and the name of any other parties having any interest of any kind in said property;

F The seller agrees to comply with the requirements of the Statewide Storm Water Management Plan and understands that mitigation costs due to non-compliance are the responsibility of the seller.

2-13-16 Gloria A Vaughn
Date Signature of Seller

2-13-16 [Signature]
Date Signature of Seller

2-13-16 [Signature]
Date Signature of Seller

2/13/16 [Signature]
Date Signature of Seller

2-13-16 [Signature]
Date Signature of Seller

2-13-16 [Signature]
Date Signature of Seller

**CITY OF SPRING HILL
APPROVED OFFER -- BASIS, SUMMARY & AUTHORIZATION**

(THIS FORM MAY BE USED FOR STAFF NPP)

(2)STATE PROJECT NO:	60LPLM-F2-019	(3)FEDERAL PROJECT NO:	STP-M-247(9)
(4)LPA PROJECT ID NUMBER:		(5)TRACT NUMBER:	31
(6)PROPERTY OWNERSHIP:	Mrs. Gloria Ann Vaughn		
(7)COUNTY:	Maury County	(8)MAP/PARCEL NUMBER:	0250-B-004
(9)APPRAISER:	Ted A. Boozer, MAI		
(10)APPRAISER CONCLUSION OF TOTAL AMOUNT DUE OWNER:	\$		199,900
(11)EFFECTIVE DATE OF VALUATION:	11/1/14	(12)APPRAISAL TYPE (FORMAL, FPA, or NPP):	FORMAL

ACQUISITION AREAS & APPROVED COMPENSATIONS

	ACQ. AREAS		COMPENSATIONS	(13)ALTERNATE OFFER	
	AREA	ACS/SF	(Rounded)	Partial-Acquisition Remainder Declared Uneconomic Remnant	N/A
INTERESTS ACQUIRED					
(14)FEE-SIMPLE	3,249	SF	\$ 19,494		
(15)PERM. DRNGE. ESM'T.					
(16)SLOPE ESM'T.	115	SF	\$ 345		
(17)AIR RIGHTS					
(18)TEMP. CONST. ESM'T.	2,803	SF	\$ 5,045		
(19)LNDOWNR IMPRVMTS.			\$ 175,000		
TOTL ACQUISITIONS			\$ 199,884		
(20)DAMAGES			\$ -		
(21)SPECIAL BENEFITS			\$ -		
NET DAMAGES			\$ -		
(22)UTILITY ADJUSTMENT					
TOTL LNDOWNR COMP.			\$ 199,884		
(23)TENANT IMPRVMTS.					
TOTAL TRACT COMPENSATION			\$ 199,884		
Total Tract Compensation Rounded To			\$ 199,900		

(24)COMMENTS & EXPLANATIONS AS NECESSARY

Formal appraisal of partial acquisition on a commercially zoned site improved with a duplex dwelling and related site improvements, which are acquired. Remainder will be vacant. Appraisal report identifies neither damages nor special benefits. Appraisal report is well documented and adequately supported.

OFFER PREPARED BY: David S. Pipkin, CG-437, Consultant Review Appraiser	DATE: 2/4/2016
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SIGNATURE OF PREPARER:



AGENCY AUTHORIZATION BY:



Date & Signature Of Authorizing Party 2/4/16

**CITY OF SPRING HILL
Agreement of Sale**

STATE PROJ. NO: 60LPLM-F2-019 COUNTY/S MAURY

FED PROJ. NO: STP-M-247(9) TRACT #: 31

PIN #: 103169.00 NEGOTIATOR: Debra Rhemann DATE PRINTED: _____

OWNERS: Gloria A. Vaughn & Douglas H. Vaughn, husband & wife (Life Estate), Teresa Ann Gilbreath,
Pamela Gail Kincaid, Douglas H. Vaughn, Jr., and Michael (Woody) Vaughn

This agreement entered into on _____
Date

between Gloria A. Vaughn & Douglas H. Vaughn, husband & wife (Life Estate), Teresa Ann Gilbreath,
Pamela Gail Kincaid, Douglas H. Vaughn, Jr., and Michael (Woody) Vaughn

Seller Names

herein after called Seller and the Department of Transportation hereinafter called Department shall continue for a period of 90 days under the terms and conditions listed below. This Agreement embodies all considerations agreed to between the Seller and the Department.

- A. The Seller hereby offers and agrees to convey to the Department all interest in the lands identified as TRACT 31 on the right-of-way plan for the above referenced project upon the Department tendering the purchase price of **\$196,700.00**, said tract being further described on the attached legal description
- B. The Department agrees to pay for the expenses of title examination, preparation of instrument of conveyance and recording of deed. The Department will reimburse the Seller for expenses incident to the transfer of the property to the Department. Real Estate Taxes will be prorated.

The following terms and condition will also apply unless otherwise indicated:

- C. Retention of Improvements Does not Retain Improvements Not applicable
Seller agrees to retain improvements under the terms and conditions stated in ROW Form-32A attached to this document and made a part of this Agreement of Sale.
- D. Utility Adjustment Not Applicable
The Seller agrees to make at his expense the below listed repair, relocation or adjustment of utilities owned by him. The purchase price offered includes \$ N/A to compensate the owner for his expenses.
- E. Other

The Seller states in the following space the name of any Lessee of any part of the property to be conveyed and the name of any other parties having any interest of any kind in said property;

Peggy Hood
James Carter

- F. The seller agrees to comply with the requirements of the Statewide Storm Water Management Plan and understands that mitigation costs due to non-compliance are the responsibility of the seller.

12/22/2015 Pamela Gail Kincaid
Date Signature of Seller

12/22/2015 Doug Vaughn
Date Signature of Seller

12/22/2015 [Signature]
Date Signature of Seller

12/22/2015 Gloria A. Vaughn
Date Signature of Seller

12/22/2015 Michael Woody Vaughn
Date Signature of Seller

12/22/2015 Teresa Ann Gilbreath
Date Signature of Seller

**CITY OF SPRING HILL
APPROVED OFFER - BASIS, SUMMARY & AUTHORIZATION**

(THIS FORM MAY BE USED FOR STAFF NPP)

(2)STATE PROJECT NO: 60LPLM-F2-019 (3)FEDERAL PROJECT NO: STP-M-247(9)

(4)PROJECT ID NUMBER: (5)TRACT NUMBER: 31

(6)PROPERTY OWNERSHIP: Gloria Ann Vaughn

(7)COUNTY: Maury (8)MAP/PARCEL NUMBER: 250-B-4.00

(9)APPRAISER: Ted A. Boozer, MAI

(10)APPRAISER CONCLUSION OF TOTAL AMOUNT DUE OWNER: \$196,000

(11)EFFECTIVE DATE OF VALUATION: 11/1/14 (12)APPRAISAL TYPE (FORMAL, FPA, or NPP): FORMAL

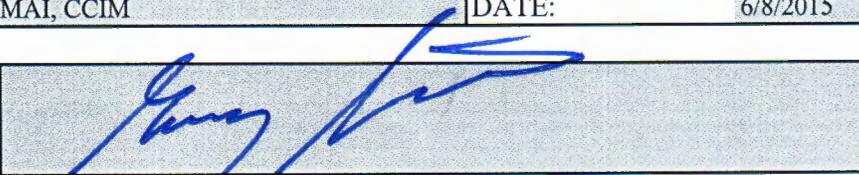
ACQUISITION AREAS & APPROVED COMPENSATIONS

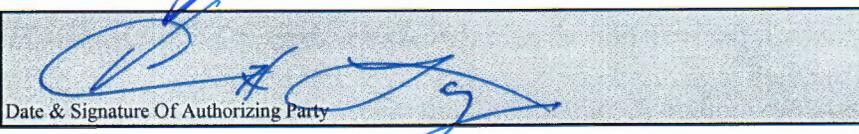
	ACQ. AREAS		COMPENSATIONS	(13)ALTERNATE OFFER	
	AREA	ACS/SF	(Rounded)	Partial-Acquisition Remainder Declared Uneconomic Remnant	N/A
INTERESTS ACQUIRED					
(14)FEE-SIMPLE	3,249	SF	\$19,500 (R)		
(15)PERM. DRNGE. ESM'T.					
(16)SLOPE ESM'T.	132	SF	\$400 (R)		
(17)AIR RIGHTS					
(18)TEMP. CONST. ESM'T.	990	SF	\$1,800 (R)		
(19)LNDOWNR IMPRVMTS.			\$175,000		
TOTL ACQUISITIONS			\$196,700		
(20)DAMAGES					
(21)SPECIAL BENEFITS					
NET DAMAGES					
(22)UTILITY ADJUSTMENT					
TOTL LNDOWNR COMP.			\$196,700		
(23)TENANT IMPRVMTS.					
TOTAL TRACT COMPENSATION			\$196,700		

(24)COMMENTS & EXPLANATIONS AS NECESSARY

Difference due to rounding. Please note: This is a relocation tract.

OFFER PREPARED BY: Gary Standifer, MAI, CCIM DATE: 6/8/2015

SIGNATURE OF PREPARER: 

AGENCY AUTHORIZATION BY: 
Date & Signature Of Authorizing Party

**TENNESSEE DEPARTMENT OF TRANSPORTATION
REAL PROPERTY EMINENT DOMAIN
APPRAISAL REVIEW REPORT
(RIGHT OF WAY ACQUISITION)**

This appraisal review has been conducted in accordance with the Scope of Work Rule and Standard 3 of the *Uniform Standards of Professional Appraisal Practice*, as promulgated by the Appraisal Foundation. This review and this review report are intended to adhere to the Standard 3 in effect as of the date of this review was prepared. The appraisal and appraisal report have been considered in light of the Standards 1 & 2 in effect as of the date the appraisal was prepared - not necessarily the effective date of valuation.

The purpose of this technical review is to develop an opinion as to the compliance of the appraisal report identified herein to the *Uniform Standards of Professional Appraisal Practice*, the *Uniform Relocation Assistance & Real Property Acquisition Act*, and the Tennessee Department of Transportation's *Guidelines for Appraisers*; and further develop opinions as to the completeness, accuracy, adequacy, relevance, reasonableness, and appropriateness of opinions presented in the appraisal report as advice to the acquiring agency in its development of a market value offer to the property owner. This review is conducted for the Tennessee Department of Transportation and is the intended user.

City of Spring Hill

All estimates of value prepared for agency acquisitions shall be based on "market value" - as defined and set forth in the Tennessee Pattern Jury Instructions to wit: "the amount of money which a purchaser, willing but under no compulsion to buy, would pay, and which a seller, willing but under no compulsion to sell, would accept, taking into consideration all the legitimate uses to which the property was adaptable and might in reason be applied." Compensations are in compliance with the Tennessee State Rule.

Section (A) Identification & Base Data:

(1) State Project Number: 60LPLM-F2-019 (2) County: Maury (3) Tract No.: 31
 Federal: STP-M-247(9)
 Pin: 103169.00

(4) Owner(s) of Record: Mrs. Gloria Ann Vaughn, 1506 Rockland Drive, Columbia, TN 38401

(5) Address/Location of Property Appraised: 2531-2533 Duplex Road, Spring Hill, Maury County, TN

(6) Effective Date of the Appraisal: 11/01/2014

(7) Date of the Report: 2/02/2015

(8) Type of Appraisal: <input checked="" type="checkbox"/> Formal : : <input type="checkbox"/> Formal Part-Affected	:	(9) Type of Acquisition: <input type="checkbox"/> Total : <input checked="" type="checkbox"/> Partial
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(10) Type of Report Prepared: : <input checked="" type="checkbox"/> Appraisal Report : <input type="checkbox"/> Restricted Appraisal Report	:	(11) Appraisal & Review Were Based On: : <input checked="" type="checkbox"/> Original Plans (Assumed) : <input type="checkbox"/> Plan Revision Dated: _____
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(12) Author(s) of Appraisal Report: Ted A. Boozer, MAI

(13) Effective Date of Appraisal Review: 5/11/2015

(14) Appraisal Review Conducted By: Gary R. Standifer, MAI, CCIM
STANDIFER & ASSOCIATES, INC.

(15) Ownership Position & Interest Appraised: (Unless indicated herein to the contrary, the appraisal is of a 100% ownership position in fee simple. (Confirm 100% or state the specifics otherwise.))

Ownership Position & Interest Appraised is Fee Simple according to Appraisal Report, Right-of-Way Plans and Title Report.

(16) Scope of Work in the Performance of this Review: (Review must comply with all elements and requirements of the Scope of Work Rule and Standard 3 of USPAP, and must include field inspection (at least an exterior inspection of the subject property and all comparable data relied on in the appraisal report.)) **Development of an independent estimate of value is not a part of this review assignment.**

Upon receipt of the appraisal report, all comparable sales were visually inspected from the public right of way and confirmed using available data services (CRS data and actual courthouse records). Additionally, narrative descriptions (in the Market Data Brochure) of the subject neighborhood/market area were reviewed for accuracy. A field review of the subject property was conducted to verify the descriptions in the appraisal report and to more closely inspect the areas being directly affected by the proposed acquisition. Analyses and conclusions contained within the appraisal report were also reviewed as to their applicability to the subject property, the area being acquired, and to the impact, if any, on the remainder property. Additionally, a search was conducted using the information services noted above to see if any comparable sales had been overlooked by the appraiser. Additionally, listings on the project and in the general area were collected and inspected. The plans and cross sections were obtained from the City of Spring Hill. These plans have been reviewed and compared to the plans and cross sections included and/or referenced in Mr. Boozer's appraisal report. It is assumed the plans provided by the City of Spring Hill are the most current plans available as of the date of this appraisal review. Having reviewed the appraisal report and available data, this review report has been completed by the review appraiser.

Section (B): Property Attributes:

(1) Total Tract Size as Taken From the Acquisition Table: 0.654 Acres (s)

(2) Does the Appraisal Identify One or More "Larger Parcels" That Differ in Total Size From the Acquisition Table? (If "Yes," what is it and is it justified?)(Explain)(Describe Land)

No.

(3) List/Identify Affected Improvements (If appraisal is "Formal," then all improvements must have been described in the appraisal report and must be listed here. If the appraisal is "Formal Part-Affected," then only those affected improvements should have been described in the appraisal report and listed here.) Listing by Improvement Number & Structure Type is adequate here.)

- | | |
|---------------------------|--------------------|
| 1- <u>Main Structure</u> | 2- <u>Sidewalk</u> |
| 3- <u>Gravel Driveway</u> | 4- <u>Trees</u> |
| 5- _____ | 6- _____ |
| 7- _____ | 8- _____ |
| 9- _____ | 10- _____ |
| 11- _____ | 12- _____ |
| 13- _____ | 14- _____ |
| 15- _____ | 16- _____ |

Section (C) Valuation Approaches Processed and Reconciled "Before Value" Estimates

Approaches Utilized: Cost Sales Comparison Income

Reconciled Value Estimates (Total Tract or Larger Parcel(s)):

Land: \$170,000

Improvements: \$175,000

Total: \$345,000

Comments: **FPA - Assignment**

Section (G) Review Comments

“Before” & “After” Valuation (include Comments for “NO” Responses to Questions 1 - 7 & “YES” Response to Question 8).

(1) Are the conclusions of highest and best use (before & after) reasonable and adequately supported?

Conclusions of highest and best use in the before and after situations appear reasonable and adequately supported.

(2) Are the valuation methodologies (before & after) appropriate?

Valuation methodologies used by the appraiser in the before and after situations are adequate.

(3) Are the data employed relevant & adequate to the (before & after) appraisal problems?

Data employed by the appraiser appears to be relevant and adequate to the before and after situations appraisal problem.

(4) Are the valuation techniques (before & after) appropriate and property applied?

The valuation techniques in the before and after situations were adequate.

(5) Are the analyses, opinions, and conclusions (before & after) appropriate and reasonable?

Analyses, opinions and conclusions in the before and after situations appear appropriate.

(6) Is the report sufficiently complete to allow proper review, and is the scope of the appraisal assignment broad enough to allow the appraiser to fully consider the property and proposed acquisitions?

The submitted report is sufficiently complete to allow proper review. The scope of this assignment is broad enough to allow the appraiser to fully consider the property as appraised and the proposed acquisition.

(7) Is the appraisal report under review generally compliant with *USPAP*, the *Uniform Act*, and TDOT's *Guidelines for Appraisers*?

The submitted appraisal report appears to be generally compliant with USPAP, the Uniform Act, and TDOT's Guidelines for Appraisers.

(8) Do the general and special “Limiting Conditions and Assumptions” outlined in the appraisal report limit the valuation to the extent that the report cannot be relied on for the stated use?

The general and special “Contingent and Limiting Conditions” in the submitted appraisal report do not limit the appraiser's valuation of the subject property.

Appraisal Report Conclusions – Amounts Due Owner

(a)	Fee Simple:	<u>\$19,494</u>
(b)	Permanent Drainage Easement:	<u> </u>
(c)	Slope Easement:	<u>\$396</u>
(d)	Air Rights:	<u> </u>
(e)	Temporary Construction Easement:	<u>\$1,782</u>
(f)	_____	<u> </u>
(g)	Improvements:	<u>\$175,000</u>
(h)	Compensable Damages:	<u> </u>
(i)	Special Benefits:	<u> </u>
(j)	Total Amount Due Owner by Appraisal	<u>\$196,000 (R)</u>

- I DO Recommend Approval of this Report
- I DO NOT Recommend Approval of this Report

Comments:

Mr. Boozer's value conclusions are approved for the purpose of negotiation.



 Appraisal Review Consultant(s)
Gary R. Standifer, MAI, CCIM

CG-28

 State License/Certification No(s):

- Consultant Staff

5/11/2015
 Date of Appraisal Review Report

Additional Comments:

The reviewer received an electronic copy of Tract 31 report submitted by Mr. Boozer. Corrections and/or revisions to the appraisal were requested and submitted by Mr. Boozer in the form of electronic copy Revised Appraisal Report. It is assumed appraisal reports submitted to the City of Spring Hill incorporate any requested corrections and/or revisions which were subsequently made to the appraisal report at the request of the reviewer. The reviewer has printed the most recent appraisal report and retains it in the file for Tract 31.

Section (H) Certification

I certify to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.

I have no present or prospective interest in the property that is the subject of the work under review and no personal interest with respect to the parties involved.

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.

I have no bias with respect to the property that is the subject of the work under review or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.

My compensation for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal review.

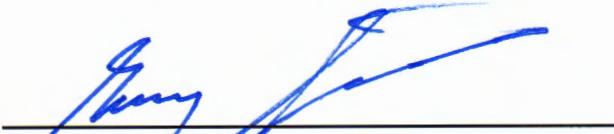
My analyses, opinions and conclusions were developed and this review report was prepared in conformity with the *Uniform Standards of Professional Appraisal Practice (USPAP)*. In addition, my analyses, opinions and conclusions were developed and this report has been prepared in conformity with the requirements of the *Code of Professional Ethics* and the *Standards of Professional Practice of the Appraisal Institute*.

I did personally inspect the exterior of the subject property of the work under review.

No one provided significant appraisal or appraisal review assistance to the person signing this certification.

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

As of the date of this report, Gary R. Standifer has completed the continuing education program of the Appraisal Institute.



Appraisal Review Consultant(s)
Gary R. Standifer, MAI, CCIM

Consultant Staff

5/11/2015
Date of Appraisal Review Report

Section (I) Limiting Conditions & Assumptions

This appraisal review report has been made with the following general limiting conditions and assumptions:

- (1) Unless stated herein to the contrary, it is specifically assumed that the author of the appraisal report under review made the required contact with the property owner, and conducted the appropriate inspections and investigations.
- (2) Unless stated herein to the contrary, it is specifically assumed that the right-of-way plans upon which the appraisal was based are accurate.
- (3) Unless stated herein to the contrary, it is specifically assumed that all property (land & improvement) descriptions are accurate.
- (4) Unless stated herein to the contrary, no additional research was conducted by the review appraiser.
- (5) Unless stated herein to the contrary, all specific and general limiting conditions and assumptions outlined in the appraisal report submitted for review are adopted herein.

APPRAISAL REPORT CITY OF SPRING HILL, TENNESSEE

THE PURPOSE OF THIS APPRAISAL IS TO ESTIMATE THE FAIR MARKET VALUE FOR SR 247 (DUPLEX ROAD) RIGHT-OF-WAY PURPOSES

1. Name, Address & Telephone Numbers:

(A) Owner:

Mrs. Gloria Ann Vaughn
1506 Rockland Drive
Columbia, Tennessee 38401
Property Contact: Mr. Clinton Gilbreath (615-390--5174)

(B) Tenant:

Unit 2531: Mrs. Harriet and Mr. Cody Roberts
(931-374-8750)
Unit 2533: Mr. James W. Carter and Mrs. Abbey Flick
(615-818-6236)

(C) Address and/or location of subject:

The subject property is located along the north side of Duplex Road, between Columbia Pike (US 31) and Locke Avenue, in Spring Hill, Maury County, Tennessee. The property is also identified as Parcel 4.00, Group B, on Tax Map 250 by the Maury County Property Assessor's Office. The street address is 2531-2533 Duplex Road, Spring Hill, Maury County, TN 37174

2. Detail description of entire tract:

Site: The subject property consists of a commercial tract of land containing 0.654 acre or 28,488 SF located along north side of Duplex Road, between Columbia Pike (US 31) and Locke Avenue, in Spring Hill, Maury County, Tennessee. The physical features of the site are described as follows. **Size:** 0.654 acre or 28,488 SF. The site area is based on recorded deeds, tax assessor and the R.O.W. Acquisition Table for Tract 31; **Shape:** Tract 31 forms an "L" shape; **Frontage/Depth:** 101.12' of frontage along the north side of Duplex Road.; The depth of the tract is 188.97 along the eastern border and 95.64' along the western border. **Access:** The site has legal access along the north side of Duplex Road, which serves as a primary east/west arterial within the neighborhood; **Topography:** Level to gently sloping and primarily cleared. The northwest border area contains mature native hardwoods with the majority of the tract consisting of lawn; **Drainage:** Drainage appears visually adequate in a general south to north direction; **Visibility:** Good; **Exposure:** Good; **Utilities:** Electricity, water, sewer, cable, and telephone services are located along the frontage areas; **Easements:** Typical utility easements are assumed to be present along the site's perimeters; we are not aware of any easements that would adversely affect the utility of the subject; **Flood Plain:** FEMA Map 47119C0070 E, dated April 16, 2007; no portion of subject site is located within a flood hazard area.

Structural/Site Improvements: The subject site is improved with a 2-story, 2,418 SF, multi-family-household unit (duplex) constructed in 1986. Site improvements also include two gravel driveways, concrete sidewalks, two large maple trees, and lawn. The location of the acquisition areas will result in the removal of the structure and the aforementioned site improvements. The improvements are as follows:

1. Two-story duplex containing 2,418 SF; built in 1986; also includes a covered porch and wood deck.
2. Sidewalks – concrete sidewalks containing 300 SF.
3. Driveway – gravel driveways containing 2,000 SF
4. Trees – two large hardwood trees located in front yard and containing a total of 50 caliper inches.

3. (A) Tax Map and Parcel No. 250/B/4.00 (B) Is Subject in a FEMA Flood Hazard Area? Yes No
If yes, Show FEMA Map/Zone No.

4. Interest Acq.: Fee Drainage Esm't. Construction Esm't. Slope Esm't. Other: _____

5. Acquisition: Total Partial

6. Type of Appraisal: Formal Formal Part-Affected 1. Appraisal Report
2. Restricted Report

Intended Use of Report – This "Formal" appraisal of a 100% ownership position is intended for the sole purpose of assisting the City of Spring Hill in the acquisition of land for right-of-way purposes. This assignment is of the entire subject property and will include the valuation of all subject improvements.

This is an Appraisal Report, which is intended to comply with Standard Rule 2-2(a). As such, it presents only summary discussions of the data, reasoning and analysis that were used in the appraisal process. Supporting documentation that is not provided within the report is retained in the appraiser's work file or can be obtained from the Market Data Brochure. The depth of discussion contained in this report is specific to the needs of the client.

This Appraisal Is Based On Original Plans	<input checked="" type="checkbox"/>	Or Plan Revision	<input type="checkbox"/>	Dated: 2012
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Comments: All areas are based on of plans provided by the TDOT dated 2012 and a ROW Acquisition Table dated 2012.

APPRAISAL REPORT – CONT'D....

7. Detailed Description of Land Acquired:

Fee Acquisition: The fee acquisition includes a 3,249 SF (0.075 acre) portion of land consisting of the southern portion of the tract along the Duplex Road frontage. This acquisition includes 101.12' of frontage along Duplex Road. The proposed ROW extends 32.92' north from the subject's southwest corner and 32.43' north from southeast border to form a basically rectangular-shaped fee acquisition area. The fee acquisition area exhibits level to gently sloping terrain that is currently used as the structure's front porch and portions of lawn, a mature Maple tree, gravel drives, and concrete sidewalk.

Slope Easement: The slope easement acquisition contains 132 SF (0.0030 acre) and consists of one fill slope area outside the present and proposed ROW. The narrow, triangular-shaped fill slope easement is located along the north side of Duplex Road and extends roughly 65' in length from the southwest corner of the property to the proposed fee acquisition line and measures roughly 1' – 3' in width. The slope easement area consists of portions of lawn and gravel driveways.

Temporary Construction Easement: The temporary construction easement contains 990 SF (0.023 acre) and consists of an 8' - 12'-wide strip of land outside the proposed ROW and slope easement. The TCE area includes a portion of the existing structure, lawn, gravel drives, and a mature hardwood tree. This easement will be used for traffic control, erosion control, and a work zone during the construction process.

8. Sales of Subject: (Show all recorded sales of subject in past 5 years; show last sale of subject if no sale in past 5 years.)

Sale Date	Grantor	Grantee	Book Page	Verified Consideration	How Sale Amount Verified
03/29/2005	Gloria Ann Vaughn	Gloria Ann Vaughn, Etux Teresa Ann Gilbreath, Etal	Bk 1849 Pg 23	\$10.00	Quitclaim Deed
Existing Use	Zoning	Utilities Available	Off Site Improvements	Area Lot or Acreage	
Multi-Family Residential (Duplex)	B-1; Office & Limited Retail Commercial	Water, sewer, natural gas, electricity, cable, telephone	Duplex Road	0.654 acre or 28,488 square feet	

9. Highest and Best Use: (Before Acquisition, summarize the support and rationale for the opinion)

Highest and Best Use is defined by the Appraisal Institute as: "The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity." (Page 93, The Dictionary of Real Estate Appraisal, Fifth Edition).

The definition indicates that there are two types of highest and best use. The first type is highest and best use of land or a site as though vacant. The second is highest and best use of a property as improved. Each type requires a separate analysis. Moreover, in each case, the existing use may or may not be different from the site's highest and best use. The highest and best use of an improved property will only be for another use when the value of the land as if vacant exceeds the value of the property as improved plus demolition costs.

As Though Vacant

Legally Permissible: According to the current Zoning Regulations for the City of Spring Hill, subject Tract 31 is currently zoned B-1, Office and Limited Retail District, which permits professional office and public buildings, general office space, funeral homes, churches, parking lots, and accessory uses incidental to the permitted uses. Uses permitted upon appeal include: certain commercial uses within the B-1 or any residential district and schools offering general or specialized instruction.

Physically Possible: The subject site's physical characteristics: size, shape, access, visibility, location, topography and availability of utilities render it suitable for most uses permitted by zoning, although the distance to US Highway 31 limits the site's potential to secondary commercial uses.

Financially Feasible: Spring Hill has experienced explosive growth over the past decade. Based on current economic conditions, site size, location, and current and proposed development along the SR 247 corridor, development of the site with some type of secondary commercial, retail or a multi-family (up to 4 units) dwelling are considered to be financially feasible at this time.

Maximally Productive: Based on the subject's zoning, present market conditions and physical characteristics, the highest and best use of the subject site, as vacant, is to develop the property with some type of secondary commercial use would maximize the property's development potential.

As Improved

Legally Permissible: Based on my inspection and furnished information, the subject facility appears to be in compliance with existing B-1 zoning regulations, which include duplex units; therefore, the subject's current use is considered to be a legally conforming use within the B-1 zoning district.

APPRAISAL REPORT – CONT'D....

9. Highest and Best Use (Continued from the preceding page....)

Physically Possible: The existing improvements consist of a duplex structure containing a total of 2,418 SF, constructed in 1986. The improvements appear to be in average physical condition and conform well to the surrounding properties at this time. The improvements appear to be well-designed and functional as a duplex dwelling.

Financially Feasible: The subject building is currently 100% occupied by two tenants. Based on the overall current occupancy rate in the local market for similar properties, market rental rates and projected expenses, and the leases currently in place, the improvements should be capable of generating a positive net operating income stream to the owner/landlord. With these factors in mind, the existing duplex is considered to be a financially feasible use at this time.

Maximally Productive: As discussed, the subject property, as improved, includes improvements that continue to have contributory value above and beyond the value of the vacant land. Continued use of the existing improvements as a duplex on an interim basis is considered to be the property's highest and best use, as improved. It is important to note, the improvements are located within the southwestern portion of the site, which consists of approximately 33% of the overall site. Therefore, expanding the existing duplex by 2 units or constructing another duplex on the northern portion of the site appears physically possible and would maximize the utility of the site.

DESCRIPTION OF RESIDENTIAL IMPROVEMENT

ITEM 10. STRUCTURE NO. One

GENERAL DESCRIPTION	
Units	<u>2</u>
Stories	<u>2</u>
Design	<u>Traditional</u>
Construction	<u>Wood Frame</u>
Mfg. Housing	<u>No</u>
Age: Actual	<u>28</u>
Effective	<u>20</u>

EXTERIOR DESCRIPTION	
Foundation	<u>CMU</u>
Exterior Walls	<u>Wood Siding</u>
Roof Surface	<u>Composition Shingle</u>
G & D	<u>Aluminum</u>
Window Type	<u>Single Pane</u>
Storm Sash	<u>No</u>
Crawl Space	<u>Yes</u>

BASEMENT	
Area - Sq. Ft.	<u>N/A</u>
% Finished	<u></u>
Ceiling	<u></u>
Walls	<u></u>
Floor	<u></u>
Outside Entry	<u></u>

ROOM LIST	Living	Dining	Kitchen	Family Rm	Rec Room	Bedrooms	Baths	Laundry	Other	Area-Sq. Ft.
Basement	<u>N/a</u>	<u>N/a</u>								
Main Level	<u>2</u>		<u>2</u>	<u>1</u>		<u>2</u>	<u>2</u>		<u>Stairs</u>	<u>1,209</u>
2 nd Level				<u>1</u>		<u>2</u>	<u>2</u>		<u>Stairs</u>	<u>1,209</u>

Finished Living Area Contains: 12 Rooms 4 Bedrooms 4 Baths 2,418 S.F. Living Area

KITCHEN (BUILT-INS):	<u>X</u> Range/Oven	<u>X</u> Disposal	<u>X</u> Dishwasher	<u></u> Fan/Hood	<u></u> Compactor
Special Features:	<u>None</u>				

INTERIOR FINISH					
Floors	<input checked="" type="checkbox"/> Hwd	<input checked="" type="checkbox"/> Cpt	<input checked="" type="checkbox"/> Vinyl	<input type="checkbox"/> Other	<u></u>
Walls	<input checked="" type="checkbox"/> Drywall	<input type="checkbox"/> Panel	<input type="checkbox"/> Plstr	<input type="checkbox"/> Other	<u></u>
Trim/Finish	<input type="checkbox"/> Excellent	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Average	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor
Bath Floor	<input type="checkbox"/> Ceramic	<input checked="" type="checkbox"/> Vinyl	<input type="checkbox"/> Cpt	<input type="checkbox"/> Other	<u></u>
Bath Wainscot	<input type="checkbox"/> Ceramic	<input checked="" type="checkbox"/> Vinyl	<input type="checkbox"/> Other:	<u></u>	<u></u>
Kitchen Floor	<input checked="" type="checkbox"/> Vinyl	<input type="checkbox"/> Tile	<input type="checkbox"/> Other:	<u></u>	<u></u>
Special Features: (e.g. fireplaces, ceiling fans, intercom, etc.)	<u></u>				
Both levels are equipped with ceiling fans	<u></u>				

HEATING	
Type	<u>FWA</u>
Fuel	<u>Gas</u>
Condition	<u>Average</u>
COOLING	
Central	<u>Yes</u>
Other	<u></u>
Condition	<u>Average</u>

INSULATION	
None	<u></u>
Floor	<u></u>
Ceiling	<u>X</u>
Roof	<u>X</u>
Walls	<u>X</u>
Adequate	<u>X</u>
Energy Efficiency	<u>Average</u>

IMPROVEMENT ANALYSIS	Good	Avg.	Fair	Poor
Quality of Construction	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Condition of Improvement	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Room Sizes & Layout	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Closets & Storage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plumbing	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Electrical	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compatibility to Neighborhood	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Estimated Remaining Economic Life				<u>30</u>
Estimated Remaining Physical Life				<u>30</u>

CAR STORAGE: <u>None</u>	
Garage	<u></u>
Carport	<u></u>
No. Cars	<u></u>
Attached	<u></u>
Detached	<u></u>
Built-in	<u></u>
Finished	<u></u>
Unfinished	<u></u>
Condition	<u></u>

PORCHES/DECKS/PATIOS: (Describe and Show dimensions)
The structure includes an attached 7'-wide by 39'-long (273 SF) covered front porch with a concrete floor. The front porch is in average condition. The structure includes an attached, two-level, 12'-wide by 39'-long (468 SF) wood deck located along the northern (rear) elevation.

COMMENTS: The subject site is improved with a 2-story, 2,418 SF, multi-family-family household unit (duplex) constructed in 1986. The 1st level of each unit is designed to include a living room, kitchen, bathroom and bedroom. Internal stairwells access the 2nd level units, which include two bedrooms and one bath each. The interior finish includes textures ceilings, gypsum board walls, painted wood trim, carpet, vinyl and hardwood floors. Site improvements include two gravel driveways and concrete sidewalks. The subject is in overall average physical condition and there was no significant functional obsolescence or deferred maintenance observed at the time of inspection. It is important to note, the 2-level, attached deck is considered to be in fair condition. At the time of inspection, portions of the wood exterior stairway and the second level wood floor planks appear to have been recently repaired/refurbished.

DESCRIPTION OF RESIDENTIAL IMPROVEMENT
Cont'd from preceding page

OTHER IMPROVEMENTS

Structure No.	2	No. Stories	N/a	Age	10	Function	Sidewalks
Construction	Concrete	Condition		Average		Sq. Ft. Area	300
Reproduction Cost	\$2,175	Depreciation		\$1,087		Indicated Value \$	\$1,100

OTHER COMMENTS AND EXPLANATION OF REPRODUCTION COST AND DEPRECIATION:

Based on cost figures derived from Marshall Valuation Service as well as interviews with local contractor's, the subject sidewalks are best described as Yard Improvements, Concrete Sidewalk, Average Quality, (Sect. 66, Page 1, 12/2013), which has a base cost of \$5.74/SF. Applying the current multiplier (1.0) and local multiplier (0.94) to the base cost, along with indirect costs of 20% and entrepreneurial profit of 12%, results in a total replacement cost new of \$7.25/SF ($\$5.74 \times 1.0 \times 0.94 \times 1.20 \times 1.12$). The improvements have an actual age that varies from 10 to 15 years and an overall effective age of 10 years. Based on a total economic life of 20 years, physical depreciation is estimated at 50% using the straight-line method ($10/20 = 50\%$). Replacement Cost New: $\$7.25/\text{SF} \times 300 \text{ SF} = \$2,175 - \$1,087$ (50% depreciation) = \$1,088, rounded to \$1,100.

Structure No.	3	No. Stories	N/a	Age	6	Function	Gravel Drives
Construction	Gravel	Condition		Average		Sq. Ft. Area	2,000
Reproduction Cost		Depreciation				Indicated Value \$	\$5,260

OTHER COMMENTS AND EXPLANATION OF REPRODUCTION COST AND DEPRECIATION:

Based on estimate conversations with George A. Clanton Construction Company (931-388-7283), a local full service general contractor, with support from cost figures derived from Marshall Valuation Service, the subject gravel driveways are best described as Yard Improvements, 4" rock base (Sect. 66, Page 1, 12/2013) According to the contractor, the replacement cost for the subject's gravel driveways, which total approximately 2,000 SF or 222 SY, is estimated to be between \$4,500 to \$6,000, which equates to \$20.25/SY to \$27.00/SY or \$2.25/SF to \$3.00/SF. According to Marshall Cost Service, the base cost is \$1.99/SF. Applying the current multiplier (1.0) and local multiplier (0.94) to the base cost, along with indirect costs of 20% and entrepreneurial profit of 12%, results in a total replacement cost new of \$2.51/SF ($\$1.99 \times 1.0 \times 0.94 \times 1.20 \times 1.12$). This rock base is essentially a non-depreciable feature and removal is not economically feasible; therefore, depreciation is not warranted. The Marshall Valuation Service cost figure is bracketed by the estimate range of the local contractor. We have utilized the midpoint estimate of the local contractor, which equates to \$2.63/SF, or \$5,260.

OTHER IMPROVEMENTS

Structure No.	4	No. Stories	N/a	Age	±30	Function	Trees
Construction	N/a	Condition		Average		Sq. Ft. Area	N/a
Reproduction Cost	\$2,800	Depreciation		N/a		Indicated Value \$	\$2,800

We used the Marshall Swift Cost Service, supported by interviews with landscaping/irrigation companies, as a basis for determining the replacement cost new of the subject's existing yard improvements. The subject yard improvements are classified as Yard Improvements – Landscaping – Trees (Large) –Average/Good (Marshall Valuation Service - Section 66, Page 8, 12/13). We also applied the current multiplier (1.0) and local multiplier (0.94) to the base cost, along with indirect costs of 20%. Physical depreciation is not applicable. The contributory value of the yard improvements are calculated as follows: Replacement Cost New: two trees totaling 50 caliper inches: $\$50/\text{CI} \times 50 \text{ CI} \times 1.0 \times 0.94 \times 1.20 = \$2,820$; The total replacement cost new for the subject yard improvements (trees) to be included in the acquisition is estimated to be \$2,800, rounded

Summary of Indicated Values

\$9,160

State Project No.	60LPLM-F2-019	County	MAURY	Tract No.	31
Federal Project No.	STP-M-(9)	Name of Appraiser	Ted A. Boozer, MAI		

COST APPROACH

13. VALUATION OF IMPROVEMENTS

Structure No. One

PART OF BUILDING	AREA SQ. FT.	REPRODUCTION COST			
		\$/UNIT	TOTAL		
Main	2,418	116.90	\$282,670		
				DEPRECIATION WHOLE STRUCTURE	
				ATTRIBUTED TO	AMOUNT
				Phys. <u>40</u> %	\$113,068
				Func. <u>0</u> %	\$ 0
Basement				Econ. <u>0</u> %	\$ 0
Total Cost New				Depreciation	\$113,068
(A) VALUE OF OTHER IMPROVEMENTS			SITE IMPROVEMENTS (No. 2, 3 & 4)		\$9,160
			ADDITIONAL STRUCTURES		
			MISCELLANEOUS IMPROVEMENTS		
(B) INDICATED VALUE OF ALL IMPROVEMENTS					\$178,800 (r)
(C) INDICATED LAND VALUE					170,000 (r)
(D) INDICATED VALUE OF ENTIRE TRACT (Land and All Improvements)					\$348,000

(E) EXPLANATION TO SUPPORT ITEM 13: *(The source of unit value shown in Item 13 for reproduction cost of improvements is based on:)*

Estimated Replacement Cost New Of Improvements: This section of the Cost Approach is an estimation of the replacement cost of the improvements as of the date of the appraisal. The term replacement cost means "the estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout" (page 168, The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute).

The Marshall Valuation Service was used to estimate the replacement cost new of the subject's existing improvements. Referring to this manual, the subject building is classified as an **Average/Good Quality, Class "D" Town House/Duplex (2-Story)** (Section 12, Page 31, 8/2014).

Direct and Indirect Costs: The appropriate unit cost consists of hard costs of materials and labor needed to construct the facility. Also included in the unit cost are architects fees, normal site preparation costs, utility connections, contractor's overhead and profit including job supervision, workmen's compensation, fire and liability insurance, unemployment insurance, interest on interim construction financing, equipment, temporary facilities, security, etc. I have also included some indirect costs that are not included in the direct, or hard costs, such as impact fees, legal fees, leasing commissions, appraisal fees, property taxes, financing fees, etc. Soft costs can range from 5% to 25% of direct costs, depending on the type of development and location. I used a soft cost amount of **20%** of direct costs.

Entrepreneurial Profit: Typically, real estate developers expect to be compensated for the risks accepted in undertaking the development of a property. This compensation is commonly known as entrepreneurial profit, which in theory is a market-derived figure that reflects the difference between the sale price and the sum of direct costs, indirect cost, and current market value of the land. Based on the perceived risk factor associated with this type of building, an appropriate entrepreneurial profit for the subject development is estimated to be **12%** of the estimated total direct and indirect costs.

A summary of the subject's replacement cost new is shown on the following page.

COST APPROACH – cont'd.

MARSHALL VALUATION COST SERVICE - IMPROVEMENT NO. 1			
TYPE	2-Story Town House / Duplex		
QUALITY	Average/Good		
CLASS	D		
SIZE-SF	2,418		
Base Cost	Sec. 12, Pg. 31 8/14	\$	89.93
Area Multiplier			0.940
Current Multiplier			1.000
Local Multiplier			0.920
Adjusted Base Cost		\$	77.77
Base Size-SF			2,418
Direct Cost of Building		\$	188,048
Add: Front Covered Porch (273 SF @ \$22.50) ¹		\$	6,142
Add: Wood Deck (468 SF @ \$22.50/SF) ²		\$	10,530
Add: Appliances (2 units @ \$2,800 each) ³		\$	5,600
Total Direct Cost		\$	210,320
Add Indirect Costs @ 20%		\$	42,064
Total Direct & Indirect Cost of Building		\$	252,384
Add Entrepreneurial Profit @ 12%		\$	30,286
Total Replacement Cost New of Building		\$	282,670
"Other Items"			
¹ Sec. 12, Pg. 40, 8/14: Avg. Porch - Multi-Family: \$22.50/SF			
² Sec. 12, Pg. 40, 8/14: Avg. Wood Deck: \$22.50/SF			
³ Sec. 12, Pg. 41, 8/14: Avg. Kitchen Appliances: \$2,800/unit			

"Other Items": Cost estimates for Porch and Wood Deck were based on Estimates from Mr. David Anderson of Dogwood Homes, a local contractor, supported by Marshall Cost Service. Cost estimates for Appliances were based on quotes by Home Depot and Lowes, with support from Marshall Cost Service.

(F) DEPRECIATION: *(To what is each type attributable)*

Depreciation & Obsolescence: Depreciation is defined as "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 market value of the improvement on the same date" (page 56, *The Dictionary of Real Estate Appraisal*, 5th Edition, Appraisal Institute).

Deferred Maintenance: Based on my inspection, the improvements did not exhibit any significant deferred maintenance. As mentioned, the 2-level wood deck is in fair condition; however, the outdoor staircase appears to have been recently refurbished and replacement wood planks were being stored on site.

Physical Deterioration: The effective age of the existing improvements is estimated at 20 years, with a remaining economic life of 30 years. [Note: The subject's total economic life (50 years) was taken from the Marshall & Swift Valuation Cost Service.] As a result, a depreciation rate of 40% (20/50 years) is indicated by the straight-line age/life method. This percentage will be applied the estimated total replacement cost, to produce the depreciated value of the improvements.

Obsolescence: The subject's improvements appear to be adequately designed and capable of being fully utilized in their intended function as a multi-family (duplex) structure. Therefore, no functional obsolescence is present. There were no outside adverse conditions affecting the subject property, accordingly, external obsolescence is not applicable.

SALES COMPARISON APPROACH

14. LAND VALUE ANALYSIS

ADJUST SALES TO SUBJECT USING (Plus +, Subject Better)(Minus -, Subject Poorer) Using Dollar Adjustments Only.
If the land is broken down and assigned more than one unit value, additional sales must be shown supporting each value.

(A) ANALYSIS OF COMPARABILITY (Insert Comp. Sale No's. from Brochure or Attachments)

Inspection Date		Sale No. <u>CL1</u>		Sale No. <u>CL2</u>		Sale No. <u>CL3</u>	
CASH EQUIVALENT Sales Price		\$370,260		\$325,000		\$950,000	
Date of Sale	# of Periods	07/31/2013	16	08/26/2011	39	03/28/2011	44
% Per Period	Time Adj.	0.42%	6.67%	0.42%	16.25%	0.42	18.33%
Sales Price Adj. for Time		\$394,956		\$377,813		\$1,124,135	
Proximity to Subject		±1.50 miles		±3.70 miles		±3.5 miles	
Unit Value Land SF <input checked="" type="checkbox"/> FF <input type="checkbox"/> Acre <input type="checkbox"/> Lot <input type="checkbox"/>		\$6.66		\$3.85		\$6.27	
Elements	Subject	Description	(+)(-) Adj.	Description	(+)(-) Adj.	Description	(+)(-) Adj.
Location (A)	Spring Hill (Maury)	Spring Hill (Williamson)	0	Spring Hill (Maury)	0	Spring Hill (Maury)	0
Size (B)	28,488	59,275	0	98,139	0	179,193	0
Shape (C)	Irregular	Sl. Irregular	0	Rectangle	0	Rectangular	0
Site/View (D)	Residential / Commercial	Commercial	0	Commercial	0	Commercial & Residential	0
Topography (E)	Level	Level/Rolling	0	Level	0	Level/Rolling	0
Access (F)	SR 247	Fitts St. & Wall St.	0	Old Port Royal Rd. & Access Dr.	0	Reserve Boulevard	0
Zoning (G)	B-1	B-4	0	B-4	0	B-4	0
Utilities Available (H)	Water, Sewer, Electricity, Gas, Telephone	Water, Sewer, Gas, Electricity, Telephone	0	Water, Sewer, Electricity, Gas, Telephone	0	Water, Sewer, Electricity, Gas Telephone	0
Encumbrances Easements, etc. (I)	Typical	Typical	0	Typical	0	Typical & Stream Buffer	0
Off-Site Improvements (J)	2 lane SR	Two, 2 lane secondary roads	0	2-lane secondary Rd.	0	Saturn Pkwy & Port Royal Road	0
On-Site Improvements (K)	Duplex, Sidewalks, Gravel Drives	None	0	None	0	None	0
Other Adj. (Specify) (L)							
(M)							
(N)							
NET ADJUSTMENTS		(+)(-)	0	(+)(-)	0	(+)(-)	0
ADJUSTED INDICATED UNIT VALUE			\$6.66		\$3.85		\$6.27

<p>(B) TOTAL INDICATED VALUE OF SUBJECT LAND</p>	$\left(\frac{\$6.00 \times 28,488}{\text{Correlated Unit Value X Units}} \right) = \$170,000 (r)$
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COMMENTS: Continued on following page....

ADDITIONAL COMMENTS

14. LAND VALUE ANALYSIS: Continued from preceding page.....

Valuation Summary

In this area, the most widely accepted method of valuing commercial sites is on a per square foot basis. Therefore, I used the per square foot unit value as the appropriate unit of measurement for the subject site. As shown in the preceding analysis, three closed sales form a value range from \$3.85/SF to \$6.66/SF, with an average of \$5.59/SF and a median of \$6.27/SF, after adjusting for market conditions.

The sales were compared to the subject based on property rights conveyed, financing, sale conditions, market conditions, and physical characteristics. To the best of our knowledge, all the sales represented arms-length transactions, which included the fee simple estate property rights. In addition, all of the sales were cash to seller conveyances, whereby financing was not a factor in the sales price. To our knowledge, there were no unusual sale conditions involved in any of other the transactions.

Market Conditions: As discussed in the Market Data Brochure, an annual 5% market conditions adjustment was deemed appropriate, which equates to 0.42% per month. Therefore, a 6.67% upward adjustment was applied to Sale CL1 (16 months x 0.42% = 6.67%), which equates an adjusted price of \$394,956. Similarly, a 16.25% upward adjustment was applied to Sale CL2 (39 months x 0.42% = 16.25%), which equates an adjusted price of \$377,813. A 7.91% upward adjustment was applied to Sale CL3 (44 months x 0.42% = 18.33%), which equates an adjusted price of \$1,124,135.

Location: Similar to the subject, the comparable sales are located within the city limits of Spring Hill. CL1 is most similar in terms of proximity; however, this comparable is located within the Campbell Station Annex, along and off Columbia Pike and is considered superior to the subject in terms of location within an area of impressive commercial growth. Similar to the subject, CL2 and CL3 are located in Maury County. Although a qualitative adjustment was not warranted; generally, land located in Williamson County is considered superior to land located in Maury County, and we have considered this trend on a qualitative basis.

Zoning: The subject property is zoned B-1 (Office and Limited Retail District), which permits professional office and public buildings, general office space, funeral homes, churches, parking lots, and accessory uses incidental to the permitted uses. Uses permitted upon appeal include: certain commercial uses within the B-1 or any residential district and schools offering general or specialized instruction. The comparables are zoned B-4 (Central Business District). Allowable uses for the comparables include a wide variety of commercial, retail trade, office, and service. The comparables' B-4 zoning is considered superior to the subject's B-1 zoning in terms of permitted uses. Any differences in zoning will be considered on a qualitative basis.

Size: The sales range in size from 59,275 SF to 179,193SF, with an average size of 118,869 SF, and a median land size of 98,139 SF. The subject contains a total land area of 28,488 SF, which falls below the size range of the comparables. Typically, an inverse relationship exists between size and unit price, with smaller tracts selling at higher unit prices. Overall, the subject is most similar to Sale CL1 (59,275 SF) in terms of size. The correlation between size and unit price is not strongly supported by the comparable unit values and sizes. Therefore, I have considered the size of the subject in relation to the comparable sales on a qualitative basis.

Shape: The subject tract is an "L"-shaped site, which is inferior to the slightly irregular to rectangle-shaped comparables' shapes. As shape does not appear to be significant in this analysis, no adjustments were necessary.

Topography: The subject exhibits basically level topography and is primarily cleared, which is similar to the three comparable sales. Quantitative topographical adjustments were inconclusive based on the comparable data set. Therefore, differences in topography/development potential will be considered on a qualitative basis.

Visibility/Exposure: The subject property exhibits good visibility from SR 247. Similarly, all the comparables exhibit good visibility along the respective road frontages. Sale CL1 exhibits good visibility along the corner of Wall Street and Fitts Street. Sale CL2 is located along Old Port Royal Road, with partial visibility to Port Royal Road. Sale CL3, located along Reserve Boulevard, exhibits good visibility to Saturn Parkway. The 2013 average daily traffic along the SR 247 S, in the vicinity of the subject, ranges from 6,388 vehicles per day (vpd) and 10,024 vpd. Year 2013 average daily traffic along Columbia Pike, in the vicinity of Sale CL1, was 15,726 vpd. Average daily traffic station counts were not available in the vicinity of Sale CL2. Year 2013 Average daily traffic along Saturn Parkway, in the vicinity of Sale CL3, was 30,186 vpd. Sales CL1 and CL3 are considered superior to the subject in terms of exposure; with CL 2 being considered slightly inferior to the subject in this regard. Attempts to apply a quantitative adjustment for visibility/exposure, considering average daily traffic volume, corner locations, and amount of road frontages, was inconclusive and; therefore, will be considered on a qualitative basis.

Access: The subject has legal access along SR 247. All of the comparable sales have legal access along their respective frontages. The comparables have average-to-good access to connecting US and State Routes. Sales CL1 has good access to US Hwy 31. Sales CL2 & CL3 have good access to Saturn Parkway. Differences in access will be considered on a qualitative basis.

Utilities: The subject has water, sewer, electricity, cable and telephone services on-site. All the closed sales have similar utilities; therefore, no adjustments are supported.

ADDITIONAL COMMENTS

14. LAND VALUE ANALYSIS: Continued from preceding page.....

Encumbrances, Easements, Etc.: The subject property features typical easements, which is similar to Sale CL1 and Sale CL2. Sale CL3 is affected by a stream buffer and is slightly inferior to the subject in this regard; although this easement is located along the perimeter of the comparable tract. Any differences in easements/encumbrances will be considered on a qualitative basis.

We also considered Listing CLL1, a 508,781 SF (11.68 acres) tract located along the northwest and northeast corners of Duplex Road and Port Royal Road, east of Commonwealth Drive, in Spring Hill, Williamson County, Tennessee. The tract is bisected by Port Royal Road and consists of a 6.60-acre eastern portion and a 5.08-acre western portion. The tract sections have legal access along the north side of Duplex Road and the east and west sides of Port Royal Road. The western tract is an irregular rectangular in shape and the eastern tract is irregular in shape. The tracts exhibit basically level to gently rolling topography and are primarily cleared, with sporadic trees. The tract has a city zoning classification of B-4. The overall tract has been marketed since April 2009 at an asking price of \$2,714,500, which equates to \$5.34/SF. In addition, the easterly section is offered separately for \$1,450,000, which equates to \$5.04/SF, with the westerly section currently offered separately for \$1,264,500, which equates to \$5.71/SF. The subject property is considered slightly superior in terms of location, size and shape. Regarding the asking prices; I recognize that listed properties typically sell for less than their asking prices.

We also considered Listing CLL2, a 141,131 SF (3.24 acres) tract located along the northeast corner of Duplex Road and Buckner Lane, in Spring Hill, Williamson County, Tennessee. The rectangular-shaped tract exhibits basically level topography and is cleared. The tract is currently being marketed at an asking price of \$1,129,075, which equates to \$8.00/SF. The tract is being market for commercial development and is contingent upon being re-zoned from Agricultural to a commercial use (Commercial PUD or B-4).The subject property is superior in terms of size and location and inferior in terms of shape. Regarding the asking price; I recognize that listed properties typically sell for less than their asking prices.

Although zoned R-1, we also considered a 12,090 SF (0.28 acre) lot located along the north side of Duplex Road, just west of the subject property, in Spring Hill, Maury County, Tennessee. The rectangular-shaped tract exhibits basically level topography and features sporadic mature tree cover. The property is currently listed for sale at \$55,000, which equates to \$4.55/SF and has been marketed for approximately 5 months. This listing is inferior to the subject in terms of zoning and superior in terms of size and shape. This comparable was included primarily based on its proximity to the subject; however weight was not placed on this comparable based on the subject's superior zoning.

Off-Site Improvements: The subject property is along Duplex Road (SR 247), a primary, two-lane roadway. All of the comparable sales offer similar off-site improvements.

On-Site Improvements: The subject property is improved with gravel drives, sidewalks, and landscaping. The subject's site improvements are considered superior to the comparables.

Valuation Summary: In conclusion, the three comparables provide a reasonable range from which the subject's value can be determined. After considering the adjustments discussed above, the sales range from \$3.85/SF to \$6.66/SF, with an average of \$5.59/SF and a median of \$6.27/SF, after adjusting for market conditions. Therefore, with all pertinent factors considered, including the size, shape, zoning and location along Duplex Road, just east of Columbia Pike (US 31), we have selected a market value of **\$6.00/SF** for the subject 28,488 SF site

SALES COMPARISON APPROACH

15. PROPERTY ANALYSIS; RESIDENTIAL & RURAL

Adjust sales to subject using (+) Subject Better, (-) Subject Poorer, Using Dollar Adjustments Only.

(A) ANALYSIS OF COMPARABILITY *(Insert Comp. Sale No.'s. from Brochure or Attachments)*

Inspection Date		Sale No. <u>DS1</u>		Sale No. <u>DS2</u>		Sale No. <u>DS3</u>	
CASH EQUIVALENT Sales Price		\$65,500		\$100,000		\$85,000	
Date of Sale	# of Periods	5/21/2012	30	4/14/2011	43	2/02/2012	33
% Per Period	Time Adj.	0.42%	12.50%	0.42%	17.9%	0.42%	13.75%
Sales Price Adj. for Time		\$73,688		\$117,900		\$96,688	
Proximity to Subject		±12.6 miles		±13.2 miles		±12.1 miles	
Elements	Subject	Description	(+)(-) Adj.	Description	(+)(-) Adj.	Description	(+)(-) Adj.
Location (A)	Spring Hill	Columbia		Columbia		Columbia	
Construction (B)	Wood Frame Wood Exterior	Wood Frame Wood Exterior		Wood Frame Brick Exterior		Wood Frame/ Vinyl Exterior	
Quality (C)	Average	Average		Average		Average	
Age: Actual/Effective (D)	28/20	25/25		29/25	+9,509	20/18	-6,935
Condition (E)	Average	Average		Average		Average	
Fin. 1 st Floor Living 2 nd Floor Area 3 rd Floor (F)	1 st : 1,209 SF 2 nd : 1,209 SF	1 st : 1,048 SF 2 nd : 1,048 SF		1 st : 1,025 SF 2 nd : 1,025 SF		1 st : 952 SF 2 nd : 952 SF	
Bsmt. Fin. Area (G)	N/a	N/a		N/a		N/a	
Unfin. Area	N/a	N/a		N/a		N/a	
Total Living Area (H)	2,418 SF	2,096 SF		2,050 SF		1,904 SF	
No. Baths (I)	4	4		4		2	
Garage/Carport (J)	N/a	N/a		N/a		N/a	
Heating/Cooling (K)	Gas/Central	Electric/Central		Gas/Central		Electric/Central	
Fireplace(s) (L)	N/a	N/a		N/a		N/a	
Kitchen Built-ins (M)	Yes	Yes		Yes		Yes	
Functional Utility (N)	Average	Average		Average		Average	
Porches, Patios, Pools, etc. (O)	Porch/Decks	Porch/Decks		Porch/Decks		Porch	+4,500
Other Adj. (Specify) (P)	Sidewalks/ Gravel Drives	Gravel Drive		Sidewalks/ Gravel Drives		Sidewalks/ Gravel Drives	
Land Area (Q)	28,488 SF	11,205 SF		18,925 SF		6,000 SF	
NET ADJUSTMENTS		(+)(-)		(+)(-)		(+)(-)	
ADJUSTED INDICATED UNIT VALUE		\$73,688		\$127,409		\$94,253	
ADJUSTED PRICE/ SF		\$35.16		\$62.15		\$49.50	

COMMENTS:

Continued on the following page....

SALES COMPARISON APPROACH

Continued....

15. PROPERTY ANALYSIS; RESIDENTIAL & RURAL

Adjust sales to subject using (+) Subject Better, (-) Subject Poorer, Using Dollar Adjustments Only.

(A) ANALYSIS OF COMPARABILITY *(Insert Comp. Sale No.'s. from Brochure or Attachments)*

Inspection Date		Sale No. <u>DS4</u>		Sale No. <u>DS5</u>		Sale No. _____	
CASH EQUIVALENT Sales Price		\$110,000		210,000			
Date of Sale	# of Periods	9/13/2013	14	7/1/2014	5		
% Per Period	Time Adj.	0.42%	5.83%	0.42%	2.08%		0.00%
Sales Price Adj. for Time		\$116,413		\$215,880		\$ 0	
Proximity to Subject		±13.6 miles		±14.5 miles			
Elements	Subject	Description	(+)(-) Adj.	Description	(+)(-) Adj.	Description	(+)(-) Adj.
Location (A)	Spring Hill	Franklin		Franklin			
Construction (B)	Wood Frame Wood Exterior	Wood Frame Brick Exterior		Wood Frame Brick Exterior			
Quality (C)	Average	Average		Average			
Age: Actual/Effective (D)	28/20	42/35	+27,424	33/30	+16,588		
Condition (E)	Average	Average		Average			
Fin. 1 st Floor Living 2 nd Floor Area 3 rd Floor (F)	1 st : 1,209 SF 2 nd : 1,209 SF	1 st : 1,824 SF 2 nd : N/a		1 st : 1,914 SF 2 nd : N/a			
Bsmt. Fin. Area (G)	N/a	N/a		N/a			
Unfin. Area	N/a	N/a		N/a			
Total Living Area (H)	2,418 SF	1,824 SF		1,914 SF			
No. Baths (I)	4	2		2			
Garage/Carport (J)	N/a	N/a		N/a			
Heating/Cooling (K)	Gas/Central	Gas/Central		Electric/Central			
Fireplace(s) (L)	N/a	N/a		N/a			
Kitchen Built-ins (M)	Yes	Yes		Yes			
Functional Utility (N)	Average	Average		Average			
Porches, Patios, Pools, etc. (O)	Porch/Decks	Porch/Decks		Porch/Decks			
Other Adj. (Specify) (P)	Sidewalks/ Gravel Drives	Sidewalk/ Gravel Drives		Sidewalk/ Concrete Drives			
Land Area (Site Adj.) (Q)	28,488 SF	10,650 SF		16,211 SF			
NET ADJUSTMENTS		(+)(-)	+\$27,424,	(+)(-)	+16,588	(+)(-)	\$ 0
ADJUSTED INDICATED UNIT VALUE			\$141,913		\$232,468		\$ 0
ADJUSTED PRICE/SF			\$77.80		\$121.46		
INDICATED MARKET VALUE of Entire Tract						\$340,000	

COMMENTS: See additional comments on following page...

ADDITIONAL COMMENTS

15. PROPERTY ANALYSIS: RESIDENTIAL & RURAL: Continued from preceding page.....

Analysis

Small multi-family dwellings in this market are typically transferred on a price per building square foot basis. Therefore, this unit of measurement will be used throughout this analysis. The sales range in unit value from \$35.16/SF to \$121.47/SF after adjusting for market conditions. After deducting the estimated contributory value of the site (see age/condition grid below), unit values for the improvements range from \$28.00 to \$95.33/SF with a mean of \$56.37/SF and a median of \$51.46/SF. See comparable sales and listing write-ups, location map and chart attached in the addenda of the report.

The sales were compared to the subject based on property rights conveyed, financing, sale conditions, market conditions, and physical characteristics. To the best of our knowledge, all the sales represented arms-length transactions, which included the fee simple estate property rights. In addition, all of the sales were cash to seller conveyances, whereby financing was not a factor in the sales price. With exception to Sale DS4, there were no unusual sale conditions involved in any of other the transactions. An upward adjustment was applied to Sale DS4 due to the out of town seller's motivation to divest the property at a below market price.

Market Conditions: As discussed in the Market Data Brochure, an annual 5% market conditions adjustment was deemed appropriate, which equates to 0.42% per month. Therefore, a 12.50% upward adjustment was applied to Sale DS1's building value (30 months x 0.42% = 12.5%), which equates an adjusted building price of \$50,493 and an adjusted unit price of \$73,688. Similarly, a 17.9% upward adjustment was applied to Sale DS2's building value (43 months x 0.42% = 17.9%), which equates an adjusted building price of \$78,003 and an adjusted unit price of \$117,900. Similarly, a 13.75% upward adjustment was applied to Sale DS3's building value (33 months x 0.42% = 13.75%), which equates an adjusted building price of \$74,999 and an adjusted unit price of \$101,188. Similarly, a 5.83% upward adjustment was applied to Sale DS4's building value (14 months x 0.42% = 5.83%), which equates an adjusted building price of \$84,998 and an adjusted unit price of \$116,413. Similarly, a 2.08% upward adjustment was applied to Sale DS5's building value (5 months x 0.42% = 2.08%), which equates an adjusted building price of \$160,010 and an adjusted unit price of \$215,880.

Location: Sales DS1-DS3 are located in Columbia, TN and Sales DS4 and DS5 are located in Franklin, TN. The subject is considered superior to Sales DS1-DS3 and inferior to Sales DS4 and DS5 in terms of location. The comparables are located within residential neighborhoods; whereas the subject is located within an area of mixed uses. Deducting the land value from each sale in the comparison grid below should adjust for most of the difference attributed to location.

Improvement Size: The comparables range in size from 1,904 SF to 2,096 SF, with an average of 1,992 SF. The subject dwelling contains 2,418 SF, which is above the range but within reason. Typically, an inverse relationship exists between size and unit price, with smaller buildings selling at higher unit prices. As all of the comparables and the subject appeal to the same type of market participants, no adjustments are warranted for improvement size.

Construction Quality: Overall, the construction quality of the sales is similar to that of the subject, as all feature wood frames and gable roof systems over composition shingle cover. The subject is most similar to Sales DS1 and DS2 in terms of having wood exteriors. The subject is slightly superior to Sale DS3 in terms of this comparable featuring a vinyl siding exterior. The subject is slightly inferior to Sales DS4 and DS5, which reflect either brick or combination brick/wood exteriors. The subject is most similar to Sales DS1-DS3 in terms of having 2-story designs. The subject and all the comparables are designed as 2 unit duplexes and are similar in this regard; therefore, construction quality will be considered on a qualitative basis.

Age/Condition: The subject improvements were originally constructed in 1986 and are considered to be in average physical condition. The subject building's actual age equals 28 years, with an estimated effective age of approximately 20 years and a remaining economic life of approximately 30 years. The sales range in chronological age from 10 to 42 years old as of the date of sale, with effective ages ranging from 16 to 35 years. The physical condition (effective age) of the comparables varies based on the level of maintenance and upgrades they have received since completion. Adjustments were made based on the age difference between the sales and the subject at the time of sale. Depreciation factors are based on a straight-line age/life method, assuming a 50-year economic life. This results in a 2.0%/year adjustment for the age difference. In the following grid, we have made adjustments for age/condition based on differences in the effective ages of the sales, as compared to the subject. As depreciation is appropriately applied only to building improvements, we have deducted the estimated contributory land value from each sale, which is based on applicable property records and market data. The quantifiable depreciation adjustments are shown on the following page:

ADDITIONAL COMMENTS

15. PROPERTY ANALYSIS: RESIDENTIAL & RURAL: Continued from preceding page.....

DEPRECIATION ADJUSTMENT GRID					
	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Total Value	\$73,688	\$117,900	\$96,688	\$116,413	\$215,880
Land Value	\$15,000	\$22,000	\$10,000	\$25,000	\$50,000
Building Value	\$58,688	\$95,900	\$86,688	\$91,413	\$165,880
Per Square Foot	\$28.00	\$46.78	\$45.53	\$50.12	\$86.67
Age Adj.					
Eff. Age @ Sale	25	25	18	35	30
Subject Eff. Age	20	20	20	20	20
Age Difference	5	5	(2)	15	10
Age Factor	1.100	1.100	0.960	1.300	1.200
Rev. Bldg. Value	\$64,557	\$105,490	\$83,220	\$118,837	\$199,056
Adj. Sale Price	\$64,557	\$105,490	\$83,220	\$118,837	\$199,056
Building Size	2,096	2,050	1,904	1,824	1,914
Adj. Price/SF	\$30.80	\$51.46	\$43.71	\$65.15	\$104.00
Net Adjustments	10.00%	10.00%	-4.00%	30.00%	20.00%

As illustrated in the preceding chart, the comparables reflected net adjustments of -4% to 30%. Sales DS1 and DS2 each required a 10% adjustment. Sale DS3 required a -4% adjustment. Sale DS4 required a -30% adjustment and Sale DS5 required a +20% adjustment. The adjusted unit prices ranged from, with an average adjusted unit price of \$59.02/SF and a median adjusted unit price of \$51.46/SF.

Site Improvements: Similar to the subject, the sites of Sales DS2-DS4 are improved with gravel drives and sidewalks. Sale DS1's site, which features gravel drives and no sidewalks, is slightly inferior in this regard. Sale DS5's site is improved with sidewalks and aggregate concrete drives, which is slightly superior to the subject in this regard.

We also surveyed a current listing of a 2,088 SF, 2-story duplex located along the west side of School Street, in Columbia, Maury County, TN. Construction features include wood framing and vinyl siding exterior and a gable/hip roof with composition shingle cover. The two units contain 2 bedrooms, one full bath, one 1/2-bath, a kitchen and a living room. Other improvements include a gravel drive, a concrete drive, sidewalk, and manicured lawn. Constructed in 1987, the improvements are considered to be in average. Existing rent is \$600/month for one unit and \$500/month one unit. The property is currently listed for \$105,000 and has been on the market ±3 months. After extracting the land value and adjusting for depreciation, the adjusted unit price is \$47.41/SF. Overall, the subject is considered superior to this comparable.

Summary: The adjusted prices of the sales form a range in unit values for the improvements from \$30.80 to \$104.00/SF with a mean of \$59.02/SF and a median of \$51.46/SF, exclusive of land value. The five closed sales included in this analysis are considered good indicators of market value for two-family dwellings in the area. Based on the subject's location, age/condition, and zoning unit value at the upper end of the range, say \$70/SF is reasonable for the subject property.

CONCLUSION OF SALES COMPARISON APPROACH

The market value of the building situated on the subject property has been estimated based the preceding analyses, and include the supporting site improvements. By adding the contributory value of the land, which we previously estimated to be \$170,000, the subject's market value via the sales comparison approach, is calculated as follows:

Summary of the Sales Comparison Approach		
Improvement Value:	2,418 SF x \$70.00/SF =	\$169,260
Plus: Land Value:		+ 170,000
Indicated Value:		\$339,260
Rounded To"		\$340,000

INCOME APPROACH

16.

Attach copy of Leases to appraisal or add additional sheet stating terms and conditions of Leases.

The Income Capitalization Approach is a "set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate." (The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute)

Valuation Analysis

The purpose of this appraisal is to estimate the "as is" market value of the subject's fee simple estate. The building is 100% tenant-occupied by two tenants. Each unit is leased for \$750/month with 1-year lease terms. The leases include discount clauses which stipulate a rental rate of \$650/month should the tenants pay rent on or before the 4th day of each month. The lease for unit 2531 expires on July 11, 2012 and the lease unit 2533 expires on October 1, 2014. The lease terms are currently month-to-month. The leases stipulate the tenants are responsible for utilities (water, gas, electricity) and for paying the first \$25.00 of any repair charges. The landlord is responsible for taxes, insurance and repairs/maintenance. Copies of the leases are attached.

Direct Capitalization: To process the Direct Capitalization Technique, comparable market data is used to determine a reasonable market rental rate for the subject property. A typical investor would purchase the subject based on an expected net operating income (NOI) that could be derived from renting the space to a tenant. Vacancy and credit loss, along with operating expenses that are incurred in a typical year of operation, which are also estimated based on market research, are then deducted. The result of this analysis will be an estimated stabilized annual net operating income (NOI), before debt service, the subject property could potentially generate. In this method, a projected stabilized net operating income for a single year of operation is made, which is capitalized at an overall capitalization rate to produce an indication of market value.

Market Rent: Market rent is "the most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs)" (Page 121, The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute).

In estimating the subject's market rent, we surveyed the rental rates presently being commanded at similar duplexes in the area. Descriptions of each of the comparable duplex properties, along with available rental information and a location map, are provided on the following pages.

INDICATED VALUE OF ENTIRE TRACT FROM INCOME APPROACH (before acquisition) NA

State Project No. 60LPLM-F2-019 County MAURY Tract No. 31
Federal Project No. STP-M-(9) Name of Appraiser Ted A. Boozer, MAI

INCOME APPROACH – Cont'd.
DUPLEX RENTAL NO. 1

**Property Identification**

Property Type: Duplex
Address: 1537 Richmond Road
Map/Parcel: 42I/A/16.00
County/State: Neapolis Community, Maury County

Site Data

Land Area: 0.19 acre
Zoning: R6 (One & Two Family)
Utilities: All available
Topography: Level- Gently Rolling
Shape: Rectangular
Dimensions: 110' x 200'
Landscaping: Yes

Improvement Data

Size: 2,040 SF
Total Units: 2
Construction: Brick & vinyl veneer over wood frame; gabled roof
Stories: 2
Parking: Open/Gravel
Year Built: 1990
Condition: Average
Verification: Deborah Hodge @ R&E Properties (931-626-8980)

UNIT MIX

Type	No. Units	% of Total	Size - SF	Total SF	Rent/Month	Rent/SF
2BR/2BA	1	50.00%	1,020		\$550	
2BR/2BA	1	50.00%	1,020		\$550	
Total/Avg.	2	100.0%		2,040	\$1,100	\$0.54

Income Analysis

Potential Gross Income \$13,200

Units of Comparison

Rent per Unit \$6,600
Rent per Square Foot \$0.54

Comments: This duplex consists of a 2,040 SF, 2-story duplex located along the west side of Richmond Road, in the Neapolis Community of Spring Hill, Maury County, TN. Construction features include wood framing and brick/vinyl siding and a gable/hip roof with composition shingle cover. The two units contain 2 bedrooms, one full bath, one half-bath, a kitchen and a living room. Other improvements include a 40 SF, attached, concrete and brick front porch (stoop) and two (2), 120 SF, attached wood decks. Site improvements include gravel drives and a manicured lawn. Constructed in 1990, the improvements are considered to be in average physical condition. Existing rent is \$550/month for each unit. Deborah Hodge @ R&E Properties (931-626-8980).

State Project No. 60LPLM-F2-019 County MAURY Tract No. 31
Federal Project No. STP-M-(9) Name of Appraiser Ted A. Boozer, MAI

INCOME APPROACH – Cont'd.
DUPLEX RENTAL NO. 2

**Property Identification**

Property Type: Duplex
Address: 810 Belle Drive
Map/Parcel: 25I/C/45.00
County/State: Spring Hill, Maury County

Site Data

Land Area: 0.34 acre
Zoning: R-4
Utilities: All Available
Topography: Level- Gently Rolling
Shape: Rectangular
Dimensions: 100' x 150'
Landscaping: Yes

Improvement Data

Size: 1,468 SF
Total Units: 2
Construction: Brick & vinyl veneer over wood frame; gabled roof
Stories: 2
Parking: Open/Gravel
Year Built: 1991
Condition: Average
Verification: Deborah Hodge @ R&E Properties (931-626-8980)

UNIT MIX

Type	No. Units	% of Total	Size - SF	Total SF	Rent/Month	Rent/SF
1BR/1BA	1	50.00%	734		\$525	
1BR/1BA	1	50.00%	734		\$550	
Total/Avg.	2	100.0%		1,468	\$1,075	\$0.73

Income Analysis

Potential Gross Income \$12,900

Units of Comparison

Rent per Unit \$6,450
Rent per Square Foot \$0.73

Comments: This duplex consists of a 1,468 SF, 1-story duplex located along the west side of Belle Drive, in Spring Hill, Maury County, TN. Construction features include wood framing and vinyl siding and a gable/hip roof with composition shingle cover. The two units contain 1 bedroom, one full bath, one half-bath, a kitchen and a living room. Other improvements include a 16 SF, attached, concrete and brick front porch (stoop), a covered, 56 SF covered front port, and two (2), 80 SF, attached wood decks. Site improvements include gravel drives and a manicured lawn. Constructed in 1990, the improvements are considered to be in average physical condition. Existing rent is \$525/month for one unit and \$550/month for one unit. Verified by Deborah Hodge @ R&E Properties (931-626-8980).

INCOME APPROACH – Cont'd.
DUPLEX RENTAL NO. 3

**Property Identification**

Property Type: Duplex
Address: 810 Belle Drive
Map/Parcel: 251/C/42.00
County/State: Spring Hill, Maury County

Site Data

Land Area: 0.34 acre
Zoning: R-4
Utilities: All Available
Topography: Level- Gently Rolling
Shape: Rectangular
Dimensions: 100' x 150'
Landscaping: Yes

Improvement Data

Size: 1,468 SF
Total Units: 2
Construction: Brick & vinyl veneer over wood frame; gabled roof
Stories: 2
Parking: Open/Gravel
Year Built: 1991
Condition: Average
Verification: Deborah Hodge @ R&E Properties (931-626-8980)

UNIT MIX

Type	No. Units	% of Total	Size - SF	Total SF	Rent/Month	Rent/SF
1BR/1BA	1	50.00%	734		\$525	
1BR/1BA	1	50.00%	734		\$550	
Total/Avg.	2	100.0%		1,468	\$1,075	\$0.73

Income Analysis

Potential Gross Income \$12,900

Units of Comparison

Rent per Unit \$6,450
Rent per Square Foot \$0.73

Comments: This duplex consists of a 1,468 SF, 1-story duplex located along the west side of Belle Drive, in Spring Hill, Maury County, TN. Construction features include wood framing and vinyl siding and a gable/hip roof with composition shingle cover. The two units contain 1 bedrooms, one full bath, one half-bath, a kitchen, and a living room. Other improvements include a 16 SF, attached, concrete and brick front porch (stoop), a covered, 56 SF covered front port, and two (2), 80 SF, attached wood decks. Site improvements include gravel drives and a manicured lawn. Constructed in 1990, the improvements are considered to be in average physical condition. Existing rent is \$525/month for one unit and \$550/month for one unit. Verified by Deborah Hodge @ R&E Properties (931-626-8980).

INCOME APPROACH – Cont'd.

RENT COMPARABLES MAP



SUMMARY OF COMPARABLE RENTALS

Rent No.	Type	No. Units	Size - SF	Total SF	Rent/Month	Rent/SF
1	2BR/2BA	2	1,020	2,040	\$1,100.00	\$0.54
2	1BR/1BA	2	734	1,468	\$1,075.00	\$0.73
3	1BR/1BA	2	734	1,468	\$1,075.00	\$0.73
Total/Avg.		6		4,976	\$3,250	\$0.65

Analysis

The three rent comparables indicate a rent per unit range of \$525/month to \$550/month and a building per month range of \$1,075/building to \$1,100/building. The rent per square foot range reflected by the rent comparables range from \$0.54/SF to \$0.73/SF, with an average rent per square foot of \$0.65. As previously discussed, the subjects' current rent in place is \$650/unit, which equates to \$0.54/SF and is similar to rent comparable 1. However, these leases were negotiated in 2010 & 2011 and may not reflect current market rent.

Rental 1 is located approximately 4 miles south of the subject in the Neapolis Community and is considered inferior in terms of location. Rentals 2 & 3 are located approximately 0.90 mile west of Columbia Pike in Spring Hill and border the CSX railroad. Rentals 2 and 3 are considered inferior to the subject in terms of location within Spring Hill. All of the comparables in this analysis were constructed between 1991 and 1994 of materials and workmanship similar to that of the subject. The ages of the comparables were considered similar to the subject, and no adjustments were necessary. The comparable duplex properties range in size from 1,468 SF to 2,040 SF, with mean and median indications of 1,659 SF and 1,468 SF, respectively. The subject duplex is 2,418 SF, which is outside the range produced by the comparables. Typically, an inverse relationship exists between size and unit price, however, when considered alone, this pattern is not strongly supported by our market data.

As a test for reasonableness, we also research four nearby townhome/apartment units currently offered for lease within the city limits of Spring Hill, Maury County. A supplemental townhome/apartment table is included on the following page.

INCOME APPROACH – Cont'd.

SPRING HILL APARTMENT / TOWNHOME QUOTED RENTAL RATES

Model	Bldg Type	Unit Type	Size/Unit	Yr Built	Quoted Rent/Mo	Quoted Rent/Mo/SF
Gables @ Wakefield	Townhouse	2BR/2BA	1,151 SF	2006	\$1,125	\$0.98
Chapman's Retreat	Townhouse	2BR/2BA	1,316 SF	2006	\$1,125	\$0.86
Worthington Glen	Apartment	2BR/2BA	1,117 SF	2012	\$940	\$0.84
Villages at Spring Hill	Apartment	2BR/2BA	843 SF	1994	\$790	\$0.94
Total/Average			1,107 SF		\$995	\$0.90

As shown above, the quoted rental rates of the two townhome units and 2 apartment range from \$790/month to \$1,125/month and a rent per month per square foot range of \$0.84 to \$0.98. The average unit size reflected by the comparables is 1,106 SF and the average rent is \$995/month. The comparable rentals, constructed between 1994 and 2012, are superior to the subject in terms of age/condition. In terms of size, the subject is most similar to Rentals 1-3.

Conclusion

Therefore, with consideration given to all pertinent factors, including location, we feel the subject's contract rent of **\$650/unit/month** is below market rates at this time. A more reasonable market rental rate of \$750/unit/month, which equates to \$0.62/SF, which is bracketed by the rental rates reflected by the comparable duplex rentals and the supplemental townhome/apartment rentals, is reflective of market and appears reasonable.

Potential Gross Income

Based on the preceding analysis, the subject's potential gross income is estimated as follows:

POTENTIAL GROSS INCOME						
Property	Size		Mkt Rent		Time	PGI
Duplex	2,418	x	\$0.62/SF	x	12 Months	= \$18,000

Vacancy and Credit Loss

Periodic vacancy and credit loss is typically experienced at all income producing properties, and is considered by investors at the time of purchase. The subject is located in a historically and currently strong submarket and is 100% occupied by a two tenants. Therefore, a blended stabilized vacancy factor of 4% and a credit loss of 1%, for a total of **5%**, is considered appropriate for vacancy and credit loss of potential gross income.

Operating Expenses

The total expenses must be deducted from the estimated total revenues to arrive at the net operating income. The primary expenses that will be incurred at the subject property include property taxes, insurance, management fees, and repairs/maintenance. A reserve fund will also be deducted, as investors for this type of property will deduct a reserve in consideration of funds that will be required for the periodic replacement of capital items. Historical operating expenses were not available.

Property Taxes: Based on the current tax appraisal of \$112,900, the assessment ratio of 40%, the assessed value equals \$45,160. Based on the current tax rate of \$3.187 per \$100 off assessment, this expense is projected to be **\$1,439 or \$719.50/unit**.

Insurance: The subject's current annual insurance expense was reported at \$877 or \$438.50/unit, which reportedly includes a low deductible of \$1,000, which appears reasonable compared to similar properties in the area.

Maintenance/Repairs: This category includes grounds maintenance, cleaning supplies, refurbishing expenses, appliance repairs, roof repairs, rental equipment, contract labor, trash expenses, plumbing, interior painting, and electrical expenses, etc. The subject's annual maintenance and repair expense was reported to be approximately **\$800 per year or \$400/unit**, which appears reasonable and will be utilized.

Management Fee: In the Nashville MSA area, this expense item typically ranges from 2% to 5% of collected income depending on the size and type of property. Given the size and two-tenancy design of the subject building, a nominal management fee of **2%** of effective gross income, or **\$296** will be deducted.

Reserves: A replacement reserve charge is included that covers the possibility of repairs to the roof, HVAC, plate glass, mechanical systems, and structure of the building. A per unit amount of \$150 to \$350 is typical in this area. We used an amount of **\$200/unit or \$400** for replacement reserves.

INCOME APPROACH – Cont'd.**Overall Capitalization Rate**

According to the 3rd Quarter 2014 PwC Real Estate Investor Survey, the range for overall capitalization rates for the southeast region apartment market is 4.00% to 7.250% with a mean of 5.55%. This mean is the same as compared to the previous quarter and reflects a decrease of 18 basis points as compared to the previous year. Another source of data used to determine overall capitalization rates is RealtyRates.com, which produces quarterly investor surveys. Overall capitalization rates reported in the 3rd Quarter 2014 Investor Survey apartments of all types ranged from 4.66% to 13.79%, with an average of 8.21%.

With emphasis placed on the available market data - which is supported by the published investor survey data - we believe an overall capitalization rate of 7.0% is appropriate for the subject property.

Based on the previously estimated income and expenses, the subject's pro-forma operating statement is calculated as follows:

Total Potential Gross Income	2,418	\$0.06	\$1,500	\$18,000
Less: Vacancy & Collection Loss @ 5%				900
Effective Gross Income				\$17,100
Less: Operating Expenses		\$/SF	% EGI	Annual
Property Taxes		\$0.60	8.40%	\$1,439
Insurance		\$0.36	5.10%	\$877
Repair & Maintenance		\$0.33	5.92%	\$800
Management		\$0.14	4.70%	\$342
Replacement Reserves		\$0.10	2.34%	400
Total Operating Expenses		\$1.60	22.56%	\$3,858
Net Operating Income		\$3.22	77.44%	\$13,242
Overall Capitalization Rate @ 7.00%				0.0700
Indicated Market Value				\$189,171
			Rounded:	\$190,000

INCOME APPROACH – Cont’d.

Test For Reasonableness

The gross rental income of the subject duplex was previously estimated to be \$18,000 and the indicated market value was previously estimated to be \$190,000. To test this market value for reasonableness the Gross Rent Multiplier (GRM) was used as the basis of valuation. Gross Rent Multiplier (GRM) is defined as, “the relationship or ratio between the sale price or value of a property and its periodic gross rental income.” (Page 91, *The Dictionary of Real Estate Appraisal*, 5th Edition, Appraisal Institute).

In the gross rent multiplier technique, the gross monthly rental income is multiplied by an appropriate gross rent multiplier to produce a value indication. The best method of selecting a gross rent multiplier is from market data. We were able to derive market gross rent multipliers from the five comparable sales and listing included in the Sales Comparison Approach. In addition, we included two recent duplex sales in Franklin, Williamson County, TN, which are identified below as Sales 5 & 6. These comparables produced the following indicated gross rent multipliers, and are shown as follows:

Gross Rent Multiplier Summary			
Sale	Sale Date	Year Built	GRM
1	5/21/2012	1941	5.45
2	4/14/2011	1903	7.41
3	2/2/2012	1920	6.44
4	9/13/2013	1940	7.63
5	10/17/2014	1981	8.69
6	10/9/2012	1964	10.32
List	N/a	1927	7.95

The gross rent multipliers reflected by the comparable sales and listing and the two supplemental sales included above form a range from 5.45 to 10.32, with average and median indications of 7.70 and 7.63, respectively. These sales are considered similar to the subject, and this data provides a basis from which to estimate an appropriate gross rent multiplier to apply to the subject’s gross monthly rental income.

The subject is located in a very active rental market and good location neighborhood, within close proximity to Columbia Pike. The improvements appear to have been well maintained and are in average physical condition based on their age. Based on the overall gross rent multipliers reflected by the most recent comparable sales, and taking into consideration the historically strong market conditions in the subject’s neighborhood, we believe an appropriate gross rent multiplier should fall at the upper end of the range, or 10%.

Indicated Value by Income Capitalization Approach

<u>PGI</u>		<u>GRM</u>	=	<u>Indicated Value</u>
\$18,000	X	10.0	=	\$180,000

Conclusion

The value indication produced in the income capitalization approach of **\$190,000** is supported by the \$180,000 value derived by the gross rent multiplier technique and is therefore considered to be a reliable indication of market value.

17. EXPLANATION and/or BREAKDOWN OF LAND VALUES:

(A) VALUATION OF LAND

LAND	<u>28,488</u>	S.F.	<input checked="" type="checkbox"/>	F.F.	<input type="checkbox"/>	ACRE	<input type="checkbox"/>	LOT	<input type="checkbox"/>	@	\$	<u>\$6.00/SF</u>	(Average) Per Unit	\$	<u>170,000 (r)</u>
LAND		S.F.	<input type="checkbox"/>	F.F.	<input type="checkbox"/>	ACRE	<input type="checkbox"/>	LOT	<input type="checkbox"/>	@	\$		(Average) Per Unit	\$	
LAND		S.F.	<input type="checkbox"/>	F.F.	<input type="checkbox"/>	ACRE	<input type="checkbox"/>	LOT	<input type="checkbox"/>	@	\$		(Average) Per Unit	\$	
LAND		S.F.	<input type="checkbox"/>	F.F.	<input type="checkbox"/>	ACRE	<input type="checkbox"/>	LOT	<input type="checkbox"/>	@	\$		(Average) Per Unit	\$	
LAND		S.F.	<input type="checkbox"/>	F.F.	<input type="checkbox"/>	ACRE	<input type="checkbox"/>	LOT	<input type="checkbox"/>	@	\$		(Average) Per Unit	\$	

REMARKS

18. APPROACHES TO VALUE CONSIDERED

(A) Indicated Value of	<input checked="" type="checkbox"/> Entire Tract	<input type="checkbox"/> Part Affected from SALES COMPARISON APPROACH	\$	<u>340,000</u>
(B) Indicated Value of	<input checked="" type="checkbox"/> Entire Tract	<input type="checkbox"/> Part Affected from COST APPROACH	\$	<u>348,000</u>
(C) Indicated Value of	<input checked="" type="checkbox"/> Entire Tract	<input type="checkbox"/> Part Affected from INCOME APPROACH	\$	<u>190,000</u>

(D) RECONCILIATION: (Which approaches were given most consideration) (Single-Point Conclusion Should be Reasonably Rounded)
 The value indications from the Cost and Sales Comparison approaches form range from \$340,000 to \$348,000, reflecting a spread of 2.35%. The value indication from the Income Capitalization Approach is significantly lower than the other two approaches. This is due to the fact that the Income Approach utilizes the Direct Reversion. Given that the subject is located in an area that is in a state of transition, with redevelopment very likely at some point in the future, the existing income stream is not a truly reflective measure of the market value of the property. Consequently, the Income Capitalization Approach is given little emphasis in the final value conclusion. Since both the Sales Comparable Approach and Cost Approach include the current land value, which does reflect the redevelopment potential of the property at some point in the future, most emphasis was placed on the value conclusions from these two approaches. Therefore, the market value estimate for the subject improvements is estimated to be \$345,000, which includes \$175,000 allocated to improvements and \$170,000 allocated to land value.

19. FAIR MARKET VALUE of	<input checked="" type="checkbox"/> Entire Tract	<input type="checkbox"/> Part Affected.....	\$	<u>345,000</u>		
(A) TOTAL AMOUNT DUE OWNER if	<input type="checkbox"/> Entire Tract	<input checked="" type="checkbox"/> Part Affected Acquired.....	\$	<u>196,000</u>		
(B) AMOUNT ATTRIBUTABLE TO:	Land	\$	<u>170,000</u>	Improvements	\$	<u>175,000</u>

REMARKS

- Improvement 1: \$168,000
- Improvement 2: \$1,000
- Improvement 3: \$5,000
- Improvement 4: \$1,000

PARTIAL ACQUISITION

20.

VALUE OF ENTIRE TRACT..... \$345,000

AMOUNT DUE OWNER IF ONLY PART ACQUIRED (Detail breakdown)

A. X Land Acquired (Fee) 3,249 S.F. @ \$6.00/SF \$19,494
 _____ Land Acquired (Fee) _____ S.F. Ac. @ _____
 Drainage Esmt. _____ S.F. Ac. @ _____
 Slope Esmt. 132 S.F. Ac. @ \$3.00 \$396
 Const. Esmt. 990 S.F. Ac. @ \$1.80 \$1,782

B. Improvements Acquired (Indicate which improvements by showing structure numbers)

Improvements 1-4 \$175,000

C. Value of Part Acquired Land & Improvements (Sub-Total)..... 196,622

D. Total Damages (See Explanation, Breakdown and Support on Sheet 2A-9). _____

E. Sum of A, B and D: 196,622

F. Benefits: (Explain and deduct from D. Amount must not exceed incidental damages).... \$0

G. TOTAL AMOUNT DUE OWNER; if only part is Acquired..... 196,000 (r)

21. VALUE OF REMAINDER (See 2A-9 for Documentation of Remainder Value)

A. LAND REMAINDER

Left 25,239 S.F. Ac. @ _____
 _____ S.F. Ac. @ _____
 _____ S.F. Ac. @ _____
 Right _____ S.F. Ac. @ _____
 _____ S.F. Ac. @ _____
 _____ S.F. Ac. @ _____

AMOUNT PER UNIT		DAMAGES		REMAINING VALUE
BEFORE	AFTER	%	\$	
\$6.00	\$6.00	0%	151,434	\$151,434

REMAINDER VALUE OF LAND..... \$ 151,434
 LESS AMOUNT PAID FOR EASEMENTS IN ITEM 20A..... \$ 2,178
 LESS COST TO CURE (Line 20-D)..... \$
 TOTAL REMAINDER VALUE OF LAND..... \$ 149,256

B. IMPROVEMENTS REMAINDER

Improvement No. _____
 Improvement No. _____
 Improvement No. _____
 Improvement No. _____
 Improvement No. _____

BEFORE VALUE	DAMAGES		REMAINING VALUE
	%	\$	

REMAINDER VALUE OF IMPROVEMENTS..... 0
 LESS COST TO CURE ITEMS..... 0
 TOTAL REMAINDER VALUE OF LAND & IMPROVEMENTS..... \$149,000 (r)

REMARKS: None.

SUMMARY OF REMAINDER
APPRAISERS DESCRIPTION OF REMAINDER AND EXPLANATION OF DAMAGES OR BENEFITS
(Supplement to Items 20 and 21, Pages 2A-8)

A full narrative description of the remainder (s) must be given on all partial acquisitions. The after value estimates, both land and improvements shall be documented and supported by one or more of the applicable approaches to value.

23. HIGHEST AND BEST USE AFTER ACQUISITION:

The highest and best use of the left remainder, which consists of 25,239 SF (0.579 acres), will remain unchanged after the acquisition.

24. DESCRIBE REMAINDER (S):

Upon completion of the project, Duplex Road will include a ±9'-wide asphalt, multi-purpose walking path located along the northern R.O.W of Duplex Road. In addition, a ±5'-wide concrete sidewalk will be located along the southern R.O.W. of Duplex Road. In the "after situation" Duplex Road will be curbed and guttered along the subject's frontage. Erosion control measures (fill slope) will be in place within the slope easement area. Duplex Road will consist of three lanes, including two (2), travel lanes (east & west) and one (1) center turning lane.

According to the Plans and R.O.W. Acquisition Table provided by the Tennessee Department of Transportation, there will be a remainder area to the left of the center line containing 25,239 SF. The remainder will change slightly in terms of size from the "before situation" by the fee acquisition, which includes a rectangular-shaped, 0.031 acre (3,249 SF) area along the northern proposed R.O.W. Based on the 990 SF T.C.E and 132 SF slope easement area, the remainder area to the right of the centerline will have the same basic characteristics before and after acquisition. Prior to the project, the subject was "L"-shaped, and will remain "L"-shaped based on the relatively small acquisition area. The topography of the tract will remain unchanged from the "before situation"; however, a small fill slope will exist outside of the proposed R.O.W. The slope easement consists of a fill slope on a 4:1 grade. Frontage in the "after situation" will remain basically unchanged. In the "before situation", there are two gravel drives providing access. In the "after situation", at the request of the owner, access will be provided by one (1), centrally located curb cut. The subject will benefit directly from these improvements, offsetting any incidental damages to the remainder. Consequently, the land market value of the remainder after the acquisition is unchanged from the before situation.

The main difference between the remainder and the property before the acquisition is the existing improvements will be removed.

Fee Acquisition: The 3,249 SF fee acquisition is valued at 100% of fee value, or \$6.00/SF.

Slope Easement: This acquisition includes one fill slope easement area totaling 132 SF of land area. The slope easement area consists of an irregular-shaped strip of land outside the existing and proposed ROW of Duplex Rd. The slope easement will consist of cut slope on a 4:1 grade in the "after situation" and should be reasonably easy to maintain by the property owner. The slope easement area can also still be used to meet setback requirements, lot coverage ratios, etc. Consequently, this acquisition is valued at 50% of fee value or \$3.00/SF (\$6.00/SF x 50%).

Temporary Construction Easement: The T.C.E contains 990 SF. The irregular rectangle-shaped T.C.E. is 8'-12' wide and extends the entire length of the subject's southern border area and is adjacent to and north of the slope easement and proposed R.O.W, which parallel the north side of Duplex Road. A construction easement will be utilized for the placement of traffic control, temporary runaround, erosion control and work zone. An annual rental rate of 10% of fee value for the three year anticipated time frame (30%) is considered to be reasonable. Calculated as follows: \$6.00/SF x 30% = \$1.80 per SF for the TCE.

25. Amount of DAMAGE This Page To--2A-8, Item 20-D	\$0
(A) Amount of BENEFITS This Page To--2A-8, Item 20-F	\$0

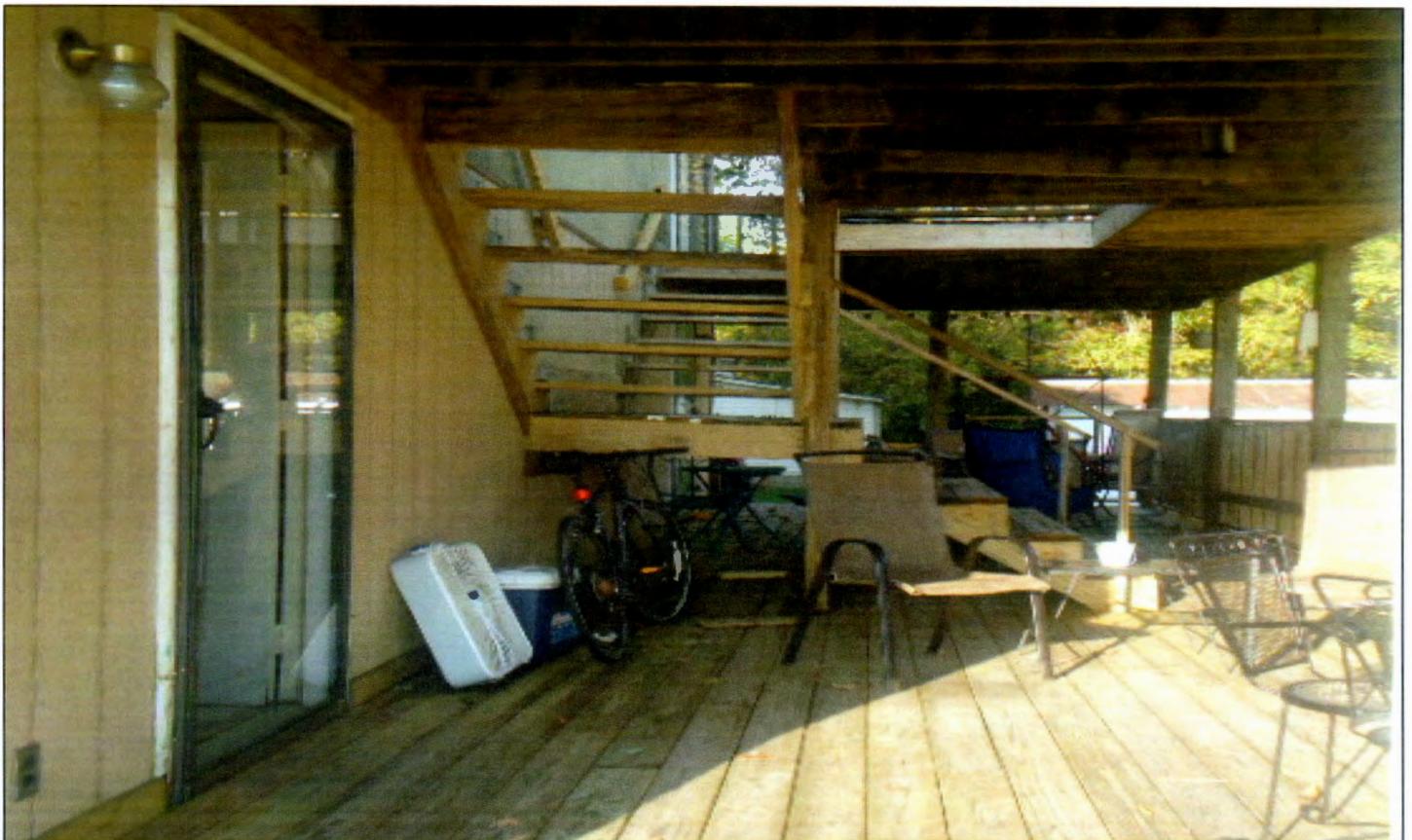
PHOTOGRAPHS

26.

An adequate number of photographs of all improvements acquired or damaged or of land showing and unusual features shall be included in each appraisal. **(Even though there are no unusual features that would affect the land value, a minimum of one photograph is required of vacant land.)** Each photograph shall be properly identified on the front or back with unalterable identification showing the following: PROJECT NUMBER, TRACT NUMBER, SUBJECT, and DATE PICTURE TAKEN.



View of Covered Front Porch



View of Rear Deck

State Project No. 60LPLM-F2-019 County MAURY Tract No. 31
Federal Project No. STP-M-(9) Name of Appraiser Ted A. Boozer, MAI

PHOTOGRAPHS

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Westerly View of ROW, Slope & TCE Acquisition Areas



Easterly View of ROW, Slope & TCE Acquisition Areas

State Project No. 60LPLM-F2-019 County MAURY Tract No. 31
Federal Project No. STP-M-(9) Name of Appraiser Ted A. Boozer, MAI

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Northerly View of Western Border & Gravel Drive; Note: TCE Marker in Right Background



Northerly View of Eastern Border & Gravel Drive

PHOTOGRAPHS

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View of Acquisition Areas Within The Western Portion of Site



View of Northern (Rear) Portion of Subject Site

State Project No. 60LPLM-F2-019 County MAURY Tract No. 31
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UNIT 2531 (1st Level): Living Room



UNIT 2531 (1st Level): Kitchen

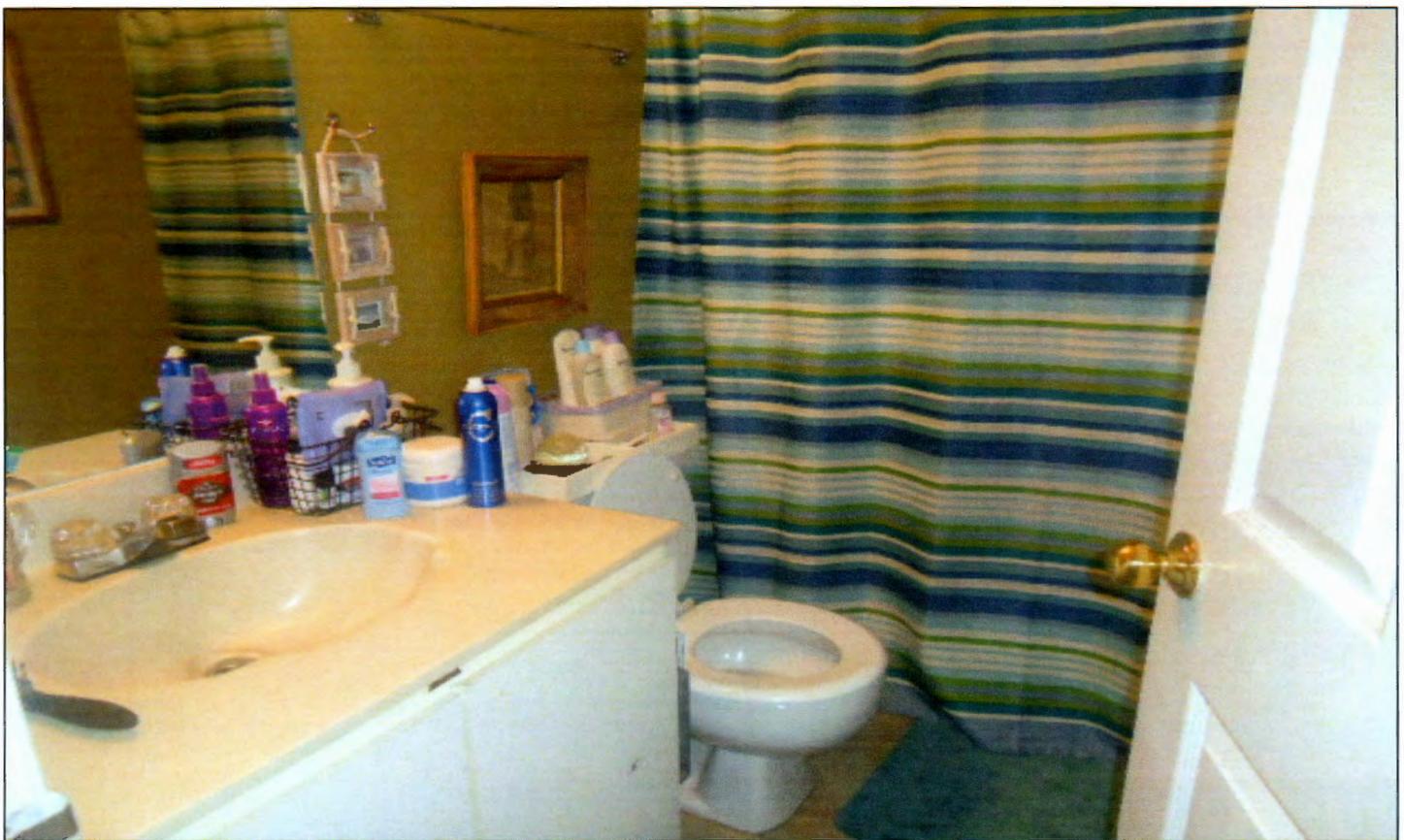
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UNIT 2531 (1st Level): Bedroom



UNIT 2531 (1st Level): Bath

State Project No. 60LPLM-F2-019 County MAURY Tract No. 31
Federal Project No. STP-M-(9) Name of Appraiser Ted A. Boozer, MAI

PHOTOGRAPHS

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UNIT 2531: Stairway to 2nd Level



Unit 2531 (2nd Level): Bedroom

State Project No. 60LPLM-F2-019 County MAURY Tract No. 31
Federal Project No. STP-M-(9) Name of Appraiser Ted A. Boozer, MAI

PHOTOGRAPHS

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Unit 2531 (2nd Level): Bath



Unit 2533 (1st Level): Living Room

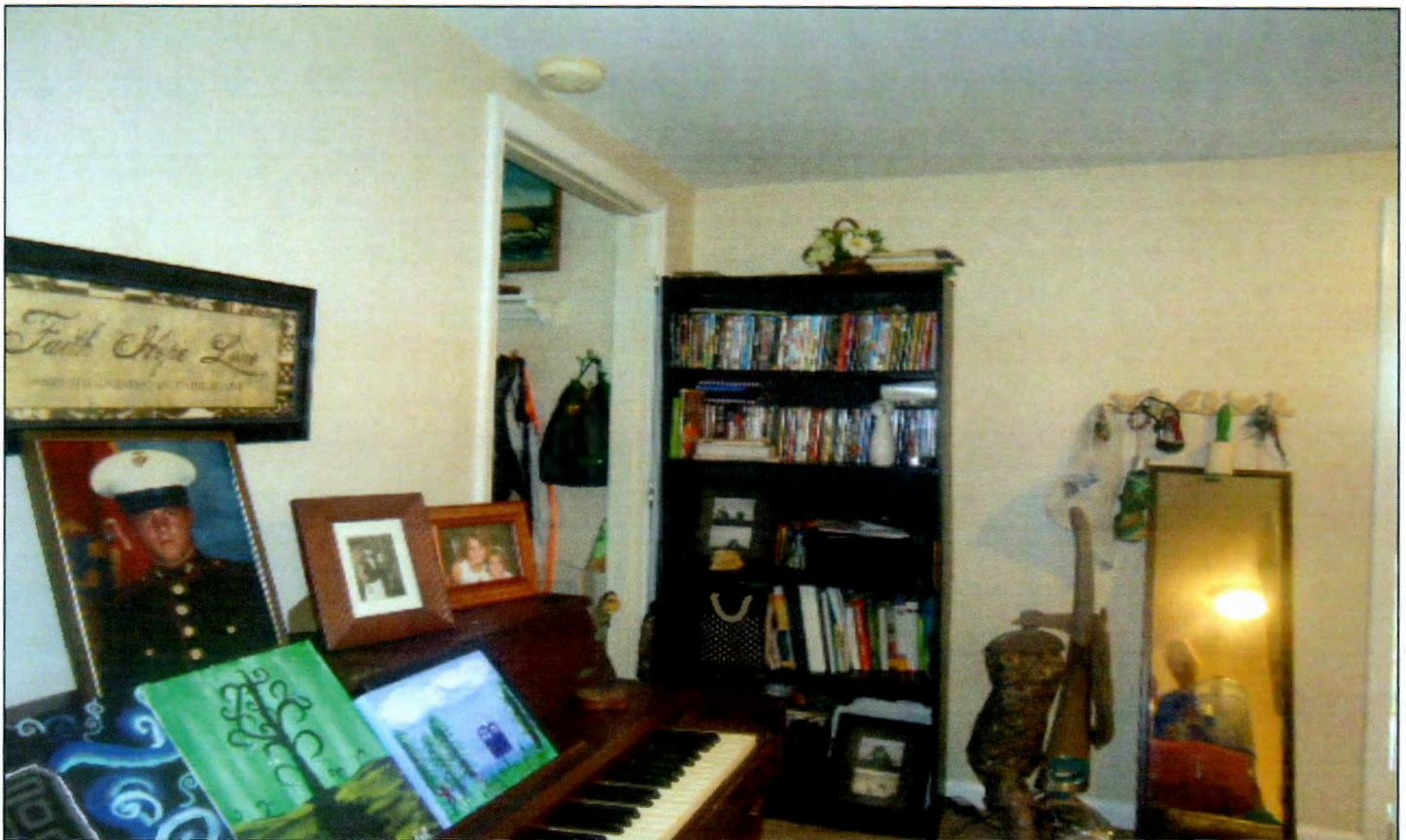
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Unit 2533 (1st Level): Kitchen



Unit 2533 (1st Level): Living Room

PHOTOGRAPHS

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Unit 2533 (1st Level): Bath



Unit 2533: Stairway to 2nd Level

SKETCH PAGE

Case No. SR 247 Duplex Road

File No. Tract 31 Vaughn

Property Address 6531-6533 Duplex Road

City Spring Hill

State TN

Zip 37174

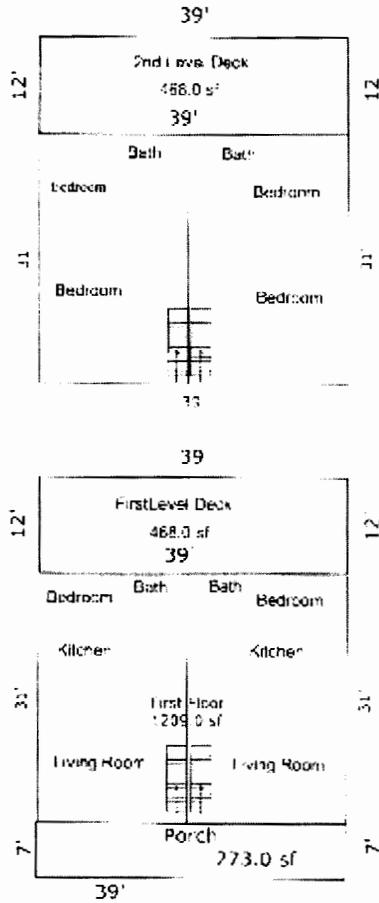
Dotower

Lender/Client City Of Spring Hill

Appraiser Name Boozer

SUBJECT

IMPROVEMENTS SKETCH



Comments

Scale: 1" = 20'

AREA CALCULATIONS SUMMARY

Code	Description	Net Size	Net Totals
GLA1	First Floor	1209.00	
	Second Floor	1209.00	2418.00
P/P	2nd Level Deck	468.00	
	1st Level Deck	468.00	
	Porch	273.00	1209.00

LIVING AREA BREAKDOWN

Breakdown		Subtotals
First Floor		
	31.0 x 39.0	1209.00
Second Floor		
	31.0 x 39.0	1209.00

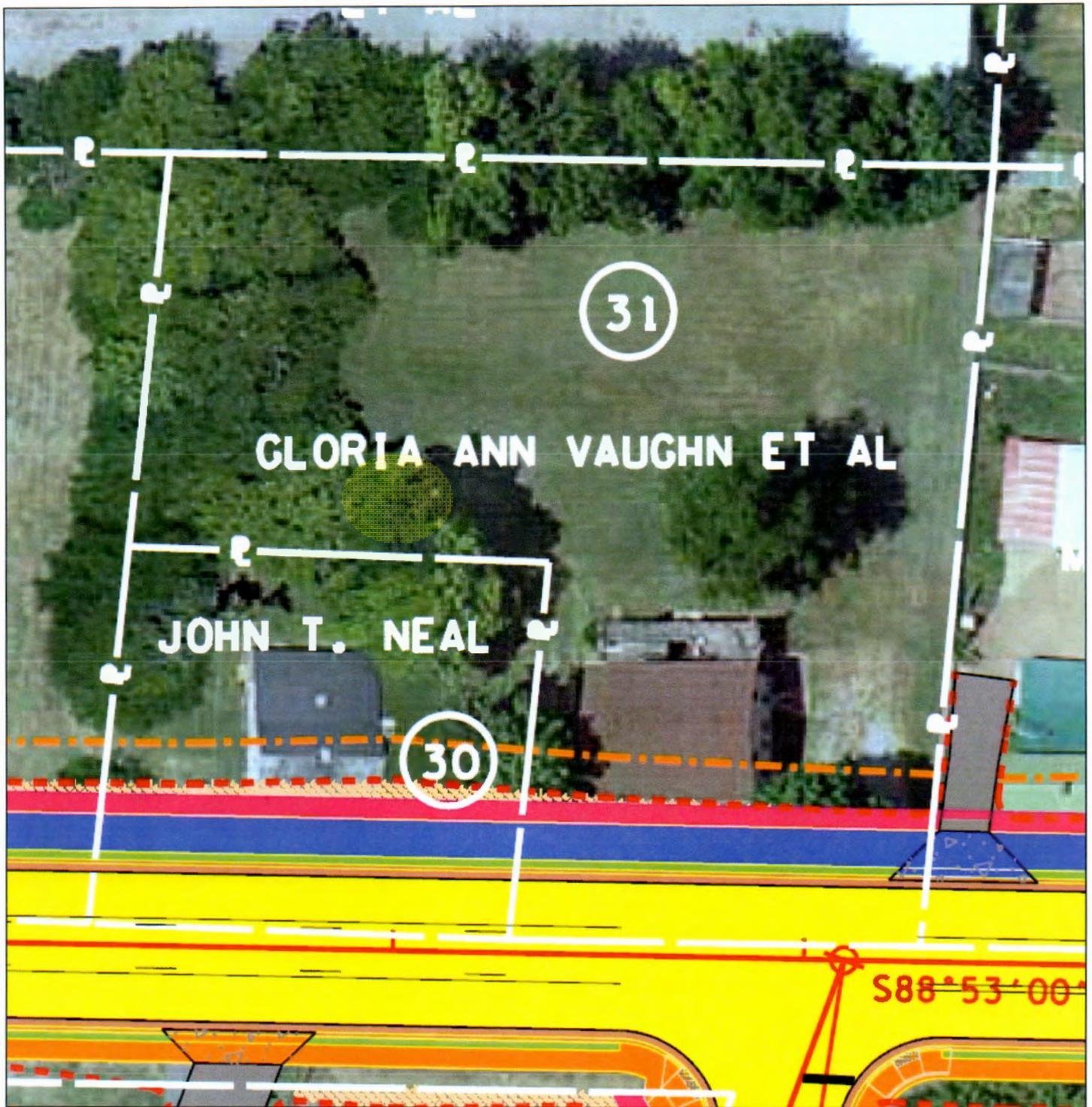
Net LIVABLE Area (rounded) 2418 2 Items (rounded) 2418

Boyer & Co., Inc.

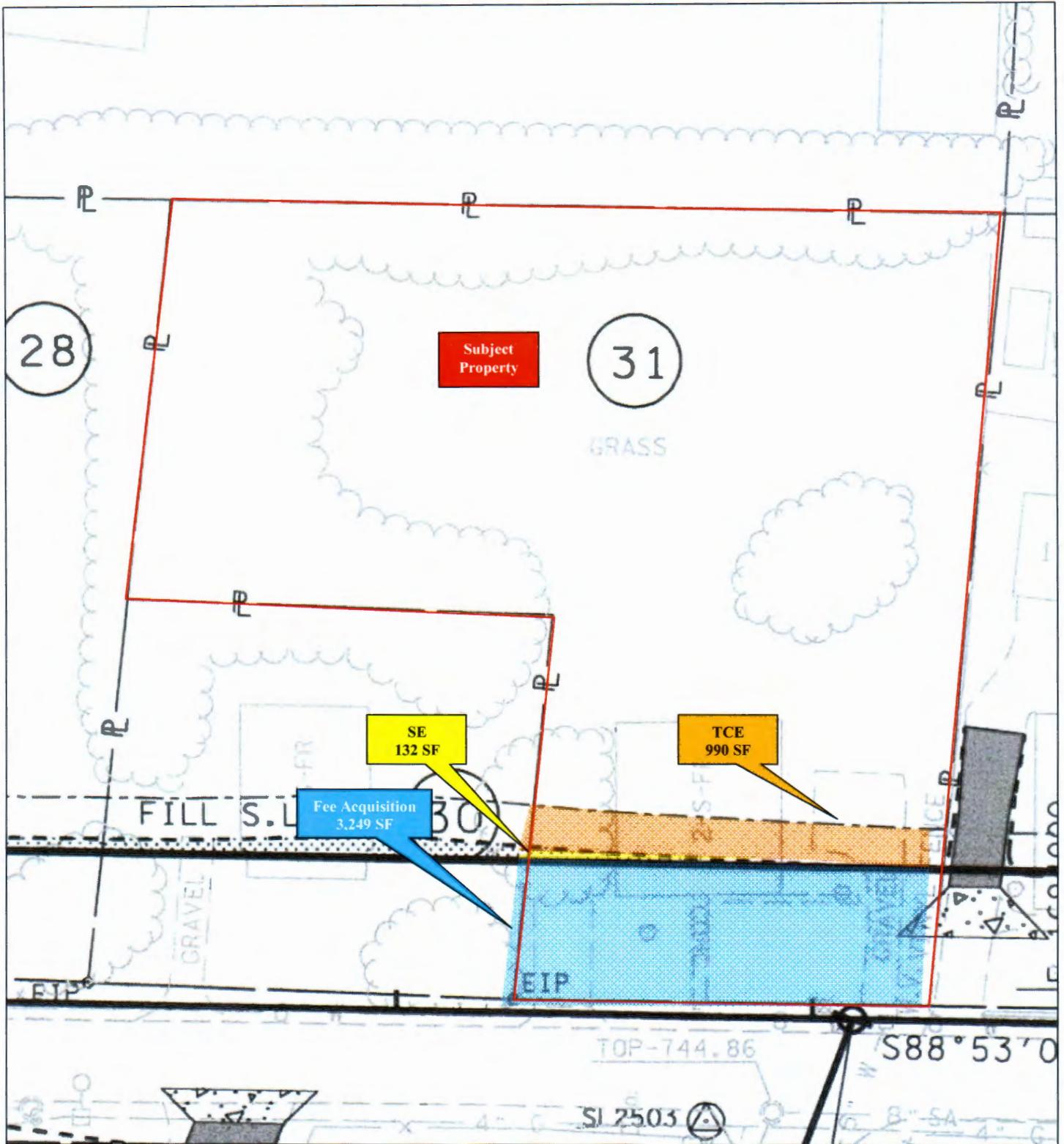
APPRAISER'S SIGNATURE

DATE

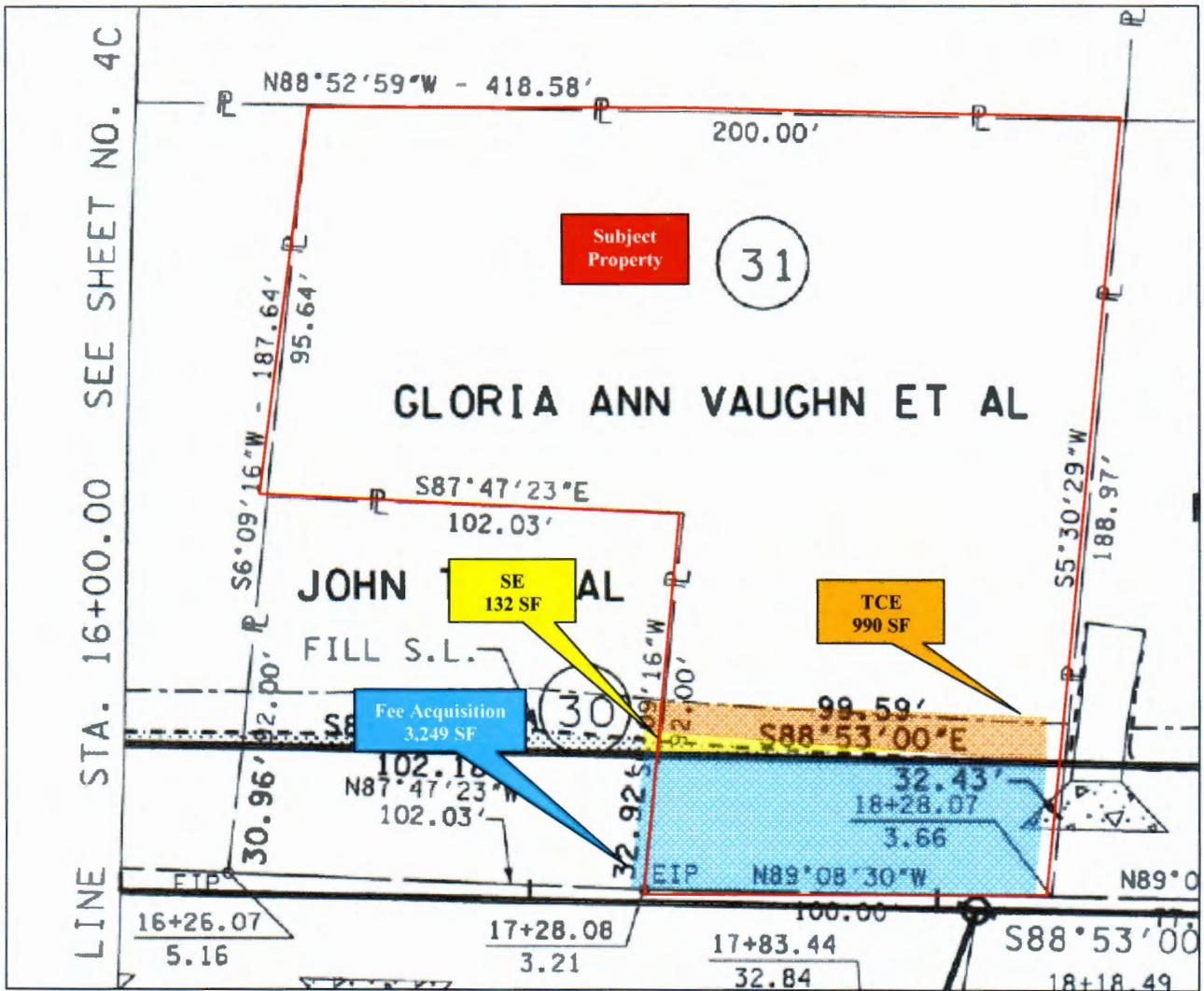
ENGINEER OVERLAY MAP



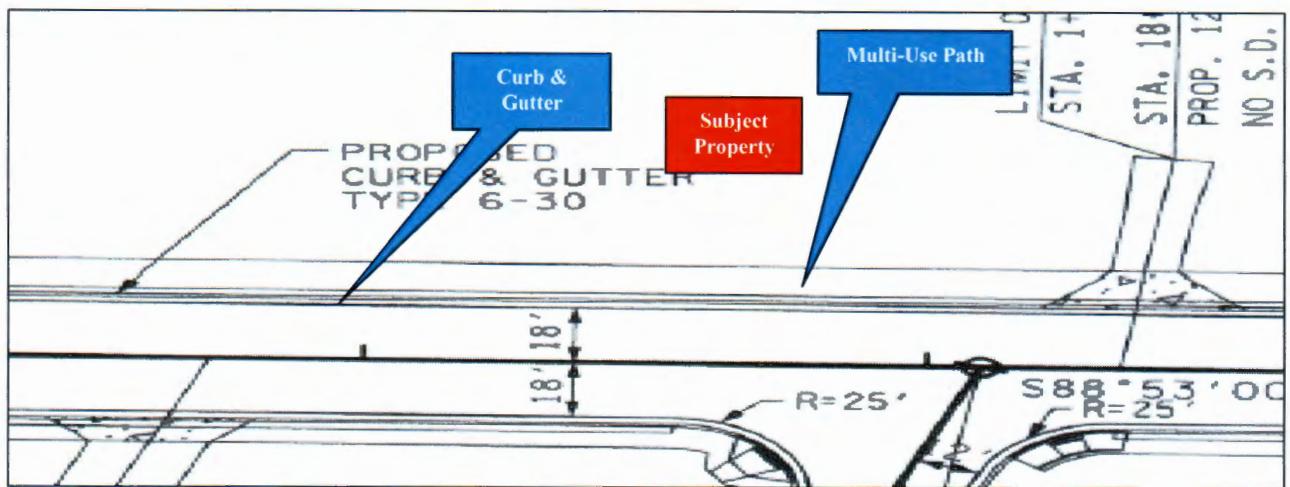
RIGHT-OF-WAY MAP – PRESENT LAYOUT



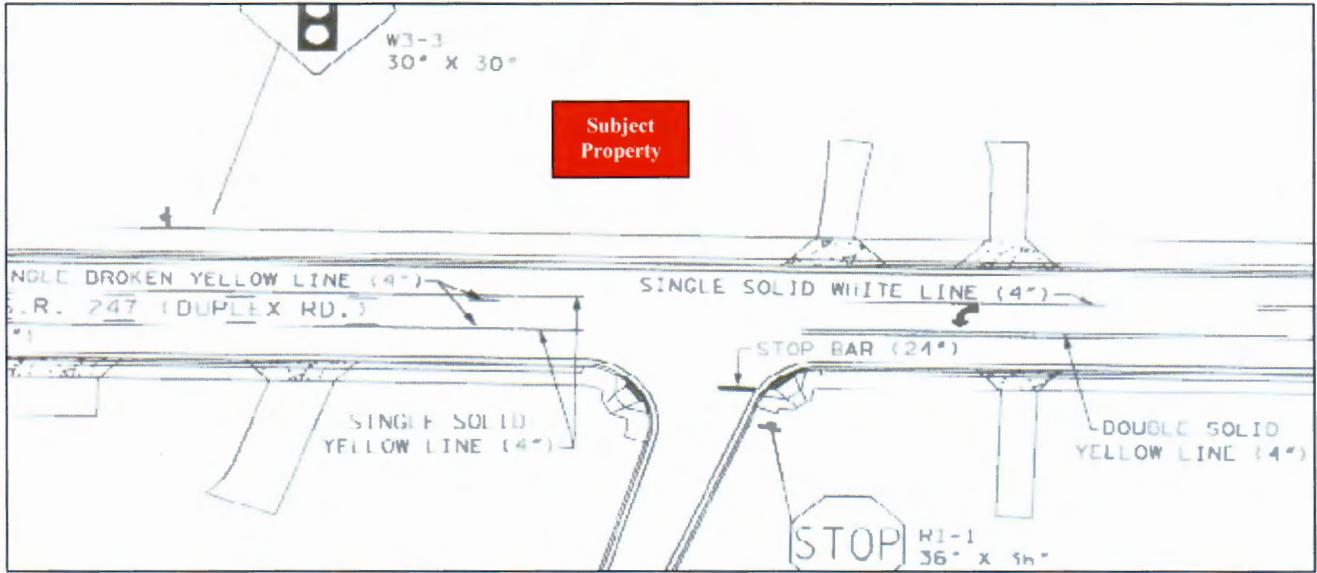
RIGHT-OF-WAY MAP – ROW LAYOUT



RIGHT-OF-WAY MAP – PROPOSED LAYOUT



SIGNING & PAVEMENT MARKINGS



PURPOSE OF APPRAISAL

The purpose of the appraisal is to estimate the amount due the property owner as a result of acquisition of all, or a portion of, the property for a proposed intersection improvement right-of-way project. The value estimate in this report is based on market value. See "Definition of Market Value" below.

DEFINITION OF MARKET VALUE

All estimates of value prepared for agency acquisitions shall be based on "market value" –as defined and set forth in the *Tennessee Pattern Jury Instructions 2nd Edition* to wit: "the amount of money which a purchaser, willing but under no compulsion to buy, would pay, and which a seller, willing but under no compulsion to sell, would accept, taking into consideration all the legitimate uses to which the property was adaptable and might in reason be applied".

PROPERTY RIGHTS APPRAISED

Basic underlying property rights considered herein are those of a 100% ownership position in Fee Simple, defined as: "absolute ownership, unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat." *The Appraisal of Real Estate, 14th ed. Chicago, IL.*

The proposed acquisition consists of a fee acquisition and/or easement rights for the proposed intersections improvement project. The easement rights, if any, consist of the acquisition of less than fee simple title and in these cases the extent of the property rights conveyed have been considered in arriving at the estimate of value.

Any and all liens have been disregarded. The property is assumed to be free and clear of all encumbrances except easements or other restrictions as noted on the title report or during physical inspection of the property and mentioned in this report.

INTENDED USE

The intended use of this appraisal is to assist the City of Spring Hill, Tennessee in Right-of-Way acquisition or disposition.

INTENDED USER

The intended user of this report is the City of Spring Hill, Tennessee.

NOTE: If this appraisal is limited to the area affected by the acquisition for the proposed project and consists of only a part of the whole property, the value for the portion appraised cannot be used to estimate the value of the whole by mathematical extension.

Plans for the proposed construction, including cross sections of cuts and fills for the subject property, have been considered in arriving at the estimates of market value.

ATTACHMENTS

Sales information and/or other pertinent information, which is part of this appraisal report and referenced in the text of this appraisal, can be found:

 X attached at the end of this report.

 X in a related market data brochure prepared for this project and which becomes a part of this report.

SIGNIFICANT OBSERVATIONS AND LIMITING CONDITIONS

This appraisal is based on information provided by the property owner, public officials, property managers, real estate professionals, and other reliable sources, and is believed to be accurate. There were no extraordinary assumptions implemented in deriving a market value estimate as part of this appraisal.

It is important to note, due to the southern portion of the existing structure's location within the acquisition areas; plans include removal of the structure from the subject site and the relocation of the existing tenants.

EXPOSURE TIME

It is understood that in order for the subject property to achieve the market value estimated herein, an exposure time of 4 months or less is required assuming competent marketing efforts.

SCOPE OF WORK

The City of Spring Hill has requested an appraisal to estimate the market value of the property described herein for the purpose of acquisition or disposition. In accordance with the client's request, appropriate/required inspections and investigations have been conducted to gain familiarity with the subject of this report and the market in which it would compete if offered for sale.

Reliable data-subscription services have been utilized as the primary search tool for transfers of vacant land as well as improved properties. Deeds have been read and interviews with property owners and project-area real estate professionals conducted to the extent necessary to gain clarity and market perspective sufficient to develop credible opinions of use and value. Where construction costs are an integral part of the valuation pursuit, national cost services have been employed, but supplemented by local suppliers and contractors where necessary.

Applicable and customary approaches to value have been considered. Each of the traditional approaches to value has been processed or an explanation provided for the absence of one or more in the valuation of the subject property. For acquisition appraisals, furnished Right-of-Way plans have been utilized to visualize the property in an after-state where there is a remainder. Damages and/or special benefits have been considered for all remainders. As well, for acquisition appraisals, a "Formal" appraisal includes all real property aspects of the "Larger Parcel" as defined in this report or the tract as shown on the right-of-way plans, in the acquisition table, or extant on the ground at the time of inspection or date of possession. A "Formal Part-Affected" appraisal generally constitutes something less than a consideration of the entire tract, but in no way eliminates appropriate analyses, or diminishes the amount due owner had a "Formal" appraisal been conducted.

Acquisition appraisals are conducted in accordance with Tennessee's State Rule which asserts that the part acquired must be paid for and that special benefits can only offset damages.

ASSUMPTIONS, EXTRAORDINARY ASSUMPTIONS, HYPOTHETICAL CONDITIONS, AND LIMITING CONDITIONS

This appraisal report has been made with the following assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions:

- (1) The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- (2) Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purposes by any person other than the party to whom it is addressed without the written consent of the appraiser and in any event, only with proper written qualification and only in its entirety.
- (3) The appraiser herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
- (4) Neither all nor any part of the contents of this report (*especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected*) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
- (5) The value estimate is based on building sizes calculated by the appraiser from exterior dimensions taken during the inspection of the subject property. Land areas are based on the Acquisition Table unless otherwise noted in this report.
- (6) No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- (7) The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
- (8) Responsible ownership and competent property managements are assumed.
- (9) The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- 10) All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- 11) It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

**ASSUMPTIONS, EXTRAORDINARY ASSUMPTIONS, HYPOTHETICAL CONDITIONS, AND
LIMITING CONDITIONS (continued)**

- (12) It is assumed that there is full compliance with all-applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
- (13) It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
- (14) It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- (15) It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
- (16) Unless otherwise stated in this report, the appraiser did not observe the existence of hazardous material, which may or may not be present on the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, area-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no additional materials on the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them or the costs involved to remove them. The appraiser reserves the right to revise the final value estimate if such substances are found on or in the property.
- (17) The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could affect the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of the ADA in estimating the value of the subject property.
- (18) The public improvement project or its anticipation cannot be considered in the "before" value estimate; however, when there is a "remainder", the public improvement project must be considered as to its influence on said remainder(CFR, Title 49, Subtitle A, Part 24, Subpart B, Sec. 24.103(b). Source: FAQ 213
- (19) This appraisal contains a hypothetical condition that the subject roadway project will be constructed according to plans and cross sections referenced in this report. The use of this hypothetical condition might have affected the assignment results.
- (20) Applicable to Formal Part-Affected type of appraisal – when all the land area and/or all improvements are not appraised this is considered a hypothetical condition. The use of this hypothetical condition might have affected assignment results.

CERTIFICATE OF APPRAISER

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

- (1) The statements of fact contained in this appraisal 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 (or the specified) present or prospective interest in the property that is the subject of this report, and no (or the specified) personal interest with respect to the parties involved.
- (4) That I have performed no (or the specified) 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 that cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- (8) My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice, Uniform Act, and TDOT Guidelines for Appraisers.*
- (9) I have made a personal inspection of the property that is the subject of this report. (If more than one person signs the certification, the certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property). I have also made a personal field inspection of the comparable sales relied upon in making said appraisal. The subject and the comparable sales relied upon in making said appraisal were represented by the photographs contained in said appraisal and/or market data brochure.
- (10) John B. Cox, State of Tennessee Certified General Real Estate Appraiser, provided significant real property appraisal assistance to the person signing this certification.
- (11) That I understand that said appraisal is to be used in connection with the acquisition of right-of-way for a highway to be constructed by the State of Tennessee with without , the assistance of Federal-aid highway funds, or other Federal funds.
- (12) That such appraisal has been made in conformity with the appropriate State laws, regulations and policies and procedures applicable to appraisal of right-of-way for such purposes; and that to the best of my knowledge no portion of the value assigned to such property consists of items which are non-compensable under the established law of said State.
- (13) That any increase or decrease in the fair market value of real property prior to the date of valuation caused by the public improvement for which said property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, will be disregarded in determining the compensation for the property.
- (14) That I have not revealed the findings and results of such appraisal to anyone other than the proper officials of the City of Spring Hill or officials of the TDOT or the Federal Highway Administration and I will not do so until so authorized by State officials, or until I am released from this obligation by having publicly testified to such findings.

(15) THAT the OWNER (Name) Ms. Gloria Anne Vaughn were contacted on (Date) 7/8/2014 & 10/1/2014

In Person By Phone *By Mail, and was given an opportunity for he or his designated representative

(Name) Mr. Clinton Gilbreath to accompany the appraiser during his or her inspection of the subject property.

The owner or his representative Declined Accepted to accompany appraiser on (Date) 11/1/2014

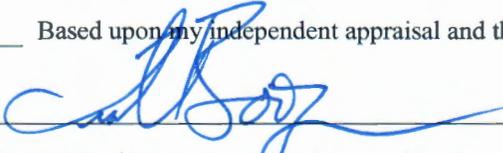
**If by mail attach copy to 2A-12*

Date(s) of inspection of subject 11/1/2014 & 12/1/2014

Date(s) of inspection of comparable sales 12/1/2014

- (16) That the centerline and/or right-of-way limits were staked sufficiently for proper identification on this tract.
- (17) That the roadway cross sections were furnished to me and/or made available and have been used in the preparation of this appraisal.
- (18) That my (our) opinion of the fair market value of the acquisition as of the 1st day of November, 2014

is \$196,000 Based upon my independent appraisal and the exercise of my professional judgment.

Appraiser's Signature  Date of Report 2/2/2015

State of Tennessee Certified General Real Estate Appraiser License Number CG-973

AERIAL PHOTOGRAPH

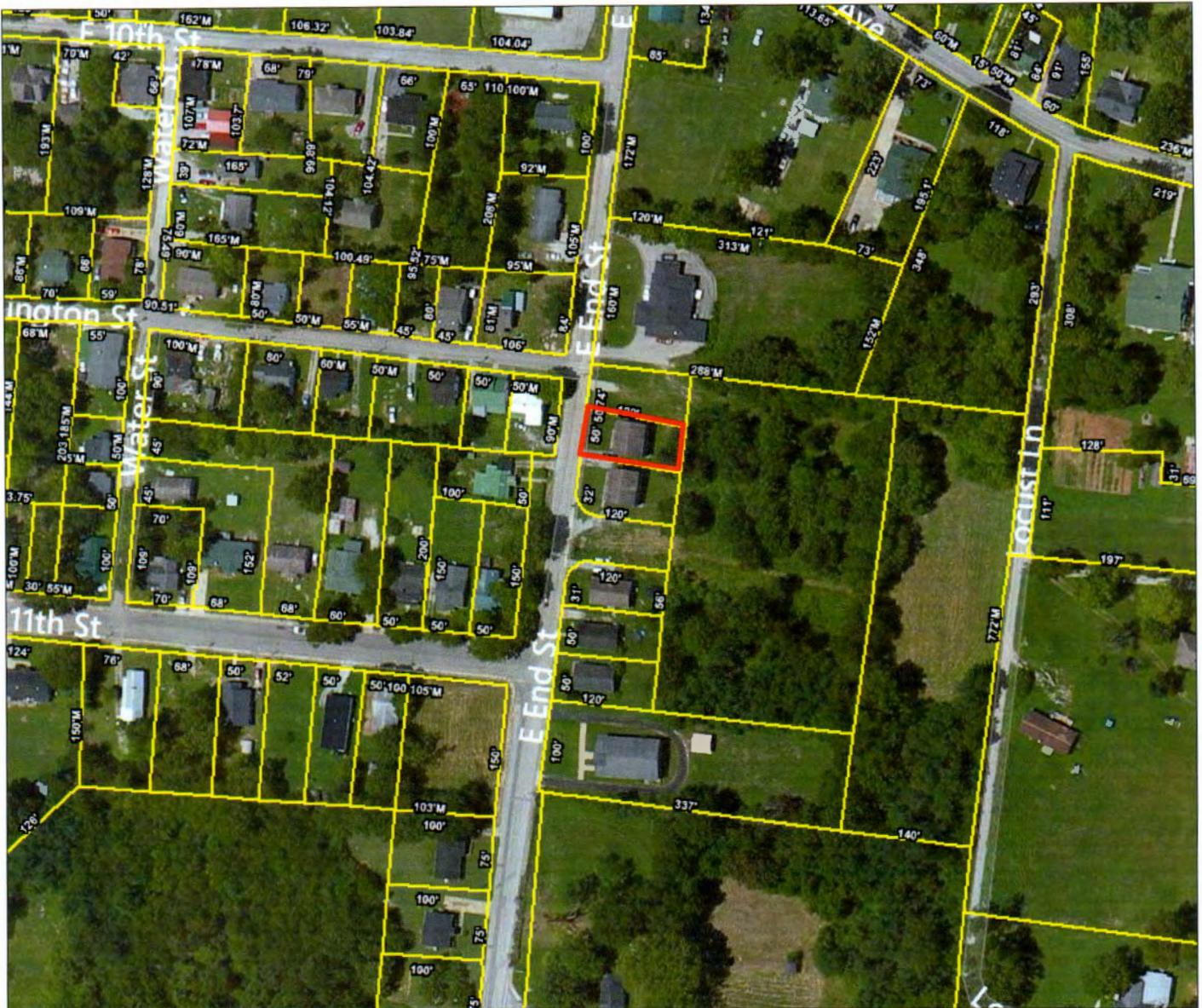


PHOTOGRAPH



State Project No.	94092-1224-14	County	WILLIAMSON	Sale No.	DS2
Federal Project No.	STP/HPP-247(10)	Name of Appraiser	Ted A. Boozer, MAI		

AERIAL PHOTOGRAPH



PHOTOGRAPH



AERIAL PHOTOGRAPH



PHOTOGRAPH



State Project No. 94092-1224-14 County WILLIAMSON Sale No. DS4
Federal Project No. STP/HPP-247(10) Name of Appraiser Ted A. Boozer, MAI

**RESIDENTIAL AND RURAL
MARKET DATA
(Sale DS 5)**

Address or General Location 708 Castle Drive, Franklin, Williamson County, Tennessee
 Directions to Property From Mack Hatcher Ln.; right on Liberty Pike; right on Jordan Ln; left on Westminster Dr.; Right on Castle Dr. to property on the right
 Tax Map and Parcel No. 79H/D/17.00 Book 6300 Page 198 Property Rights Fee simple
 Grantor Marshall Fant, Etux Grantee Grant A. Weaver
 Date of Sale 7/1/2014 Verified Consideration \$210,000 Verified Agent
 Financing: Type N/a Interest Rate N/a Terms N/a
 MOTIVATION OF SALE Typical
 Land: Dimensions 132.40' x 122.44' Sq. Ft. 16,211 Acres 0.37
 Zoning R-3 Highest and Best Use: Multi-Family

OFF SITE IMPROVEMENTS: Paved Street Gravel Road Sidewalk Curb Gutters
 UTILITIES AVAILABLE: Water Electric Telephone Gas Sewers Sept. Syst.

Structure No. 1 No. Stories 1 Function Duplex Construction Wood Frame
 Quality Average Condition Average Roof Gable/Shingle Age: Actual 33 Effect 30
 Plumbing Electrical Heating System Electric Air Cond. Central
 Fireplace Insulation: Floors Walls Ceiling None None
 No. Rooms 10 Bedrooms 4 Baths 2 Kitchen, Built-ins
 Area Above Grade: 1st Floor 1,914 SF 2nd Floor 3rd Floor Total 1,914
 Basement- Fin. Area Unfin. Area Floors/Walls Attic: Fin. Unfin.
 Garage: Area Carport Attach. Detach. Built-in Fin. Unfin.
 Porches/Patios/Decks: (Description & Dimensions) Two (2), 20 SF covered front porch; Two (2), 150 SF wood decks; aggregate concrete sidewalks and driveways

OTHER IMPROVEMENTS

Function	Construction	Condition	Contributing Value
(A) _____	_____	_____	_____

COMMENTS:

This is the sale of a 1,914 SF, 1-story duplex located at the northwest corner of side of Castle Drive and Castle Court in Franklin, Williamson County, TN. Construction features include wood framing and brick exterior and a gable/hip roof with composition shingle cover. The two units contain 2 bedrooms, one full bath, a kitchen and a living room. Other improvements include concrete sidewalks and driveways and a manicured lawn. Constructed in 1981, the improvements are considered to be in average physical condition. At the time of sale, the units leased for \$750/month. The property was listed for \$219,900 for approximately 1 month and sold for \$210,000 on July 1, 2014. Verified by Mr. Jim Allen @ Re/Max (615-921-0700). According to Mr. Allen, the transaction was considered typical.

VERIFIED Sale Price \$ 210,000
 (1) Adj. for Property Rights Conveyed \$ _____
 (2) Adj. for Financing Terms \$ _____
 (3) Adj. for Conditions of Sale \$ _____
 CASH EQUIVALENT Sales Price of Comparable Sale \$ 210,000

Sales Amount Attributable to Land \$ 50,000 Sales Amount Attributable to Improvements \$ \$160,000

Adjusted Unit of Comparison of Building to Include Land: \$109.72 Per Square Foot

State Project No. 94092-1224-14 County WILLIAMSON Sale No. DS5
 Federal Project No. STP/HPP-247(10) Name of Appraiser Ted A. Boozer, MAI

AERIAL PHOTOGRAPH



PHOTOGRAPH



**RESIDENTIAL AND RURAL
MARKET DATA**

Address or General Location 1406 School Street, Columbia, Maury County, Tennessee

Directions to Property From Highway 31S in Columbia; turn right on S. Main Street to Highland Ave.; right onto 14th Street; Right onto School Street to property on the left.

Tax Map and Parcel No. 100L/B/13.00 Book N/A Page N/a Property Rights Fee simple

Grantor Laron Taylor Grantee N/a

Date of Sale N/A Verified Asking Price \$105,000 Verified Listing Agent

Financing: Type N/a Interest Rate N/a Terms N/a

MOTIVATION OF SALE Typical

Land: Dimensions 100' x 90' x 93.68' x 98.88' Sq. Ft. 9,278 Acres 0.213

Zoning R-6 Highest and Best Use: Medium to High Residential

OFF SITE IMPROVEMENTS: Paved Street Gravel Road Sidewalk Curb Gutters

UTILITIES AVAILABLE: Water Electric Telephone Gas Sewers Septic System

Structure No. 1 No. Stories 2 Function Duplex Construction Wood Frame

Quality Average Condition Average Roof Gable/Comp. Shingle Age: Actual 27 Effective 27

Plumbing Electrical Heating System Electric Air Cond. Central

Fireplace Insulation: Floors Walls Ceiling None

No. Rooms 12 Bedrooms 4 Baths 4 Kitchen, Built-ins

Area Above Grade: 1st Floor 1,044 SF 2nd Floor 1,044 SF 3rd Floor Total 2,088

Basement- Fin. Area Unfin. Area Floors/Walls Attic: Fin. Unfin.

Garage: Area Carport Attach. Detach. Built-in Fin. Unfin.

Porches/Patios/Decks: (Description & Dimensions) 30 SF concrete covered porch with metal railing; Two (2) wood rear decks measuring 10' x 12' each.; concrete driveway & sidewalks

OTHER IMPROVEMENTS

Function	Construction	Condition	Contributing Value
(A)			

COMMENTS:

This is the listing of a 2,088 SF, 2-story duplex located along the west side of School Street, in Columbia, Maury County, TN. Construction features include wood framing and vinyl siding exterior and a gable/hip roof with composition shingle cover. The two units contain 2 bedrooms, one full bath, one 1/2-bath, a kitchen and a living room. Other improvements include a gravel drive, a concrete drive, sidewalk, and manicured lawn. Constructed in 1987, the improvements are considered to be in average. Existing rent is \$600/month for one unit and \$500/month one unit. The property is currently listed for \$105,000 and has been on the market ±3 months. Verified by Mr. Harold Taylor with Benchmark Realty (931-215-7348).

VERIFIED Asking Price.....\$ 105,000

(1) Adj. for Property Rights Conveyed \$ _____

(2) Adj. for Financing Terms \$ _____

(3) Adj. for Conditions of Sale \$ _____

CASH EQUIVALENT Sales Price of Comparable Sale \$ 105,000

Sales Amount Attributable to Land \$ 15,000 Sales Amount Attributable to Improvements \$ 90,000

Adjusted Unit of Comparison of Building to Include Land: \$50.28 Per Square Foot

State Project No. 94092-1224-14 County WILLIAMSON Sale No. DL1

Federal Project No. STP/HPP-247(10) Name of Appraiser Ted A. Boozer, MAI

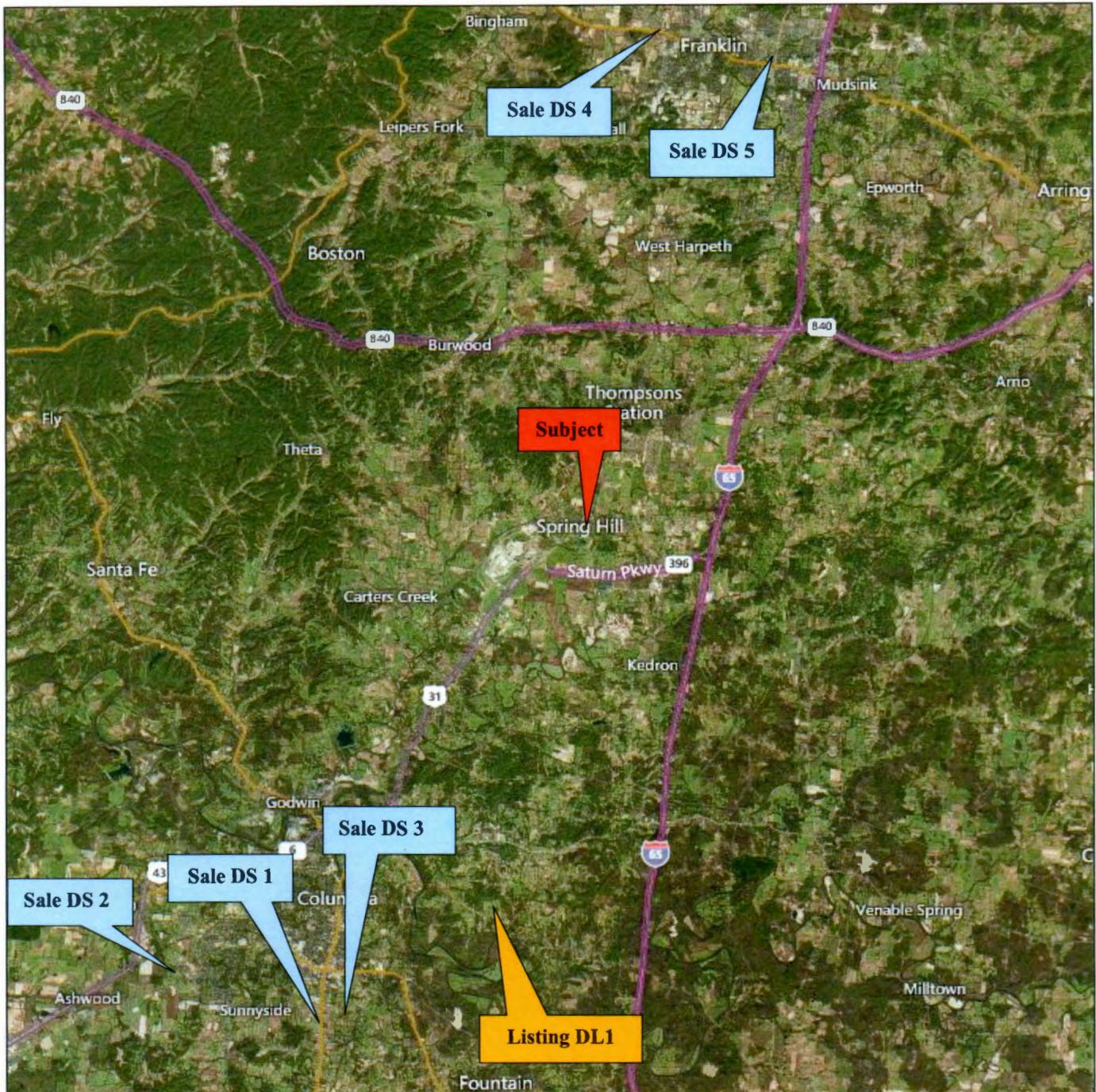
AERIAL PHOTOGRAPH



PHOTOGRAPH



DUPLEX SALES & LISTING MAP



SUMMARY OF COMPARABLE DUPLEX SALES & LISTING										
Sale #	Address	Bedrooms	Full Baths	Half Baths	Year Built	Gross Living (SF)	DOM	Closed Date	Sale Price	\$/Bldg SF
DS1	1829 Dimple Ct.	4.0	2.0	2.0	1989	2,096	40	05/21/12	\$ 65,500	\$ 31.25
DS2	519 Woods Drive	4.0	2.0	2.0	1985	2,050	433	04/14/11	\$ 100,000	\$ 48.78
DS3	1109 E End Street	4.0	2.0	0.0	1994	1,904	127	02/02/12	\$ 85,000	\$ 44.64
DS4	942 Glass Street	4.0	2.0	0.0	1972	1,824	86	09/13/13	\$ 110,000	\$ 60.31
DS5	708 Castle Drive	4.0	2.0	0.0	1981	1,914	30	07/01/13	\$ 210,000	\$ 109.72
DL1	1406 School Street	4.0	2.0	2.0	2013	2,088	99	N/a	\$ 105,000	\$ 50.29
Average Indications		4.0	2.0	1.0	1989	1,992	136	08/03/12	\$ 112,583	\$ 57.50
Median Indications		4.0	2.0	1.0	1987	2,050	93	05/21/12	\$ 102,500	\$ 49.53

Analysis of Comparable Sales

As indicated in the table above, the average sale prices for the five comparable sales and one listing ranged from \$65,500 to \$210,000, with an overall average of \$112,583 and a median sale price of \$102,500. On a price per SF basis, the range was \$31.25/SF to \$109.72/SF, with an average of \$57.50/SF and a median of \$49.53/SF. It is important to note, an upward \$8,000 condition of sale adjustment was applied to Sale DS4. It is important to note, there have been very few recent sales of two-to-four unit dwellings within the city limits of Spring Hill. Consequently, we expanded our search geographically and chronologically and the five closed sales and current listing represent some of the best sales deemed comparable to the subject and provide a reasonable range in which to estimate the subject's market value.

LEASES

RESIDENTIAL LEASE/RENTAL AGREEMENT

This agreement made this 11th day of July, 2011, James Robert Beasley and Robin Nicole Beasley is between Doug Vaughn(hereinafter called Management) and , James Robert Beasley and Robin Nicole Beasley, hereinafter called Resident). Management leased to Resident, and Resident rents from Management, residential unit located at 2531 Duplex Road, Spring Hill, Tennessee, hereinafter called premises), under the following condition.

TERM:

1. The initial term of this lease shall be 12 months beginning July 11, 2011 and ending Noon July 11, 2012.

POSSESSION:

2. If there is a delay in delivery of possession, rent shall be abated on a daily basis until possession is granted. If possession is not granted within seven (7) days after the beginning day of initial term, then Resident may void this agreement and have full refund of any deposit. Management shall not be liable for damages for delay in possession.

RENT:

3. Rent is payable monthly, in advance, at a rate of \$750.00 dollars per month, during the term of this agreement on the first day of each month at the office of Management or at such other place Management may designate. Tenant agrees to pay \$20.00 for each dishonored check.

DISCOUNT

4. Time is of the essence of this agreement. If the rent is accepted before the close of business day, on the 4th of each month, the rate will be \$650.00 dollars , any returned check will be considered as unpaid rent and not subject to discount.

EVICITION

5. If the rent called for in paragraph 3 hereof has not been paid by the fifteenth (15th) of the month, then Management shall automatically and immediately have the right to take out a Dispossessory Warrant and have Resident, his family and possessions evicted from the premises

INDEMNIFICATION DEPOSIT

6. Management acknowledges receipt of \$400.00 dollars , as deposit to indemnify owner against damage to the property and for Resident's fulfillment of the conditions of this agreement. Deposit will be returned to Resident less a \$200.00 carpet cleaning charge, thirty days after residence is vacated if:

- A. Lease term has expired or agreement has been terminated by both parties; and
- B. All monies due Management by Resident have been paid; and
- C. Residence is not damaged and is left in the original condition, normal wear and tear excepted; and
- D. Management is in receipt of copy of paid final bills on all utilities (includes gas, electric, water, garbage, and telephone).
- E. Deposit will not be returned if Resident leaves before lease time is completed. Deposit

LEASES

may be applied by Management to satisfy all or part of the deposit. Resident may not apply the deposit to any of the rent payment.

F. Keys have been returned and a forwarding address left. Resident acknowledges that he has approved and signed the "Residential Rental Property Move In/Move Out Inspection Form" for any existing damages to residence and has been given the right to inspect same.

RENEWAL TERM:

7. It is the intent of both parties that this lease is for a period of 12 months and that the last month's rent will apply only to the last month of the lease period. Should this lease be breached by the Resident, both the last month's rent and the indemnification deposit shall be forfeited as liquidated damages and the Resident will owe rent through the last day of occupancy.

EARLY TERMINATION:

8. Resident may terminate this agreement before expiration of the original term by:

- A. Giving Management at least one month's written notice to be effective on the last day of a given month; plus
- B. Paying of all monies due through date of termination, plus
- C. Paying an amount equal to one month's rent; plus
- D. Returning residence is in a clean, ready to rent condition.
- E. Resident must pay for advertising necessary to rent residence.

SUBLET:

9. Residence may not sublet or assign this lease without written consent of the Management.

CREDIT APPLICATION:

10. Management having received and reviewed a credit application filled out by Resident, and Management having relied upon the representations and statements made therein as being true and correct, has agreed to enter into this rental agreement with Resident, Resident and Management agree the credit application the Resident filled out when making application to rent said residence is hereby incorporated by reference and made a part of this rental agreement. Resident further agrees if he has falsified any statement on said application, Management has the right to terminate rental agreement immediately, and further agrees Management shall be entitled to keep any security deposit and any prepaid rent as liquidated damages. Resident further agrees in the event Management exercises its option to terminate rental agreement. Resident will remove himself, his family, and possessions from the premises within 24 hours of notification by Management of the termination of this lease. Resident further agrees to indemnify Management for any damages to property of Management including, but not limited to, the cost of making residence suitable for renting to another Resident, and waives any right of "set-off" for the security deposit and prepaid rent which was forfeited as liquidated damages.

FIRE AND CASUALTY

11. If residence becomes uninhabitable by reason of fire, explosion, or by other casualty, Management may, at its option, terminate rental agreement or repair damages within 30 days. If Management does not do repairs within this time or if building is fully destroyed, the rental agreement hereby created is terminated. If Management elects to repair damages, rent shall be abated and prorated from the date of the fire, explosion, or other casualty to the date of

LEASES

preoccupancy, providing during repairs Resident has vacated and removed Resident's possessions as required by Management. The date of preoccupancy shall be the date of notice that residence is ready for occupancy.

HOLD OVER

12. Resident shall deliver possession of residence in good order and repair to Management upon termination or expiration of this agreement.

RIGHT OF ACCESS

13. Management shall have the right of access to residence for inspection and repair or maintenance during reasonable hours. In case of emergency, Management may enter at any time to protect life and prevent damage to the property.

USE:

14. Residence shall be used for residential purposes only and shall be occupied only by the persons named in Resident's application to lease. The presence of an individual residing on the premises who is not a signatory on the rental agreement will be sufficient grounds for termination of this agreement. Residence shall be used so as to comply with all state, county, and municipal laws and ordinances. Resident shall not use residence or permit it to be used for any disorderly or unlawful purpose or in any manner so as to interfere with other Resident's quiet enjoyment of their residence.

PROPERTY LOSS:

15. Management shall not be liable for damage to Resident's property of any type for any reason or cause whatsoever, except where such is due to Management's gross negligence. Resident acknowledges that he is aware that he is responsible for obtaining any desired insurance for fire, theft, liability, etc. on personal possessions, family, and guests.

PET:

16. Animals, birds, or pets of any kind shall not be permitted inside the residential unit at any time unless the prior written approval of Management has been obtained.

INDEMNIFICATION:

17. Resident releases Management from liability for and agrees to indemnify Management against losses incurred by Management as a result of (a) Resident's failure to fulfill any condition of this agreement, (b) any damage or injury happening in or about residence or premises to Resident's invitees or licensees of such person's property, (c) Resident's failure to comply with any requirements imposed by any governmental authority; and (d) any judgment, lien, or other encumbrance filed against residence as a result of Resident's action.

FAILURE OF MANAGEMENT TO ACT:

18. Failure of Management to insist upon compliance with the terms of this agreement shall not constitute a waiver of any violation.

REMEDIES CUMULATIVE:

19. All remedies under this agreement or by law or equity shall be cumulative. If a suit for any breach of this agreement establishes a breach by Resident, Resident shall pay all expenses incurred

LEASES

in connection therewith.

NOTICES:

20. Any notice required by this agreement shall be in writing and shall be delivered personally or mailed by registered or certified mail.

REPAIRS:

21. Management will make necessary repairs to the exterior with reasonable promptness after receipt of written notice from Resident. Resident shall make all necessary repairs to interior and keep premises in a safe, clean, and sanitary condition. Resident shall make contact with all repair or service people and will be responsible for paying the first \$25.00 of any charge. Resident may not remodel or paint or structurally change, nor remove any fixture there from without written permission from Management.

ABANDONMENT:

22. If Resident removes or attempts to remove property from the premises other than in the usual course of continuing occupancy, with having first paid Management all monies due, residence may be considered abandoned, and Management shall have the right without notice, to store or dispose of any property left on the premises by Resident. Management shall also have the right to store or dispose of any of Resident's property remaining on the premises after the termination of this agreement. Any such property shall be considered Management's property and title thereto shall vest in Management.

MORTGAGEE'S RIGHTS:

23. Resident's rights under this lease shall at all time be automatically junior and subject to any deed to secure debt which is now or shall hereafter be placed on premises of which residence is part. If requested, Resident shall execute promptly any certificate that Management may request to specifically implement the subordination of this paragraph.

RULES AND REGULATIONS:

24. A Signs : Resident shall not display any signs, exterior lights, or markings. No awnings or other projections shall be attached to the outside of the building.

B. Locks: Resident is prohibited from adding locks to, changing, or in any way altering locks installed on the doors. All keys must be returned to Management of the premises upon termination of the occupancy.

C. Entrances, walks, lawns, and driveways shall not be obstructed or used for any purpose other than ingress and egress.

D. Radio or television aerials shall not be place or crected on the roof or exterior.

E. Parking: Non-operative vehicles are not permitted on premises. Any such non operative vehicle may be removed by Management at the expense of Resident owning same, for storage or public or private sale, at Management's option, and Resident owning same shall have no right of recourse against Management therefore.

F. Storage: No goods or materials of any kind or description which are combustible or would increase fire risk or shall in any way increase the fire insurance rate with respect to the premises or any law or regulation, may be taken or placed in a storage area or the residence itself. Storage in all such areas shall be at Resident's risk and Management shall not be responsible for any

LEASES

ADDENDUM TO RESIDENTIAL LEASE/RENTAL AGREEMENT

PETS: 1. Where pets or other animals or birds are permitted, and if Resident has a pet or other animal, or later during the tenancy acquires same, he agrees to pay all costs for such services or methods as may be necessary to rid the premises of pests, odors, or damages. The Resident shall pay to the Management a NON-REFUNDABLE FEE OF \$100.00 and an additional monthly fee to be included with rent payment of \$25.00. Management has the right to evict if pet is brought into premises without permission, or if pet is larger than 20 pounds. If Management permits, pet must be over one year old, under 20 pounds, and all cats must be spayed/neutered.

FIXTURES AND

PERSONAL PROPERTY: 2. Personal property, if any, of the Management located on the premises shall become a part of the premises and the lease. An inventory of such items designated as fixtures shall be attached and shall become a part of this lease.

The items designated as follows are the personal property of the Management and may be used by the Resident at the discretion of the Management on the hereinafter specified terms. Resident agrees not to abuse these items or remove them from the premises and Resident is responsible for any repairs resulting from use other than normal wear and tear.

- Range
- Blinds/Verticals
- Ceiling Fans
- Central Heat/Air
- Refrigerator

CUSTOMER AGREES: To pay all expenses of collection activity including a reasonable sum for attorneys fees.

RB
B

LEASES**RESIDENTIAL LEASE/RENTAL AGREEMENT**

This agreement made this 1st day of September, 2010 is between Doug Vaughn(hereinafter called Management) and Derek A. Plugh and Robin M. Plugh, hereinafter called Resident). Management leased to Resident, and Resident rents from Management, residential unit located at 2533 Duplex Road, Spring Hill, Tennessee, hereinafter called premises), under the following condition.

TERM:

1. The initial term of this lease shall be 12 months beginning September 1, 2010 and ending Noon October 1, 2010.

POSSESSION:

2. If there is a delay in delivery of possession, rent shall be abated on a daily basis until possession is granted. If possession is not granted within seven (7) days after the beginning day of initial term, then Resident may void this agreement and have full refund of any deposit. Management shall not be liable for damages for delay in possession.

RENT:

3. Rent is payable monthly, in advance, at a rate of \$750.00 dollars per month, during the term of this agreement on the first day of each month at the office of Management or at such other place Management may designate. Tenant agrees to pay \$20.00 for each dishonored check.

DISCOUNT

4. Time is of the essence of this agreement. If the rent is accepted before the close of business day, on the 4th of each month, the rate will be \$650.00 dollars . any returned check will be considered as unpaid rent and not subject to discount.

EVICITION

5. If the rent called for in paragraph 3 hereof has not been paid by the fifteenth (15th) of the month, then Management shall automatically and immediately have the right to take out a Dispossession Warrant and have Resident, his family and possessions evicted from the premises

INDEMNIFICATION DEPOSIT

6. Management acknowledges receipt of \$400.00 dollars , as deposit to indemnify owner against damage to the property and for Resident's fulfillment of the conditions of this agreement. Deposit will be returned to Resident less a \$200.00 carpet cleaning charge, thirty days after residence is vacated if:

- A. Lease term has expired or agreement has been terminated by both parties; and
- B All monies due Management by Resident have been paid; and
- C. Residence is not damaged and is left in the original condition, normal wear and tear excepted; and
- D. Management is in receipt of copy of paid final bills on all utilities (includes gas, electric, water, garbage, and telephone).
- E. Deposit will not be returned if Resident leaves before lease time is completed. Deposit

LEASES

may be applied by Management to satisfy all or part of the deposit. Resident may not apply the deposit to any of the rent payment.

F. Keys have been returned and a forwarding address left. Resident acknowledges that he has approved and signed the "Residential Rental Property Move In/Move Out Inspection Form" for any existing damages to residence and has been given the right to inspect same.

RENEWAL TERM:

7. It is the intent of both parties that this lease is for a period of 12 months and that the last month's rent will apply only to the last month of the lease period. Should this lease be breached by the Resident, both the last month's rent and the indemnification deposit shall be forfeited as liquidated damages and the Resident will owe rent through the last day of occupancy.

EARLY TERMINATION:

8. Resident may terminate this agreement before expiration of the original term by:
- A. Giving Management at least one month's written notice to be effective on the last day of a given month; plus
 - B. Paying of all monies due through date of termination, plus
 - C. Paying an amount equal to one month's rent; plus
 - D. Returning residence in a clean, ready to rent condition.
 - E. Resident must pay for advertising necessary to rent residence.

SUBLET:

9. Residence may not sublet or assign this lease without written consent of the Management.

CREDIT APPLICATION:

10. Management having received and reviewed a credit application filled out by Resident, and Management having relied upon the representations and statements made therein as being true and correct, has agreed to enter into this rental agreement with Resident, Resident and Management agree the credit application the Resident filled out when making application to rent said residence is hereby incorporated by reference and made a part of this rental agreement. Resident further agrees if he has falsified any statement on said application, Management has the right to terminate rental agreement immediately, and further agrees Management shall be entitled to keep any security deposit and any prepaid rent as liquidated damages. Resident further agrees in the event Management exercises its option to terminate rental agreement, Resident will remove himself, his family, and possessions from the premises within 24 hours of notification by Management of the termination of this lease. Resident further agrees to indemnify Management for any damages to property of Management including, but not limited to, the cost of making residence suitable for renting to another Resident, and waives any right of "set-off" for the security deposit and prepaid rent which was forfeited as liquidated damages.

FIRE AND CASUALTY

11. If residence becomes uninhabitable by reason of fire, explosion, or by other casualty, Management may, at its option, terminate rental agreement or repair damages within 30 days. If Management does not do repairs within this time or if building is fully destroyed, the rental agreement hereby created is terminated. If Management elects to repair damages, rent shall be abated and prorated from the date of the fire, explosion, or other casualty to the date of

LEASES

preoccupancy, providing during repairs Resident has vacated and removed Resident's possessions as required by Management. The date of preoccupancy shall be the date of notice that residence is ready for occupancy.

HOLD OVER

12. Resident shall deliver possession of residence in good order and repair to Management upon termination or expiration of this agreement.

RIGHT OF ACCESS

13. Management shall have the right of access to residence for inspection and repair or maintenance during reasonable hours. In case of emergency, Management may enter at any time to protect life and prevent damage to the property.

USE:

14. Residence shall be used for residential purposes only and shall be occupied only by the persons named in Resident's application to lease. The presence of an individual residing on the premises who is not a signatory on the rental agreement will be sufficient grounds for termination of this agreement. Residence shall be used so as to comply with all state, county, and municipal laws and ordinances. Resident shall not use residence or permit it to be used for any disorderly or unlawful purpose or in any manner so as to interfere with other Resident's quiet enjoyment of their residence.

PROPERTY LOSS:

15. Management shall not be liable for damage to Resident's property of any type for any reason or cause whatsoever, except where such is due to Management's gross negligence. Resident acknowledges that he is aware that he is responsible for obtaining any desired insurance for fire, theft, liability, etc. on personal possessions, family, and guests.

PET:

16. Animals, birds, or pets of any kind shall not be permitted inside the residential unit at any time unless the prior written approval of Management has been obtained.

INDEMNIFICATION:

17. Resident releases Management from liability for and agrees to indemnify Management against losses incurred by Management as a result of (a) Resident's failure to fulfill any condition of this agreement, (b) any damage or injury happening in or about residence or premises to Resident's invitees or licensees of such person's property, (c) Resident's failure to comply with any requirements imposed by any governmental authority; and (d) any judgment, lien, or other encumbrance filed against residence as a result of Resident's action.

FAILURE OF MANAGEMENT TO ACT:

18. Failure of Management to insist upon compliance with the terms of this agreement shall not constitute a waiver of any violation.

REMEDIES CUMULATIVE:

19. All remedies under this agreement or by law or equity shall be cumulative. If a suit for any breach of this agreement establishes a breach by Resident, Resident shall pay all expenses incurred

LEASES

in connection therewith.

NOTICES:

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LEASES

loss or damage.

G. Walls: No nails, screws or adhesive hangers except standard picture hooks, shade brackets may be placed in walls, woodwork, or any part of residence.

H. Guest: Resident shall be responsible and liable for the conduct of guests. Act of guests in violation of this agreement or Management's rules and regulations may be deemed by Management to be a breach by Resident. No guest may stay longer than 10 days without permission of Management, otherwise a \$10.00 per day guest charge will be due Management.

I. Noise: All radios, television sets, phonographs, etc. must be turned down to a level of sound that does not annoy or interfere with neighbors.

J. Residents shall maintain his own yard and shrubbery and furnish his own garbage can.

K. Resident's Guide: Management reserves the right at any time to prescribe such additional rules and make such changes to the rules and regulations, set forth and referred to above, as Management shall, in his judgment, determine to be necessary for the safety, care, and cleanliness of the premises, for the preservation of good order or for the comfort or benefit of Residents generally.

ENTIRE AGREEMENT

25. This agreement and any attached addendum constitute the entire agreement between the parties and no oral statements shall be binding. It is the intention of the parties herein that if any part of this rental agreement is invalid, for any reason, such invalidity shall not void the remainder of the rental agreement.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed in person the day and year first above written.

Greg Vaughn

MANAGEMENT

Deak D. [Signature]
Rose [Signature]
RESIDENT(S)

Number of residents living within the premises: 4

LEASES

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- Blinds/Verticals
- Ceiling Fans
- Central Heat/Air
- Refrigerator

Deed A [Signature]
