

**RESOLUTION 16-436**

**TO APPROVE LAND ACQUISITION PURCHASE FOR TRACT 22  
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

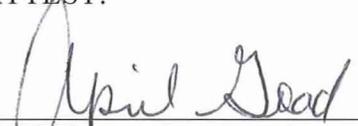
**WHEREAS**, the cost of the acquisition will be \$39,540.00 to the tract owner  
(Charles and Sandra Buford) and \$500.00 to the closing agent (Nancy King Crawford)  
for closing costs.

**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  
\$40,040.00 to Nancy King Crawford, 1929 21<sup>st</sup> Avenue South, Nashville, TN 37212 for  
Tract number 22 of the Duplex Road widening project.

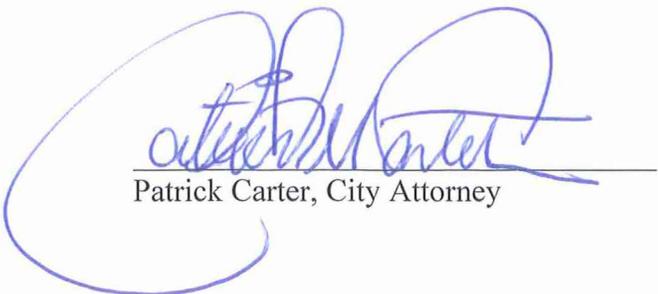
Passed and adopted this 2<sup>nd</sup> day of May, 2016.

  
\_\_\_\_\_  
Rick Graham, Mayor

ATTEST:

  
\_\_\_\_\_  
April Goad, City Recorder

LEGAL FORM APPROVED:

  
\_\_\_\_\_  
Patrick Carter, City Attorney

**City of Spring Hill  
Tennessee  
Agreement of Sale**

STATE PROJ. #: 60LPLM-F2-019 COUNTY/S Williamson  
FED PROJ. #: STP-M-247(9) TRACT #: 22  
PIN #: 101369.00 NEGOTIATOR: Yolanda Cortez DATE PRINTED: 4/4/2016  
OWNERS: Charles C. and Sandra E. Buford

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This agreement entered into on 4/12/2016  
Date  
between Charles C. and Sandra E. Buford  
Seller Name(s)

herein after called Seller and the CITY OF SPRING HILL hereinafter called CITY 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 CITY.

- A. The Seller hereby offers and agrees to convey to the CITY all interest in the lands identified as TRACT 22 on the right-of-way plan for the above referenced project upon the CITY tendering the purchase price of \$ 39,540.00, said tract being further described on the attached legal description
- B. The CITY agrees to pay for the expenses of title examination, preparation of instrument of conveyance and recording of deed. The CITY will reimburse the Seller for expenses incident to the transfer of the property to the CITY. 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 \$ \_\_\_\_\_, to compensate the owner for his expenses.
- E. Other

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

F. \_\_\_\_\_

\_\_\_\_\_

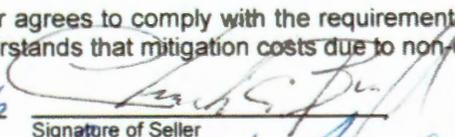
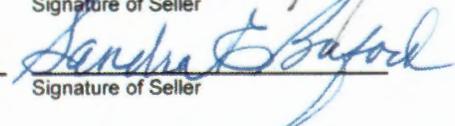
\_\_\_\_\_

G. 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;

\_\_\_\_\_

\_\_\_\_\_

H. 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.

|                          |  |       |       |
|--------------------------|--|-------|-------|
| <u>4/12/2016</u><br>Date | <br>Signature of Seller | _____ | _____ |
| <u>4/12/2016</u><br>Date | <br>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:                          | 22           |
| (6)PROPERTY OWNERSHIP:                              | Mr. Charles Buford & Mrs. Sandra Buford |   |              |
| (7)COUNTY:  | Maury County                            | (8)MAP/PARCEL NUMBER:                     | 0250-B-008   |
| (9)APPRAISER:                                       | Ted A. Boozer, MAI                      |   |              |
| (10)APPRAISER CONCLUSION OF TOTAL AMOUNT DUE OWNER: |   | \$  | 39,540       |
| (11)EFFECTIVE DATE OF VALUATION:                    | 5/8/15                                  | (12)APPRAISAL TYPE (FORMAL, FPA, or NPP): | FPA          |

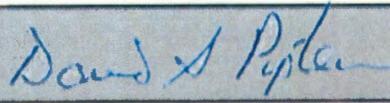
**ACQUISITION AREAS & APPROVED COMPENSATIONS**

| INTERESTS ACQUIRED                         | ACQ. AREAS |        | COMPENSATIONS    | (13)ALTERNATE OFFER                                       |     |
|--|------------|--------|------------------|---|-----|
|  | AREA       | ACS/SF | (Rounded)        | Partial-Acquisition Remainder Declared Uneconomic Remnant | N/A |
| (14)FEE-SIMPLE                             | 4,835      | SF     | \$ 29,010        |   |     |
| (15)PERM. DRNGE. ESMT.                     |            |        |                  |   |     |
| (16)SLOPE ESMT.                            |            |        |                  |   |     |
| (17)AIR RIGHTS                             |            |        |                  |   |     |
| (18)TEMP. CONST. ESMT.                     | 66         | SF     | \$ 119           |   |     |
| (19)LNDOWNR IMPRVMTS.                      |            |        | \$ 10,410        |   |     |
| TOTL ACQUISITIONS                          |            |        | \$ 39,539        |   |     |
| (20)DAMAGES                                |            |        |                  |   |     |
| (21)SPECIAL BENEFITS                       |            |        |                  |   |     |
| NET DAMAGES                                |            |        | \$ -             |   |     |
| (22)UTILITY ADJUSTMENT                     |            |        |                  |   |     |
| TOTL LNDOWNR COMP.                         |            |        | \$ 39,539        |   |     |
| (23)TENANT IMPRVMTS.                       |            |        |                  |   |     |
| TOTAL TRACT COMPENSATION                   |            |        | \$ 39,539        |   |     |
| <b>Total Tract Compensation Rounded To</b> |            |        | <b>\$ 39,540</b> |   |     |

**(24)COMMENTS & EXPLANATIONS AS NECESSARY**

Formal appraisal of a partial acquisition across the front lawn of a commercially zoned site improved with a single family residence. The appraisal report is well documented and supported. The report identifies neither damages nor benefits to the remainder.

|                    |  |       |           |
|--------------------|--|-------|-----------|
| OFFER PREPARED BY: | David S. Pipkin, CG-437, Consultant Review Appraiser | DATE: | 2/15/2016 |
|--------------------|--|-------|-----------|

|                        |  |
|------------------------|--|
| SIGNATURE OF PREPARER: |  |
|------------------------|--|

|                          |  |
|--------------------------|--|
| AGENCY AUTHORIZATION BY: |  3/21/2016 |
|--------------------------|--|

Date & Signature Of Authorizing Party

**LOCAL PUBLIC AGENCY  
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 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 City of Spring Hill which is the intended user.

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: 22  
 Federal: STP-M-247(9)  
 Pin: 250-B-8

(4) Owner(s) of Record: Mr. Charles Buford & Mrs. Sandra Buford  
P.O. Box 293  
Spring Hill, TN, TN 371741 Contact Mr. Charles Buford (615) 419-3479 or (931) 419-2095

(5) Address/Location of Property Appraised:  
2517 Duplex Road, Spring Hill, Maury County, TN

(6) Effective Date of the Appraisal: 5/8/15

(7) Date of the Report: 6/26/15

(8) Type of Appraisal:  Formal  
 Formal Part-Affected

(9) Type of Acquisition:  Total  
 Partial

(10) Type of Report Prepared:  
 Appraisal Report  
 Restricted Appraisal Report

(11) Appraisal & Review Were Based On:  
 Original Plans  
 Plan Revision Dated: 1/26/2016 (review)

(12) Author(s) of Appraisal Report: Ted A. Boozer, MAI

(13) Effective Date of Appraisal Review: 1/31/2016

(14) Appraisal Review Conducted By: David S. Pipkin

(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.))  
**The appraisal is of a 100% fee simple ownership position.**

(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)**

**The scope of the appraisal review is to conduct a "field review" for technical compliance with USPAP, TDOT Guidelines for Appraisers and the URAPRAA of a summary appraisal report prepared by an independent fee appraiser under contract to the City of Spring Hill. In making the review appraisal, the reviewer read the appraisal, confirmed acquisition areas with right of way plans, evaluated the report for various report components required under applicable standards, and checked math. The report was evaluated with respect to adequacy of content, depth of analysis, appraisal methodology, and relevance of market data. The review assumes all factual information presented in the report is accurate and correct. I did not make independent verification of the market data. I made a physical inspection from the street of the subject property and comparable properties included in the appraisal.**

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**Section (B): Property Attributes:**

(1) Total Tract Size as Taken From the Acquisition Table: 0.524 Acre(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. The larger parcel is identified as the entire 0.524 acres of commercially zoned land. The area of the larger parcel appraised agrees with r/w plans.**

(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- Dwelling (No. 1) _____     | 2- Carport (No. 2) _____     |
| 3- Shed (No. 3) _____         | 4- Fencing (No. 4) _____     |
| 5- Gravel Drive (No. 5) _____ | 6- Landscaping (No. 6) _____ |
| 7- _____                      | 8- _____                     |
| 9- _____                      | 10- _____                    |
| 11- _____                     | 12- _____                    |
| 13- _____                     | 14- _____                    |
| 15- _____                     | 16- _____                    |
| 17- _____                     | 18- _____                    |
| 19- _____                     | 20- _____                    |

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**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:         | <u>\$137,000</u> |
| Improvements: | <u>\$93,000</u>  |
| Total:        | <u>\$230,000</u> |

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**Section (D) Acquisitions:**

(1) Proposed Land Acquisition Areas (As taken from the appraisal report):

|                                      |              |         |
|--------------------------------------|--------------|---------|
| [a] Fee Simple:                      | <u>4,835</u> | Sq. Ft. |
| [b] Permanent Drainage Easement:     | _____        | Sq. Ft. |
| [c] Slope Easement:                  | _____        | Sq. Ft. |
| [d] Air Rights:                      | _____        | Sq. Ft. |
| [e] Temporary Construction Easement: | <u>66</u>    | Sq. Ft. |
| [f] _____                            | _____        | Acre(s) |

(2) Proposed Improvement Acquisition(s): Improvement Number & Structure Type

|                                |                               |
|--------------------------------|-------------------------------|
| 1- <b>Gravel drive (No. 5)</b> | 2- <b>Landscaping (No. 6)</b> |
| 3- _____                       | 4- _____                      |
| 5- _____                       | 6- _____                      |
| 7- _____                       | 8- _____                      |
| 9- _____                       | 10- _____                     |
| 11- _____                      | 12- _____                     |
| 13- _____                      | 14- _____                     |
| 15- _____                      | 16- _____                     |
| 17- _____                      | 18- _____                     |
| 19- _____                      | 20- _____                     |

**Section (E) Damages/Special Benefits:**

Formal appraisal of a partial acquisition across the front lawn of a commercially zoned site located in a transitional neighborhood, improved with a single family dwelling and related site improvements which have contributing value. The dwelling and most site improvements will remain. The appraisal report identifies neither damages nor special benefits to the remainder.

**Section (F) Valuation Approaches Processed and Reconciled "After-Value" Estimates**

Approaches Utilized:  Cost  Sales Comparison  Income

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

|               |                  |
|---------------|------------------|
| Land:         | <u>\$107,820</u> |
| Improvements: | <u>\$82,590</u>  |
| Total:        | <u>\$190,460</u> |

Comments:

**Remainder value is rounded.**

## 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?**

**Yes. The property is a commercially zoned site in a transitional neighborhood, improved with a single family dwelling. Although the site has utility for commercial development and land value is relatively high, the improvements continue to have significant contributing value and remaining economic life and reflect highest and best use as improved. After acquisition, the remainder will still have the same highest and best use in the after situation will potential for renovation of the structure for commercial use or future site redevelopment as permitted by the commercial zoning. The appraisal conclusions are logical and reasonable.**

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

**Yes. The value estimates are based on consideration of the cost and sales comparison approaches, which is appropriate for this type property, in both the before and after acquisition situations. Valuation methodologies are appropriate and correctly applied.**

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

**Yes. Land value is estimated using commercial land sales in the Spring Hill market. The cost data used are reasonable, as are the estimates of depreciation. The improved comparable sales are reasonably similar homes in the Spring Hill/Maury County area, and are reasonable comparisons. The valuation methodologies are appropriate and correctly applied.**

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

**Yes. The sales comparison and cost and approaches are appropriately used in the before appraisal. The remainder value is based primarily on the sales comparison approach, with acknowledgement of the changes in the property resulting from the right of way acquisition..**

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

**Yes. The before and after highest and best use conclusions are reasonable based on zoning, physical characteristics and utility of the tract. The valuation approaches use appropriate comparison sales and cost data and are properly developed. All appropriate valuation techniques are applied. The analysis reflects the location of the property in a neighborhood transitioning from residential to increasing commercial development, and the commercial zoning and relatively high underlying land value of the subject property compared to otherwise similarly improved residences but which are not located on sites of similar value.**

**(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?**

**Yes. The appraisal report is adequately documented and supported, and the analysis considers the significant aspects of the property and acquisition.**

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

**The report complies in all major respects 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?**

**No. No unusual limiting conditions or assumptions are noted which would affect reliability of the report.**

Appraisal Report Conclusions -- Amounts Due Owner

|  |                             |
|--|-----------------------------|
| (a) Fee Simple:                          | <u>\$29,010</u>             |
| (b) Permanent Drainage Easement:         | <u>                    </u> |
| (c) Slope Easement:                      | <u>                    </u> |
| (d) Air Rights:                          | <u>                    </u> |
| (e) Temporary Construction Easement:     | <u>\$119</u>                |
| (f) _____                                | <u>                    </u> |
| (g) Improvements:                        | <u>\$10,410</u>             |
| (h) Compensable Damages:                 | <u>                    </u> |
| (i) Special Benefits:                    | <u>                    </u> |
| (j) Total Amount Due Owner By Appraisal: | <u>\$39,540</u>             |

- I DO Recommend Approval Of This Report  
 I DO NOT Recommend Approval Of This Report

Comments:

**Formal appraisal of a partial acquisition on a commercially zoned site improved with a single family dwelling. The appraisal report is adequately supported and the appraisal methodology is correct. The report is accepted and recommended for approval.**

*David S. Pyle*

Appraisal Review Consultant(s)

TN CG-437

State License/Certification No(s):

- Consultant       Staff

February 12, 2016

Date of Appraisal Review Report

Additional Comments:

### 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 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*.

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.



\_\_\_\_\_  
Appraisal Review Consultant(s)

Consultant

Staff

**February 12, 2016**

\_\_\_\_\_  
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:**

**(B) Tenant:** None

Mr. Charles Buford & Mrs. Sandra Buford  
P.O. Box 293  
Spring Hill, TN 37174  
Owner's Representative: Mr. Charles Buford  
Ph: 615-419-3479 / 931-419-2095

**(C) Address and/or location of subject:**

The subject property is located along the north side of Duplex Road, between Columbia Pike and Walnut Street, in Spring Hill, Maury County, Tennessee. The property is also identified as Parcel 8.00, Group B, on Tax Map 250 by the Maury County Property Assessor's Office. The street address is 2517 Duplex Road, Spring Hill, Maury County, TN 37174.

**2. Detail description of entire tract:**

**Site:** The subject property consists of a tract of land containing 0.524 acre or 22,825 SF located along the north side of Duplex Road, between Columbia Pike and Walnut Street, in Spring Hill, Maury County, Tennessee. The physical features of the site are described as follows. **Size:** 0.524 acre or 22,825 SF. The site area is based on recorded deeds, plat map, tax assessor and the R.O.W. Acquisition Table for Tract 22; **Shape:** Tract 22 is an irregular rectangle in shape; **Frontage/Depth:** ±154.0' of frontage along the north side of Duplex Road (SR 247). The depth of the tract ranges from 187.58' to 193.14'. **Access:** The site has legal access along the north side of Duplex Road, which serves as a primary east-west arterial roadway within the neighborhood. In addition, the site has legal access to a private access drive (business entrance) along the western property line; **Topography:** The subject tract consists of a developed site and is basically level. **Drainage:** Drainage appears visually adequate; **Visibility:** Good; **Exposure:** Good; **Utilities:** Electricity, water, sewer, cable, and telephone services are located along the frontage areas; **Easements:** Easements appear typical and 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.

**Improvements:** The subject tract is improved with a ±1,152 SF wood-framed residence, a covered front porch and a rear wood deck. The house, built in 1981, includes a gable/hip roof with composition shingle cover, and wood frame/wood siding. Site improvements include a detached carport, a utility shed, privacy fencing, gravel drive, and landscaping. Improvements No. 1-4 and a portion of No. 5 are not located in the acquisition area. A 360 SF portion of the gravel driveway (No. 5) and the landscaping (No. 6) site improvement are located within the acquisition areas. The improvements/site improvements are included below.

1. **Residence** - 1-story single-family residence containing 1,152 SF; built in 1981; also includes a 144 SF covered front porch and 168 SF, rear wood deck.
2. **Detached Carport** - 342 SF (18' x 19') metal carport located along the eastern border of the property.
3. **Storage Shed** - 225 SF (12.5' x 18') wood-framed with wood exterior storage shed located along the eastern border of the property.
4. **Fencing** - 55 LF, 6'-high wood privacy fences located along the central-east interior and western border of the property.
5. **Gravel Drive** - ±2,600 SF gravel driveway, of which ±360 SF (12' x 30') is located within the proposed ROW.
6. **Landscaping** - this improvement includes 3, 8'-high laurels, 3, 16'-high holly trees, 3, laurel (large) laurel shrubs, 2, Nandina bushes (large), 10 (large) yews, 3, 15'-tall cedar trees, and 3,600 SF (30' x 120') of sodded yard. The landscaped areas are located within the fee acquisition and temporary construction easement areas along the Duplex Road frontage.

3. (A) Tax Map and Parcel No. 250/B/8.00 (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. (See Significant Observations & Limiting Conditions).

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.

**APPRAISAL REPORT – CONT'D....**

**7. Detailed Description of Land Acquired:**

**Fee Acquisition:** The fee acquisition includes a 4,835 SF (0.111 acre) portion of land which includes roughly 154' of frontage along Duplex Road. The irregular rectangle-shaped proposed ROW ranges from 31.21' to 36.38' in width. The area exhibits basically level terrain and consists of a portion of a gravel driveway, manicured lawn and landscaping.

**Temporary Construction Easement:** The temporary construction easement contains 66 SF (0.0015 acre) and consists of a portion of the southeast corner located outside the proposed ROW. The TCE area includes a strip of land which begins at the eastern property line and extends roughly 9' westerly and measures roughly 8' in width. This easement will be used for traffic control, erosion control, and a work zone during the construction process. The TCE are includes a portion of a gravel driveway, manicured lawn and landscaping.

**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 |
|-------------------------|---|--|-----------------------|----------------------------------|--------------------------|
| 10/14/1980              | Ostrander Blair, Eddie D. Blair, Blanche Cheairs, And Lucille Steel | Charles Buford and wife, Sandra Buford                   | Bk.: 667<br>Pg.: 423  | \$3,900                          | Warranty Deed            |
| Existing Use            | Zoning  | Utilities Available                                      | Off Site Improvements | Area Lot or Acreage              |                          |
| Single family Residence | B-3; Intermediate Business District                                 | Water, sewer, natural gas, electricity, cable, telephone | SR 247                | 0.524 acre or 22,825 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 22 is currently zoned B-3, Intermediate Business District, which permits a wide variety of uses engaged in wholesale and retail trade. Permitted uses include: automobile sales and service, bank, barbershop or beauty parlor, bus terminals, churches, clinics, drive-in restaurants, dry cleaning and laundry establishments, filling stations, funeral homes, hotels, indoor theaters, manufacture of articles to be sold at retail on the premises (provided such manufacturing is incidental to the retail business and employs not more than five (5) operators), motels, offices, outdoor advertising signs and outdoor advertising structures, parking lots, parking garages, places of amusement, printing and engraving establishments, public buildings, public and private clubs, retail businesses, used car lots, wholesale businesses, day care centers, retirement and assisted living facilities, and full medical care nursing homes.

**Physically Possible:** The subject site's physical characteristics: size, shape, access, visibility, location, topography and availability of utilities render it suitable for uses permitted by zoning. Given the shape of the tract, location and general topography, some uses permitted by zoning could be developed.

**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 a secondary commercial use is 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 a secondary commercial use, which would maximize the property's development potential. An alternative use could be assemblage with adjacent tracts for future commercial development that would maximize the property's development potential.

**As Improved**

**Legally Permissible:** According to officials with the City of Spring Hill's Planning & Zoning Department, the subject's current residential use is considered to be a legally nonconforming use within the B-3 zoning district. Should the current dwelling be significantly damaged or destroyed, rebuilding for use as a single family dwelling is not a permissible use.

**APPRAISAL REPORT – CONT'D....**

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

**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. The existing residence was built in 1981 and has functioned in a residential capacity since that time.

**Financially Feasible:** The subject dwelling is currently owner-occupied and is average to good physical condition. Consequently, it may be financially feasible to maintain the existing structure until commercial development is feasible.

**Maximally Productive:** As discussed, the subject property, as improved, includes improvements that have contributory value above and beyond the value of the vacant land. Therefore, continued use the subject site as a single family residence on an interim basis; with future retrofitting for commercial use or for commercial redevelopment, is considered to be the property's highest and best use, as improved.

|   |   |                  |             |
|---|---|------------------|-------------|
| This Appraisal Is Based On Original Plans | X | Or Plan Revision | Dated: 2012 |
|---|---|------------------|-------------|

Comments: All areas are based on of plans provided by the TDOT dated 2012 and a ROW Acquisition Table dated 2012.

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State Project No. 60LPLM-F2-019 County MAURY Tract No. 22  
Federal Project No. STP-M-247(9) Name of Appraiser Ted A. Boozer, MAI

**DESCRIPTION OF RESIDENTIAL IMPROVEMENT**

ITEM 10. STRUCTURE NO. 1

| GENERAL DESCRIPTION |                    |
|---------------------|--------------------|
| Units               | <u>1</u>           |
| Stories             | <u>1</u>           |
| Design              | <u>Traditional</u> |
| Construction        | <u>Wood Frame</u>  |
| Mfg. Housing        | <u>No</u>          |
| Age: Actual         | <u>34</u>          |
| Effective           | <u>25</u>          |

| EXTERIOR DESCRIPTION |                            |
|----------------------|----------------------------|
| Foundation           | <u>CMU</u>                 |
| Exterior Walls       | <u>Wood Siding</u>         |
| Roof Surface         | <u>Comp. Shingle/Metal</u> |
| G & D                | <u>Aluminum</u>            |
| Window Type          | <u>Single Pane</u>         |
| Storm Sash           | <u>Yes</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              |          |        |          |           |          |          |          |          |       |              |
| Main Level            | <u>1</u> |        | <u>1</u> |           |          | <u>3</u> | <u>1</u> | <u>1</u> |       | <u>1,152</u> |
| 2 <sup>nd</sup> Level |          |        |          |           |          |          |          |          |       |              |

Finished Living Area Contains: 6 Rooms 3 Bedrooms 1 Baths 1,152 S.F. Living Area

|                      |  |                   |                    |                  |                   |
|----------------------|--|-------------------|--------------------|------------------|-------------------|
| KITCHEN (BUILT-INS): | <u>X</u> Range/Oven                          | <u>X</u> Disposal | <u></u> Dishwasher | <u></u> Fan/Hood | <u></u> Compactor |
| Special Features:    | <u>Other features include a storage room</u> |                   |                    |                  |                   |

| INTERIOR FINISH   |  |   |   |                                |                               |  |  |
|-------------------|--|---|---|--------------------------------|-------------------------------|--|--|
| Floors            | <input type="checkbox"/> Hwd                           | <input checked="" type="checkbox"/> Cpt   | <input checked="" type="checkbox"/> Vinyl   | <input type="checkbox"/> Other |                               |  |  |
| Walls             | <input checked="" type="checkbox"/> Drywall            | <input checked="" type="checkbox"/> Panel | <input type="checkbox"/> Plstr              | <input type="checkbox"/> Other |                               |  |  |
| 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 checked="" type="checkbox"/> Ceramic            | <input type="checkbox"/> Vinyl            | <input type="checkbox"/> Cpt                | <input type="checkbox"/> Other |                               |  |  |
| Bath Wainscot     | <input checked="" type="checkbox"/> Ceramic            | <input type="checkbox"/> Vinyl            | <input type="checkbox"/> Other:             |                                |                               |  |  |
| Kitchen Floor     | <input type="checkbox"/> Vinyl                         | <input checked="" type="checkbox"/> Tile  | <input type="checkbox"/> Other:             |                                |                               |  |  |
| Special Features: | <u>(e.g. fireplaces, ceiling fans, intercom, etc.)</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>25</u>                |
| Estimated Remaining Physical Life |                          |                                     |                          | <u>25</u>                |

| CAR STORAGE: None |              |
|-------------------|--------------|
| Garage            | <u></u>      |
| Carport           | <u>Metal</u> |
| No. Cars          | <u>2</u>     |
| Attached          | <u></u>      |
| Detached          | <u>x</u>     |
| Built-in          | <u></u>      |
| Finished          | <u></u>      |
| Unfinished        | <u>x</u>     |
| Condition         | <u></u>      |

**PORCHES/DECKS/PATIOS:** (Describe and Show dimensions) \_\_\_\_\_  
 The structure includes an attached 9'-wide by 16'-long (144 SF) covered front porch with a wood floor. The structure includes an attached, 14'-wide by 12'-long (168 SF) rear wood deck. In addition, the site is improved with a detached, 12.5' x 18' (225 SF) storage shed, a detached, portable, 18' x 19' (342 SF) carport, and 55' of wood privacy fencing. These improvements are considered to be in average to good physical condition.

**COMMENTS:** The subject property consists of a tract of land containing 0.524 acre or 22,825 SF located along the north side of Duplex Road, between Columbia Pike and Walnut Street; in Spring Hill, Maury County, Tennessee. The subject tract is improved with a ±1,152 SF wood-framed residence, with an attached 144 SF covered front porch and a 168 SF rear wood deck. The house, built in 1981, includes a gable/hip roof with composition shingle cover, wood frame, and wood siding. The house is designed to include three bedrooms, a living room, a bathroom, a kitchen, and laundry room. Site improvements include a 342 SF, portable carport, a 225 SF, wood utility shed, wood privacy fencing, gravel drive and landscaping. In addition, the site is improved with a detached, 12.5' x 18' (225 SF) storage shed and a detached, portable, 18' x 19' (342 SF) carport. The subject is in overall average-to-good physical condition and there was no significant functional obsolescence or deferred maintenance observed at the time of inspection.

**OTHER IMPROVEMENTS**

Structure No. 2 No. Stories N/a Age ±10 Function Carport  
 Construction Metal Condition Average Sq. Ft. Area 342  
 Reproduction Cost \$2,600 Depreciation \$1,300 Indicated Value \$ \$1,300

**OTHER COMMENTS AND EXPLANATION OF REPRODUCTION COST AND DEPRECIATION:**

The subject is improved with a 342 SF metal carport (shelter). According to Marshall Valuation Service, the subject metal carport is best described as an Average Quality Carport (Steel), (Sect. 63, Page 10, 9/2014). According to Marshall Valuation Service, the base cost range is \$6.76- \$13.30/SF, which equates to \$2,312 to \$4,549. Cost estimates from Home Depot, Alan's Factory Outlets and Northern Tool & Equipment ranged from \$995 to \$2,305/SF, which equate to \$2.91 to \$6.74/SF. The Marshall Valuation Service cost figure range is above the estimate range of the manufacturers/dealers. Therefore, we have utilized the upper end of the estimate range of the manufacturers/dealers and the lower end of the range of Marshall Valuation Service, or approximately \$6.75/SF as the base cost of the subject metal carport. Applying a current multiplier (1.0) and local multiplier (0.94) to the base cost, along with indirect costs of 20% results in a total replacement cost new of \$7.61/SF or \$2,600, rounded (\$6.75 x 1.0 x 0.94 x 1.20). The improvements have an actual age of ±10 years and an effective age of 20 years. Based on a total economic life of 20 years, physical depreciation is estimated at 50% using the straight-line method (10/20 = 50%).

**OTHER IMPROVEMENTS**

Structure No. 3 No. Stories N/a Age ±25 Function Storage Shed  
 Construction Wood Condition Fair Sq. Ft. Area 225  
 Reproduction Cost \$3,620 Depreciation \$2,281 Indicated Value \$ \$1,340 (r)

The subject is improved with a 225 SF, wood shed constructed around 1995. According to Marshall Valuation Service, the subject storage shed is best described as an Average Quality Tool Shed, (Sect. 17, Page 12, 5/2013). Marshall Valuation Service, the base cost is \$12.69/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 \$16.06/SF or \$3,606 (\$12.69 x 1.0 x 0.94 x 1.20 x 1.12). We also surveyed Affordable Cabins & Sheds (423-299-9228) and Hilltop Structures (616-789-0062), which quoted estimates for ranging from \$2,900 (\$12.89/SF) to \$4,385 (\$19.49/SF) for similar sized sheds. The midpoint estimate of the local contractor's equates to approximately \$16.19/SF, or \$3,640, rounded. Therefore, we emphasized both the local estimates and the costs furnished by Marshall Valuation Service and utilized \$3,620 (\$16.09/SF) as the reproduction cost of the subject storage shed. The improvements have an actual age of ±25 years and an effective age of 25 years. Based on a total economic life of 40 years, physical depreciation is estimated at 63% using the straight-line method (25/40 = 63%).

**OTHER IMPROVEMENTS**

Structure No. 4 No. Stories N/A Age 8 Function Wood Fence  
 Construction Wood Condition Average/Good Sq. Ft. Area 55 LF  
 Replacement Cost \$840 Depreciation \$420 Indicated Value \$ \$420

**OTHER COMMENTS AND EXPLANATION OF REPRODUCTION COST AND DEPRECIATION:**

Based on estimates from New Fence of Tennessee (615-423-9421) and Affordable Fence Co. (888-382-4952), with support from Marshall Valuation Service, the cost to install this improvement is \$15.25 per lineal foot, or \$840 (rounded), which includes miscellaneous overhead/management/design fees. The improvements have an estimated effective age of 8 years. Based on a total economic life of 16 years, physical depreciation is estimated at 50% using the straight-line method (8/16 = 50%).

Other Improvements continued on the following page:

State Project No. 60LPLM-F2-019 County MAURY Tract No. 22  
 Federal Project No. STP-M-247(9) Name of Appraiser Ted A. Boozer, MAI

**OTHER IMPROVEMENTS**

Structure No. 5 No. Stories N/a Age 6 Function Gravel Drive  
 Construction Gravel Condition Average Sq. Ft. Area 2,600  
 Reproduction Cost \$6,838 Depreciation N/a Indicated Value \$ \$6,840 (r)

**OTHER COMMENTS AND EXPLANATION OF REPRODUCTION COST AND DEPRECIATION:**

The subject is improved with a gravel drive. Based on our inspection, the portion of gravel drive located within the fee acquisition area is estimated to measure approximately 360 SF. Based on 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 driveway is 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 driveway, which total approximately 2,600 SF is estimated to be \$20.10/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 x 1.0 x 0.94 x 1.20 x 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 \$6,840

**OTHER IMPROVEMENTS**

Structure No. 6 No. Stories N/a Age N/a Function Landscape  
 Construction N/a Condition Average/Good Sq. Ft. Area N/a  
 Reproduction Cost \$9,460 Depreciation N/a Indicated Value \$ \$9,460

We used the Marshall Swift Cost Service, supported by interviews with landscaping companies (Landscapes - 615-794-4518, Grassland Lawncare - 615-595-8080, and Southern Acre - 615-784-5296), 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/Shrubs/Hedges - Small/Medium/Large and Sod- Average (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 total replacement cost new for the subject yard improvements to be included in the acquisition is estimated to be \$9,460, and includes 3, 8'-high laurels, 3, 16'-high holly trees, 3, laurel (large) laurel shrubs, 2, nandina bushes (large), 10 (large) yews, 3, 15'-tall cedar trees, and 3,600 SF (30' x 120') of sodded yard. The contributory value of the yard improvements are calculated in the charts below.

**Ornamental Trees**

| Type                             | Size Range (CI) | Total Size (CI) | Price per Caliper Inch | Price per Tree | Total Cost per Type |
|----------------------------------|-----------------|-----------------|------------------------|----------------|---------------------|
| 6 Ornamental Trees (8'-16' High) | 3 CI Average    | 18 CI           | \$125.00               | \$375          | \$2,250             |

**Shrubs/Bushes**

| Shrubs/Plants/F lowers/Grasses | Quantity        | Price per Item | Total Cost per Type |
|--------------------------------|-----------------|----------------|---------------------|
| Large Shrubs                   | 16              | \$285          | \$4,560             |
| Large Bushes                   | 2               | \$65           | \$130               |
| <b>Total</b>                   | <b>Total -9</b> |                | <b>\$4,690</b>      |

**Sod**

| Lawn | Quantity | Price per Item | Total Cost per Type |
|------|----------|----------------|---------------------|
| Sod  | 3,600 SF | \$0.70/SF      | \$2,520             |

|  |          |
|--|----------|
| Summary of Indicated Values - "Other Improvements" | \$19,360 |
|--|----------|

**COST APPROACH**

**13. VALUATION OF IMPROVEMENTS**

Structure No. One

| PART OF BUILDING   | AREA SQ. FT.                       | REPRODUCTION COST |           |                              |           |
|--|------------------------------------|-------------------|-----------|------------------------------|-----------|
|  |                                    | \$/UNIT           | TOTAL     |                              |           |
| Main   | 1,152                              | 102.45            | \$118,017 |                              |           |
|  |                                    |                   |           |                              |           |
|  |                                    |                   |           | DEPRECIATION WHOLE STRUCTURE |           |
|  |                                    |                   |           | ATTRIBUTED TO                | AMOUNT    |
|  |                                    |                   |           | Phys. <u>50</u> %            | \$59,009  |
|  |                                    |                   |           | Func. <u>0</u> %             | \$ 0      |
| Basement   |                                    |                   |           | Econ. <u>0</u> %             | \$ 0      |
| <b>Total Cost New</b>  |                                    |                   |           | <b>Depreciation</b>          | \$59,009  |
|  |                                    |                   |           |                              | \$59,009  |
| <b>(A) VALUE OF OTHER IMPROVEMENTS</b>                                 | SITE IMPROVEMENTS (No. 4-6)        |                   |           |                              | \$16,720  |
|  | ADDITIONAL STRUCTURES ( No. 2 & 3) |                   |           |                              | \$2,640   |
|  | MISCELLANEOUS IMPROVEMENTS         |                   |           |                              | 0         |
| <b>(B) INDICATED VALUE OF ALL IMPROVEMENTS</b>                         |                                    |                   |           |                              | \$78,369  |
| <b>(C) INDICATED LAND VALUE</b>  |                                    |                   |           |                              | \$137,000 |
| <b>(D) INDICATED VALUE OF ENTIRE TRACT (Land and All Improvements)</b> |                                    |                   |           |                              | \$215,369 |
| <b>Rounded to:</b>   |                                    |                   |           |                              | \$215,400 |

**(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 Quality, Class "D" Single-Family Residence** (Section 12, Page 3, 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.**

| <b>MARSHALL VALUATION COST SERVICE - IMPROVEMENT NO. 1</b>           |                         |    |         |
|--|-------------------------|----|---------|
| <b>TYPE</b>  | Single-Family Residence |    |         |
| <b>QUALITY</b>   | Fair                    |    |         |
| <b>CLASS</b>   | D                       |    |         |
| <b>SIZE-SF</b>   | 1,152                   |    |         |
| Base Cost  | Sec. 12, Pg. 25 8/14    | \$ | 71.97   |
| Area Multiplier  |                         |    | 1.020   |
| Current Multiplier   |                         |    | 1.000   |
| Local Multiplier   |                         |    | 0.920   |
| Adjusted Base Cost   |                         | \$ | 67.54   |
| Base Size-SF   |                         |    | 1,152   |
| Direct Cost of Building  |                         | \$ | 77,806  |
| Add: Front Covered Porch (144 SF @ \$23.78) <sup>1</sup>             |                         | \$ | 3,424   |
| Add: Rear Deck (168 SF @ \$22.50/SF) <sup>2</sup>                    |                         | \$ | 3,780   |
| Add: Appliances (\$2,800) <sup>3</sup>                               |                         | \$ | 2,800   |
| Total Direct Cost  |                         | \$ | 87,810  |
| Add Indirect Costs @ 20%   |                         | \$ | 17,562  |
| Total Direct & Indirect Cost of Building                             |                         | \$ | 105,372 |
| Add Entrepreneurial Profit @ 12%                                     |                         | \$ | 12,645  |
| Total Direct & Indirect Cost of Building                             |                         | \$ | 118,017 |
| <b>"Other Items"</b>   |                         |    |         |
| <sup>1</sup> Sec. 12, Pg. 40, 8/14: Avg. Porch w/Roof: \$23.78/SF    |                         |    |         |
| <sup>2</sup> Sec. 12, Pg. 40, 8/14: Avg. Wood Deck: \$22.50/SF       |                         |    |         |
| <sup>3</sup> Sec. 12, Pg. 41, 8/14: Avg. Kitchen Appliances: \$2,800 |                         |    |         |

"Other Items": Cost estimates for the front and side porches 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*, 5<sup>th</sup> Edition, Appraisal Institute).

**Deferred Maintenance:** Based on my inspection, the improvements did not exhibit any significant deferred maintenance.

**Physical Deterioration:** The effective age of the existing improvements is estimated at 25 years, with a remaining economic life of 25 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 50% (25/50 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 single-family dwelling. 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>                      |                    |
|---|---|---|--------------------|---|--------------------|--|--------------------|
| <b>CASH EQUIVALENT Sales Price</b>  |   | \$370,260                                 |                    | \$325,000                                 |                    | \$950,000                                |                    |
| <b>Date of Sale</b>   | <b># of Periods</b>                       | 07/31/2013                                | 23                 | 08/26/2011                                | 46                 | 03/28/2011                               | 51                 |
| <b>% Per Period</b>   | <b>Time Adj.</b>                          | 0.42%                                     | 9.58%              | 0.42%                                     | 19.16%             | 0.42                                     | 21.25%             |
| <b>Sales Price Adj. for Time</b>  |   | \$405,731                                 |                    | \$387,270                                 |                    | \$1,151,875                              |                    |
| <b>Proximity to Subject</b>   |   | ±3.70 miles                               |                    | ±3.1 miles                                |                    | ±3.3 miles                               |                    |
| <b>Unit Value Land</b><br>SF <input checked="" type="checkbox"/> FF <input type="checkbox"/> Acre <input type="checkbox"/> Lot <input type="checkbox"/> |   | \$6.85                                    |                    | \$3.94                                    |                    | \$6.43                                   |                    |
| <b>Elements</b>   | <b>Subject</b>                            | <b>Description</b>                        | <b>(+)(-) Adj.</b> | <b>Description</b>                        | <b>(+)(-) Adj.</b> | <b>Description</b>                       | <b>(+)(-) Adj.</b> |
| <b>Location (A)</b>   | Spring Hill (Maury)                       | Spring Hill (Williamson)                  | 0                  | Spring Hill (Maury)                       | 0                  | Spring Hill (Maury)                      | 0                  |
| <b>Size (B)</b>   | 22,825                                    | 59,275                                    | 0                  | 98,139                                    | 0                  | 179,193                                  | 0                  |
| <b>Shape (C)</b>  | Irr. Rectangle                            | Sl. Irregular                             | 0                  | Rectangle                                 | 0                  | Irregular                                | 0                  |
| <b>Site/View (D)</b>  | Res. / Inst./Comm.                        | Commercial                                | 0                  | Commercial                                | 0                  | Commercial & Residential                 | 0                  |
| <b>Topography (E)</b>   | Level                                     | Level/Rolling                             | 0                  | Level                                     | 0                  | Level/Rolling                            | 0                  |
| <b>Access (F)</b>   | SR 247 & Private Access Drive             | Fitts St. & Wall St.                      | 0                  | Old Port Royal Rd. & Access Dr.           | 0                  | Reserve Boulevard                        | 0                  |
| <b>Zoning (G)</b>   | B-3                                       | B-4                                       | 0                  | B-4                                       | 0                  | B-4                                      | 0                  |
| <b>Utilities Available (H)</b>  | Water, Sewer, Electricity, Gas, Telephone | Water, Sewer, Gas, Electricity, Telephone | 0                  | Water, Sewer, Electricity, Gas, Telephone | 0                  | Water, Sewer, Electricity, Gas Telephone | 0                  |
| <b>Encumbrances Easements, etc. (I)</b>   | Typical / ROW Ingress/Egress              | Typical                                   | 0                  | Typical                                   | 0                  | Typical & Stream Buffer                  | 0                  |
| <b>Off-Site Improvements (J)</b>  | 2 lane SR & 2 lane secondary road         | Two, 2 lane secondary roads               | 0                  | 2-lane secondary Rd.                      | 0                  | Saturn Pkwy & Port Royal Road            | 0                  |
| <b>On-Site Improvements (K)</b>   |   | None                                      | 0                  | None                                      | 0                  | None                                     | 0                  |
| <b>Other Adj. (Specify) (L)</b>   |   |   |                    |   |                    |  |                    |
| <b>(M)</b>  |   |   |                    |   |                    |  |                    |
| <b>(N)</b>  |   |   |                    |   |                    |  |                    |
| <b>NET ADJUSTMENTS</b>  |   | <b>(+)(-)</b>                             | 0                  | <b>(+)(-)</b>                             | 0                  | <b>(+)(-)</b>                            | 0                  |
| <b>ADJUSTED INDICATED UNIT VALUE</b>  |   |   | \$6.85             |   | \$3.94             |  | \$6.43             |

**COMMENTS: Continued on following page....**

**14. LAND VALUE ANALYSIS (Continued from previous page)**

**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)**

|   |   |   |                    |  |                    |                    |                    |
|---|---|---|--------------------|--|--------------------|--------------------|--------------------|
| <b>Inspection Date</b>  |   | Sale No. <u>CL4</u>                       |                    | Sale No. _____   |                    | Sale No. _____     |                    |
| <b>CASH EQUIVALENT Sales Price</b>  |   | \$3,400,000                               |                    |  |                    |                    |                    |
| <b>Date of Sale</b>   | <b># of Periods</b>                       | 05/07/2013                                | 25                 |  |                    |                    |                    |
| <b>% Per Period</b>   | <b>Time Adj.</b>                          | 0.42%                                     | 10.42%             |  | 0.00%              |                    | 0.00%              |
| <b>Sales Price Adj. for Time</b>  |   | \$3,754,280                               |                    | \$ 0   |                    | \$ 0               |                    |
| <b>Proximity to Subject</b>   |   | ±2.90 miles                               |                    |  |                    |                    |                    |
| <b>Unit Value Land</b>  |   | \$2.87                                    |                    | \$3.04   |                    |                    |                    |
| SF <input checked="" type="checkbox"/> FF <input type="checkbox"/> Acre <input type="checkbox"/> Lot <input type="checkbox"/> |   |   |                    |  |                    |                    |                    |
| <b>Elements</b>   | <b>Subject</b>                            | <b>Description</b>                        | <b>(+)(-) Adj.</b> | <b>Description</b>   | <b>(+)(-) Adj.</b> | <b>Description</b> | <b>(+)(-) Adj.</b> |
| <b>Location (A)</b>   | Spring Hill (Maury)                       | Spring Hill (Maury)                       | 0                  |  | 0                  |                    |                    |
| <b>Size (B)</b>   | 22,825                                    | 1,306,800                                 | 0                  |  | 0                  |                    |                    |
| <b>Shape (C)</b>  | Irr. Rectangle                            | Irregular Rectangle                       | 0                  |  | 0                  |                    |                    |
| <b>Site/View (D)</b>  | Res. / Inst./Comm.                        | Residential / Agricultural                | 0                  |  | 0                  |                    |                    |
| <b>Topography (E)</b>   | Level                                     | Level to Gently Rolling                   | 0                  |  | 0                  |                    |                    |
| <b>Access (F)</b>   | SR 247 & Private Access Drive             | Austin Drive & Aaron Drive                | 0                  |  | 0                  |                    |                    |
| <b>Zoning (G)</b>   | B-3                                       | B-4                                       | 0                  |  | 0                  |                    |                    |
| <b>Utilities Available (H)</b>  | Water, Sewer, Electricity, Gas, Telephone | Water, Sewer, Electricity, Gas, Telephone | 0                  |  | 0                  |                    |                    |
| <b>Encumbrances Easements, etc. (I)</b>   | Typical / ROW Ingress/Egress              | Typical & TVA easement                    | 0                  |  | 0                  |                    |                    |
| <b>Off-Site Improvements (J)</b>  | 2 lane SR & 2 lane secondary road         | Two, (2) residential roads                | 0                  |  | 0                  |                    |                    |
| <b>On-Site Improvements (K)</b>   |   | None                                      | 0                  |  | 0                  |                    |                    |
| <b>Other Adj. (Specify) (L)</b>   |   |   |                    |  |                    |                    |                    |
| <b>(M)</b>  |   |   |                    |  |                    |                    |                    |
| <b>(N)</b>  |   |   |                    |  |                    |                    |                    |
| <b>NET ADJUSTMENTS</b>  |   | <b>(+)(-)</b>                             | 0                  | <b>(+)(-)</b>  | 0                  | <b>(+)(-)</b>      | 0                  |
| <b>ADJUSTED INDICATED UNIT VALUE</b>  |   |   | \$2.87             |  |                    |                    |                    |
| <b>(B) TOTAL INDICATED VALUE OF SUBJECT LAND</b>  |   |   |                    | $\left( \frac{\$6.00 \times 22,825}{\text{Correlated Unit Value X Units}} \right)$ |                    | \$137,000 (r)      |                    |

## 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, four closed sales form a value range from \$2.87/SF to \$6.85/SF, with an average of \$5.03/SF and a median of \$5.19/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 9.58% upward adjustment was applied to Sale CL1 (23 months x 0.42% = 9.58%), which equates an adjusted price of \$405,731. Similarly, a 19.16% upward adjustment was applied to Sale CL2 (46 months x 0.42% = 19.16%), which equates an adjusted price of \$387,270. A 21.25% upward adjustment was applied to Sale CL3 (51 months x 0.42% = 21.25%), which equates an adjusted price of \$1,151,875. A 10.42% upward adjustment was applied to Sale CL4 (25 months x 0.42% = 10.42%), which equates an adjusted price of \$3,754,280.

**Location:** Similar to the subject, CL1-CS4 are located within the city limits of Spring Hill. CL1 is located in Williamson County, with the remaining sales being located in Maury County. CL1, located within the Campbell Station Annex, along and off Columbia Pike, is considered superior to the subject in terms of location, within an area of impressive commercial growth. 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-3 (Intermediate Business District), which permits a wide variety of uses engaged in wholesale and retail trade. 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 slightly superior to the subject's B-3 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 22,825 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 irregular rectangle-shaped site, which is similar 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 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 and an unnamed private drive along the western border of the site. 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, as well as an ingress/egress easement along the western border. 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, and a private, paved access drive adjacent to the western border. All of the comparable sales offer similar off-site improvements.

**Valuation Summary:** In conclusion, the four comparables provide a reasonable range from which the subject's value can be determined. After considering the adjustments discussed above, the sales range in unit price from \$2.87/SF to \$6.85/SF, with an average of \$5.03/SF and a median of \$5.19/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 22,825 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>SF1</u>       |             | Sale No. <u>SF4</u>             |             | Sale No. <u>SF5</u>         |             |
|--|----------------------------|---------------------------|-------------|---------------------------------|-------------|-----------------------------|-------------|
| <b>CASH EQUIVALENT Sales Price</b>   |                            | \$84,000                  |             | \$129,900                       |             | \$116,000                   |             |
| <b>Date of Sale</b>  | <b># of Periods</b>        | 5/28/2014                 | 13          | 7/31/2014                       | 11          | 8/29/2014                   | 10          |
| <b>% Per Period</b>  | <b>Time Adj.</b>           | 0.42%                     | 5.42%       | 0.42%                           | 4.58%       | 0.42%                       | 4.17%       |
| <b>Sales Price Adj. for Time</b>   |                            | \$88,553                  |             | \$135,849                       |             | \$120,837                   |             |
| <b>Proximity to Subject</b>  |                            | ±0.35 mile                |             | ±0.80 mile                      |             | ±0.60 mile                  |             |
| Elements   | Subject                    | Description               | (+)(-) Adj. | Description                     | (+)(-) Adj. | Description                 | (+)(-) Adj. |
| <b>Location (A)</b>  | Spring Hill (Maury)        | Spring Hill (Maury)       |             | Spring Hill (Maury)             |             | Spring Hill (Maury)         |             |
| <b>Construction (B)</b>  | Wood Frame Wood Exterior   | Wood Frame Brick Exterior |             | Wood Frame Wood/Brick Exterior  |             | Wood Frame Brick Exterior   |             |
| <b>Quality (C)</b>   | Average                    | Average                   |             | Average/Good                    |             | Average                     |             |
| <b>Age: Actual/Effective (D)</b>   | 34/25                      | 42/25                     |             | 35/30                           |             | 40/30                       |             |
| <b>Condition (E)</b>   | Average/Good               | Average                   |             | Average                         |             | Average                     |             |
| <b>Fin. 1<sup>st</sup> Floor Living 2<sup>nd</sup> Floor Area 3<sup>rd</sup> Floor (F)</b> | 1 <sup>st</sup> : 1,152 SF | 1 <sup>st</sup> : 975 SF  |             | 1 <sup>st</sup> : 1,425 SF      |             | 1 <sup>st</sup> : 1,000 SF  |             |
| <b>Bsmt. Fin. Area (G)</b>   | N/a                        | N/a                       |             | N/a                             |             | N/a                         |             |
| <b>Unfin. Area</b>   | N/a                        | N/a                       |             | N/a                             |             | N/a                         |             |
| <b>Total Living Area (H)</b>   | 1,152 SF                   | 975 SF                    |             | 1,425 SF                        |             | 1,000 SF                    |             |
| <b>No. Baths (I)</b>   | 1                          | 1                         |             | 1.5                             |             | 1                           |             |
| <b>Garage/Carport (J)</b>  | Detached/Port. Carport     | N/a                       |             | N/a                             |             | N/a                         |             |
| <b>Heating/Cooling (K)</b>   | Gas/Central                | Electric/Central          |             | Gas/Central                     |             | Gas/Central                 |             |
| <b>Fireplace(s) (L)</b>  | N/a                        | N/a                       |             | N/a                             |             | 1                           |             |
| <b>Kitchen/Built-ins (M)</b>   | Yes                        | Yes                       |             | Yes                             |             | Yes                         |             |
| <b>Functional Utility (N)</b>  | Average                    | Average                   |             | Average                         |             | Average                     |             |
| <b>Porches, Patios, Pools, etc. (O)</b>  | Porch/Deck/Fence/Storage   | Porch/Privacy Fence       |             | Porch/Decks/Storage Sheds/Fence |             | Porch/ Storage Shed/Carport |             |
| <b>Other Adj. (Specify) (P)</b>  | Gravel Drive/              | Gravel Drive              |             | Gravel Drive                    |             | Gravel Drive                |             |
| <b>Land Area (Q)</b>   | 22,825 SF                  | 15,471 SF                 |             | 15,519 SF                       |             | 17,250 SF                   |             |
| <b>NET ADJUSTMENTS</b>   |                            | (+)(-) 0                  |             | (+)(-) 0                        |             | (+)(-) 0                    |             |
| <b>ADJUSTED VALUE</b>  |                            |                           | \$88,553    | \$135,849                       | \$120,837   |                             |             |
| <b>ADJUSTED PRICE/SF</b>   |                            |                           | \$90.82     | 95.33                           | \$120.83    |                             |             |

**COMMENTS:**

Continued on the following page...

**15. PROPERTY ANALYSIS; RESIDENTIAL & RURAL (CONT'D.....)**

*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)*

|  |                            |                                |                    |                    |                    |                       |                    |
|--|----------------------------|--------------------------------|--------------------|--------------------|--------------------|-----------------------|--------------------|
| <b>Inspection Date</b>   |                            | Sale No. <u>SF6</u>            |                    | Sale No. _____     |                    | Sale No. _____        |                    |
| <b>CASH EQUIVALENT Sales Price</b>   |                            | \$101,000                      |                    |                    |                    |                       |                    |
| <b>Date of Sale</b>  | <b># of Periods</b>        | 8/1/2014                       | 10                 |                    |                    |                       |                    |
| <b>% Per Period</b>  | <b>Time Adj.</b>           | 0.42%                          | 4.17%              | 0%                 |                    | 0%                    |                    |
| <b>Sales Price Adj. for Time</b>   |                            | \$105,212                      |                    |                    |                    |                       |                    |
| <b>Proximity to Subject</b>  |                            | ±1.10 miles                    |                    |                    |                    |                       |                    |
| <b>Elements</b>  | <b>Subject</b>             | <b>Description</b>             | <b>(+)(-) Adj.</b> | <b>Description</b> | <b>(+)(-) Adj.</b> | <b>Description</b>    | <b>(+)(-) Adj.</b> |
| <b>Location (A)</b>  | Spring Hill (Maury)        | Spring Hill (Maury)            |                    |                    |                    |                       |                    |
| <b>Construction (B)</b>  | Wood Frame Wood Exterior   | Wood Frame Wood/Brick Exterior |                    |                    |                    |                       |                    |
| <b>Quality (C)</b>   | Average                    | Average                        |                    |                    |                    |                       |                    |
| <b>Age: Actual/Effective (D)</b>   | 34/25                      | 31/25                          |                    |                    |                    |                       |                    |
| <b>Condition (E)</b>   | Average/Good               | Average                        |                    |                    |                    |                       |                    |
| <b>Fin. 1<sup>st</sup> Floor Living 2<sup>nd</sup> Floor Area 3<sup>rd</sup> Floor (F)</b> | 1 <sup>st</sup> : 1,152 SF | 1 <sup>st</sup> : 1,075 SF     |                    |                    |                    |                       |                    |
| <b>Bsmt. Fin. Area Unfin. Area (G)</b>   | N/a                        | N/a                            |                    |                    |                    |                       |                    |
|  | N/a                        | N/a                            |                    |                    |                    |                       |                    |
| <b>Total Living Area (H)</b>   | 1,152 SF                   | 1,075 SF                       |                    |                    |                    |                       |                    |
| <b>No. Baths (I)</b>   | 1                          | 1                              |                    |                    |                    |                       |                    |
| <b>Garage/Carport (J)</b>  | Detached/Port. Carport     | N/a                            |                    |                    |                    |                       |                    |
| <b>Heating/Cooling (K)</b>   | Gas/Central                | Electric/Central               |                    |                    |                    |                       |                    |
| <b>Fireplace(s) (L)</b>  | N/a                        | N/a                            |                    |                    |                    |                       |                    |
| <b>Kitchen/Built-ins (M)</b>   | Yes                        | Yes                            |                    |                    |                    |                       |                    |
| <b>Functional Utility (N)</b>  | Average                    | Average                        |                    |                    |                    |                       |                    |
| <b>Porches, Patios, Pools, etc. (O)</b>  | Porch/Deck/ Fence/Storage  | Stoop/Deck/ Storage            |                    |                    |                    |                       |                    |
| <b>Other Adj. (Specify) (P)</b>  | Gravel Drive/              | Gravel Drive                   |                    |                    |                    |                       |                    |
| <b>Land Area (Q)</b>   | 22,825 SF                  | 22,125 SF                      |                    |                    |                    |                       |                    |
| <b>NET ADJUSTMENTS</b>   |                            | (+)(-)                         | 0                  | (+)(-)             | 0                  | (+)(-)                | 0                  |
| <b>ADJUSTED VALUE</b>  |                            |                                | \$105,212          |                    |                    |                       |                    |
| <b>ADJUSTED PRICE/SF</b>   |                            |                                | \$97.87            |                    |                    |                       |                    |
| <b>INDICATED MARKET VALUE of Entire Tract .....</b>  |                            |                                |                    |                    |                    | <b>.....\$265,000</b> |                    |

**COMMENTS:**

## ADDITIONAL COMMENTS

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

#### Analysis

Small single-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 ranges in unit value from \$90.82 to \$120.83, after adjusting for market conditions. After deducting the estimated contributory value of the sites (see age/condition grid on the following page), unit values for the improvements range from \$65.18 to \$100.84/SF with a mean of \$79.61/SF and a median of \$76.21/SF. See supplemental comparable sales SF1 and SF4-SF6, location map and chart attached in the Brochure.

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. There were no unusual sale conditions involved in any of 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 5.42% upward adjustment was applied to Sale SF1's value (13 months x 0.42% = 5.42%), which equates to an adjusted price of \$88,553. Similarly, a 4.58% upward adjustment was applied to Sale SF4's value (11 months x 0.42% = 4.58%), which equates to an adjusted price of \$15,849. Similarly, a 4.17% upward adjustment was applied to Sale SF5's value (10 months x 0.42% = 4.17%), which equates an adjusted price of \$120,837. Similarly, a 4.17% upward adjustment was applied to Sale SF6's value (10 months x 0.42% = 4.17%), which equates an adjusted price of \$105,212.

**Location:** Similar to the subject all the sales are located in Spring Hill, Maury County, TN. The comparable sales are located within residential areas; whereas, the subject is located in an area of mixed-used developments. 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 975 SF to 1,425 SF, with an average of 1,119 SF. The subject dwelling contains 1,152 SF, which is bracketed by the size range of the comparables. 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, wood/brick exteriors and gable roof systems over composition shingle. The subject and all the comparables are designed as single-family residences 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 1981 and are considered to be in average to good physical condition. The subject building's actual age equals 34 years, with an estimated effective age of approximately 25 years and a remaining economic life of approximately 20 years. The sales range in chronological age from 31 to 42 years old as of the date of sale, with effective ages ranging from 25 to 30 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 |                  |                  |                  |                 |
|------------------------------|------------------|------------------|------------------|-----------------|
|                              | <u>Sale SF 1</u> | <u>Sale SF4</u>  | <u>Sale SF5</u>  | <u>Sale SF6</u> |
| Total Value                  | \$88,553         | \$135,849        | \$120,837        | \$105,212       |
| Land Value                   | \$25,000         | \$25,000         | \$20,000         | \$25,000        |
| <b>Building Value</b>        | <b>\$63,553</b>  | <b>\$110,849</b> | <b>\$100,837</b> | <b>\$80,212</b> |
| Per Square Foot              | \$65.18          | \$77.79          | \$100.84         | \$74.62         |
| <b>Age Adj.</b>              |                  |                  |                  |                 |
| Eff. Age @ Sale              | 25               | 30               | 30               | 25              |
| Subject Eff. Age             | 25               | 25               | 25               | 25              |
| Age Difference               | -                | 5                | 5                | -               |
| <b>Age Factor</b>            | <b>1.000</b>     | <b>1.100</b>     | <b>1.100</b>     | <b>1.000</b>    |
| <b>Rev. Bldg. Value</b>      | <b>\$63,553</b>  | <b>\$121,934</b> | <b>\$110,921</b> | <b>\$80,212</b> |
| <b>Adj. Sale Price</b>       | <b>\$63,553</b>  | <b>\$121,934</b> | <b>\$110,921</b> | <b>\$80,212</b> |
| Building Size                | 975              | 1,425            | 1,000            | 1,075           |
| <b>Adj. Price/SF</b>         | <b>\$65.18</b>   | <b>\$85.57</b>   | <b>\$110.92</b>  | <b>\$74.62</b>  |
| Net Adjustments              | 0.00%            | 10.00%           | 10.00%           | 0.00%           |

As illustrate in the preceding chart, the four comparables reflect net adjustments of 0% to 10%, which equates to \$65.18/SF for SF1, \$85.57/SF for SF4, \$110.92/SF for SF5, and \$74.62/SF for SF6.

**Site Improvements:** Similar to the subject, all of the comparables are improved with gravel drives and feature storage sheds.

**Summary:** The adjusted prices of the sales form a range in unit values for the improvements from \$65.18 to \$110.92/SF, exclusive of land value. The four closed sales included in this analysis are considered good indicators of market value for single-family dwellings in the area. Based on the subject's location and age/condition, a unit value near the middle of the range, say **\$90/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 \$137,000, the subject's market value via the sales comparison approach, is calculated as follows:

| Summary of the Sales Comparison Approach |                         |                  |
|--|-------------------------|------------------|
| Improvement Value:                       | 1,152 SF x \$90.00/SF = | \$103,680        |
| Plus: Land Value:                        |                         | <u>+137,000</u>  |
| Indicated Value:                         |                         | \$240,680        |
| <b>Rounded To:</b>                       |                         | <b>\$240,000</b> |

**17. EXPLANATION and/or BREAKDOWN OF LAND VALUES:**

**(A) VALUATION OF LAND**

|      |        |      |                                     |      |                          |      |                          |     |                          |   |    |      |                       |    |             |
|------|--------|------|-------------------------------------|------|--------------------------|------|--------------------------|-----|--------------------------|---|----|------|-----------------------|----|-------------|
| LAND | 22,825 | S.F. | <input checked="" type="checkbox"/> | F.F. | <input type="checkbox"/> | ACRE | <input type="checkbox"/> | LOT | <input type="checkbox"/> | @ | \$ | 6.00 | (Average)<br>Per Unit | \$ | 137,000 (r) |
| LAND |        | S.F. | <input type="checkbox"/>            | F.F. | <input type="checkbox"/> | ACRE | <input type="checkbox"/> | LOT | <input type="checkbox"/> | @ | \$ |      | (Average)<br>Per Unit | \$ |             |
| LAND |        | S.F. | <input type="checkbox"/>            | F.F. | <input type="checkbox"/> | ACRE | <input type="checkbox"/> | LOT | <input type="checkbox"/> | @ | \$ |      | (Average)<br>Per Unit | \$ |             |
| LAND |        | S.F. | <input type="checkbox"/>            | F.F. | <input type="checkbox"/> | ACRE | <input type="checkbox"/> | LOT | <input type="checkbox"/> | @ | \$ |      | (Average)<br>Per Unit | \$ |             |
| LAND |        | S.F. | <input type="checkbox"/>            | F.F. | <input type="checkbox"/> | ACRE | <input type="checkbox"/> | LOT | <input type="checkbox"/> | @ | \$ |      | (Average)<br>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 | \$ | 240,000 |
| (B) Indicated Value of | <input checked="" type="checkbox"/> | Entire Tract | <input type="checkbox"/> | Part Affected from COST APPROACH             | \$ | 215,400 |
| (C) Indicated Value of | <input type="checkbox"/>            | Entire Tract | <input type="checkbox"/> | Part Affected from INCOME APPROACH           | \$ | N/a     |

**(D) RECONCILIATION:** (Which approaches were given most consideration) (Single-Point Conclusion Should be Reasonably Rounded)

The Sales Comparison Approach and the Cost Approach were the only approaches deemed appropriate to determine the market value of the subject site. The value indications from the Cost and Sales Comparison approaches range from \$215,400 to \$240,000, reflecting a spread of ±11.4%. After careful consideration of the value indications, we have placed weight on the Sales Comparison Approach, based on the age of the subject improvements and difficulty in estimating depreciation. Therefore, the market value estimate for the subject property is estimated to be \$230,000, which includes \$93,000 allocated to improvements and \$137,000 allocated to land value.

|                                      |                                     |              |                                     |                             |              |         |        |
|--------------------------------------|-------------------------------------|--------------|-------------------------------------|-----------------------------|--------------|---------|--------|
| <b>19. FAIR MARKET VALUE</b> of      | <input checked="" type="checkbox"/> | Entire Tract | <input type="checkbox"/>            | Part Affected.....          | \$           | 230,000 |        |
| <b>(A) TOTAL AMOUNT DUE OWNER</b> if | <input type="checkbox"/>            | Entire Tract | <input checked="" type="checkbox"/> | Part Affected Acquired..... | \$           | 39,540  |        |
| <b>(B) AMOUNT ATTRIBUTABLE TO:</b>   |                                     | Land         | \$                                  | 137,000                     | Improvements | \$      | 93,000 |

REMARKS

The estimated contributory values of the existing improvements are shown below.

|                                |                 |
|--------------------------------|-----------------|
| Improvement 1:                 | \$73,640        |
| Improvement 2:                 | 1,300           |
| Improvement 3:                 | 1,340           |
| Improvement 4:                 | 420             |
| Improvement 5:                 | 6,840           |
| Improvement 6:                 | 9,460           |
| <b>Total Improvement Value</b> | <b>\$93,000</b> |

**PARTIAL ACQUISITION**

20.

**VALUE OF ENTIRE TRACT**..... \$230,000

**AMOUNT DUE OWNER IF ONLY PART ACQUIRED (Detail breakdown)**

- A.  X  Land Acquired (Fee)  4,835  S.F.  Ac.  @  \$6.00   \$29,010   
  Land Acquired (Fee)   S.F.  Ac.  @    
 Drainage Esmt.   S.F.  Ac.  @    
 Slope Esmt.   S.F.  Ac.  @    
 Const. Esmt.  66  S.F.  Ac.  @  \$1.80   \$119
- B. Improvements Acquired (Indicate which improvements by showing structure numbers)  
 Improvement No. 5 (360 SF of existing gravel driveway) \$950 (r)   
 Improvement No. 6 (Landscape) \$9,460
- C. Value of Part Acquired Land & Improvements (Sub-Total).....  39,539
- D. Total Damages (See Explanation, Breakdown and Support on Sheet 2A-9).
- E. Sum of A, B and D: .....  \$39,539
- F. Benefits: (Explain and deduct from D. Amount must not exceed incidental damages)....  \$0
- G. TOTAL AMOUNT DUE OWNER; if only part is Acquired.....  39,540 (r)

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

A. LAND REMAINDER

Left  17,990  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%      | \$0 | 107,940         |
|                 |        |         |     |                 |
|                 |        |         |     |                 |
|                 |        |         |     |                 |
|                 |        |         |     |                 |
|                 |        |         |     |                 |

REMAINDER VALUE OF LAND..... \$ 107,940  
 LESS AMOUNT PAID FOR EASEMENTS IN ITEM 20A..... \$ 119  
 LESS COST TO CURE (Line 20-D)..... \$ 0  
 TOTAL REMAINDER VALUE OF LAND..... \$ 107,820 (r)

B. IMPROVEMENTS REMAINDER

Improvement No.  1   
 Improvement No.  2   
 Improvement No.  3   
 Improvement No.  4   
 Improvement No.  5 (Less 320 SF Acquired)

| BEFORE VALUE | DAMAGES |     | REMAINING VALUE |
|--------------|---------|-----|-----------------|
|              | %       | \$  |                 |
| 73,640       | 0%      | 0%  | \$73,640        |
| \$1,300      | 0%      | \$0 | \$1,300         |
| \$1,340      | 0%      | \$0 | \$1,340         |
| \$420        | 0%      | \$0 | \$420           |
| \$6,840      | 0%      | \$0 | \$5,890         |

REMAINDER VALUE OF IMPROVEMENTS..... 82,590  
 LESS COST TO CURE ITEMS..... 0  
 TOTAL REMAINDER VALUE OF LAND & IMPROVEMENTS..... \$190,460

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 17,990 SF (0.413 acre), will remain unchanged after the acquisition. As previously determined, in the "before situation", the highest and best use of the subject site is an interim use as single family residency until future refurbishment/redevelopment of the property with some type of secondary commercial use. In the "after situation", the majority of the physical characteristics of the site will remain basically the same; therefore, the highest and best use will remain unchanged.

**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. Duplex Road will consist of three lanes, including two (2), travel lanes (east & west) and one (1) center turning lane. Just east of the subject's eastern border, there will be a dedicated left turn center lane to access School Street along the south side of Duplex Road. In addition, a dedicated left turn center lane along Duplex Road will be in place to provide access to the private drive (business entrance) along the subject'

According 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 17,990 SF (0.413 acre). The remainder will change in terms of size from the "before situation" due to the 4,835 SF (0.111 acre) fee acquisition area. In the "before situation, the dimensions of the tract is 154.0' (Duplex Road Frontage) x 193.14' x 97.29' x 187.58'. The fee acquisition along the Duplex Road frontage will reduce the depth of the tract from 31.21' at the southwest corner to 36.38' along the southeast corner. In the "after situation, the depth of the site will range 156.37' to 156.76'. The amount of frontage along Duplex Road and the shape of the tract will remain basically the same. In terms of access, in the "before situation", the subject tract is legally accessed along Duplex Road. In the "after situation", the existing driveway will be paved and extended across the subject's southern border to the private access drive to permit additional access along the western border. Prior to the project, the subject was an irregular rectangular in shape and will remain so in the "after situation". The topography of the tract will remain basically unchanged from the "before situation" based on no slopes being present in the "after situation.

In terms of proximity, the southeast and southwest corners of the subject dwelling are approximately 60' and 65', respectively, from the present ROW in the "before situation". In the "after situation" the proposed ROW will be approximately 30' from the subject dwelling's southwest corner to approximately 25' from the subject dwelling's and southwest corner. In addition, as discussed, a paved driveway will be located along the southern border of the site, between the proposed drive way and the propose ROW. According to the Plans, the depth of the tract, south of the proposed driveway extension and north of the proposed ROW ranges from 3' to 10'. In addition, the proximity of the dwelling to the north side of the driveway extension ranges from 5' at the southeast corner of the open front porch to 15' at the southwest corner of the dwelling. Therefore, the proximity of Duplex Road, in the "after situation" should not adversely impact the existing residence, assuming the existing hedge row is replaced. In addition, we considered the interim use of the subject as a single family residence, with future refurbishment of the existing home for commercial use or redevelopment of the tract for commercial use. There, based on the highest and best use of the tract, proximity damages are negated and will benefit directly from the proposed improvements, offsetting any incidental damages to the remainder. Consequently, the market value of the remainder after the acquisition is unchanged from the before situation.

**Fee Acquisition:** The 1,905 SF fee acquisition is valued at 100% of fee value, or \$6.00/SF.

**Temporary Construction Easement:** The temporary construction easement contains 66 SF (0.0015 acre) and consists of a portion of the southeast corner located outside the proposed ROW. The TCE area includes a strip of land which begins at the eastern property line and extends roughly 9' westerly and measures roughly 8' in width. This easement will be used for traffic control, erosion control, and a work zone during the construction process. The TCE are includes a portion of a gravel driveway, manicured lawn and landscaping. 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 x 30% = \$1.80/SF for the TCE.

|   |  |     |
|---|--|-----|
| <b>Amount of DAMAGE This Page To--2A-8, Item 20-D</b>       |  | \$0 |
| <b>(A) Amount of BENEFITS This Page To--2A-8, Item 20-F</b> |  | \$0 |

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State Project No. 60LPLM-F2-019 County MAURY Tract No. 22  
Federal Project No. STP-M-247(9) Name of Appraiser Ted A. Boozer, MAI

## 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.



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Westerly View of Fee Acquisition Area along Duplex Road Frontage



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Easterly View of Fee Acquisition Area along Duplex Road Frontage

## PHOTOGRAPHS

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Northerly View of Acquisition Area along Adjacent West Access Drive



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Westerly View of Acquisition Areas from Eastern Border

## PHOTOGRAPHS

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NE View of Subject Tract from SWC of Subject Tract



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SW View of Acquisition Area

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## PHOTOGRAPHS

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SW View of Proposed ROW Along Western Border of Subject Tract



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Northerly View of Gravel Drive along Eastern Border

## PHOTOGRAPHS

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View of Subject Dwelling's Southern (Front) Elevation from Existing Northern ROW/Southern Property Line



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View of Subject Dwelling's Southern (Front) Elevation from Proposed Northern ROW

### PHOTOGRAPHS

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Southerly View of Subject Dwelling's Northern (Rear) Elevation



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Westerly View of Subject Dwelling's Eastern (Side) Elevation

## PHOTOGRAPHS

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Easterly View of Subject Dwelling's Western (Side) Elevation



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Living Room

## PHOTOGRAPHS

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Kitchen

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Bathroom

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## PHOTOGRAPHS

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Bedroom I



STP-M-247(9)  
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Bedroom II

## 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.



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Bedroom III



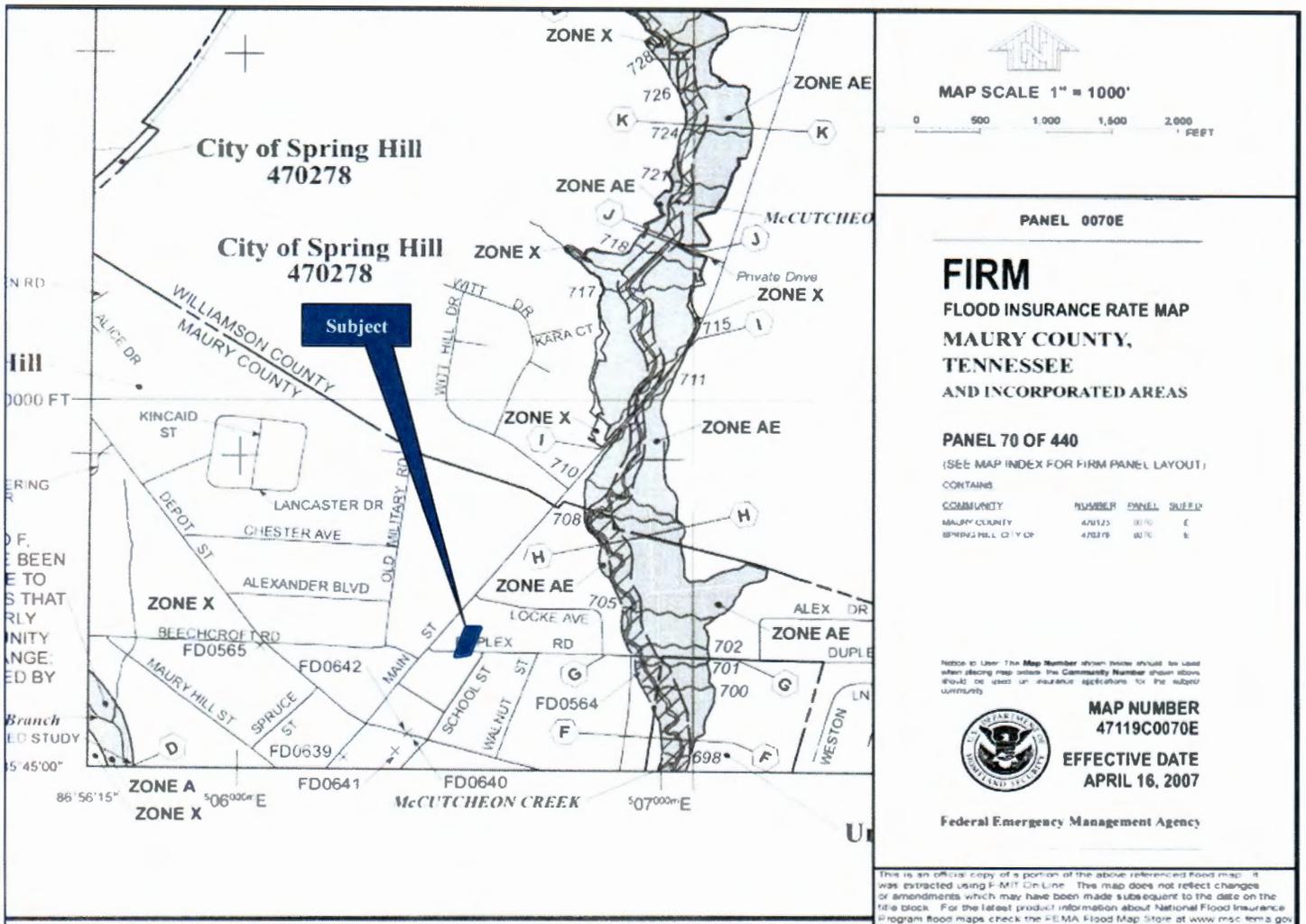
STP-M-247(9)  
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Laundry Area

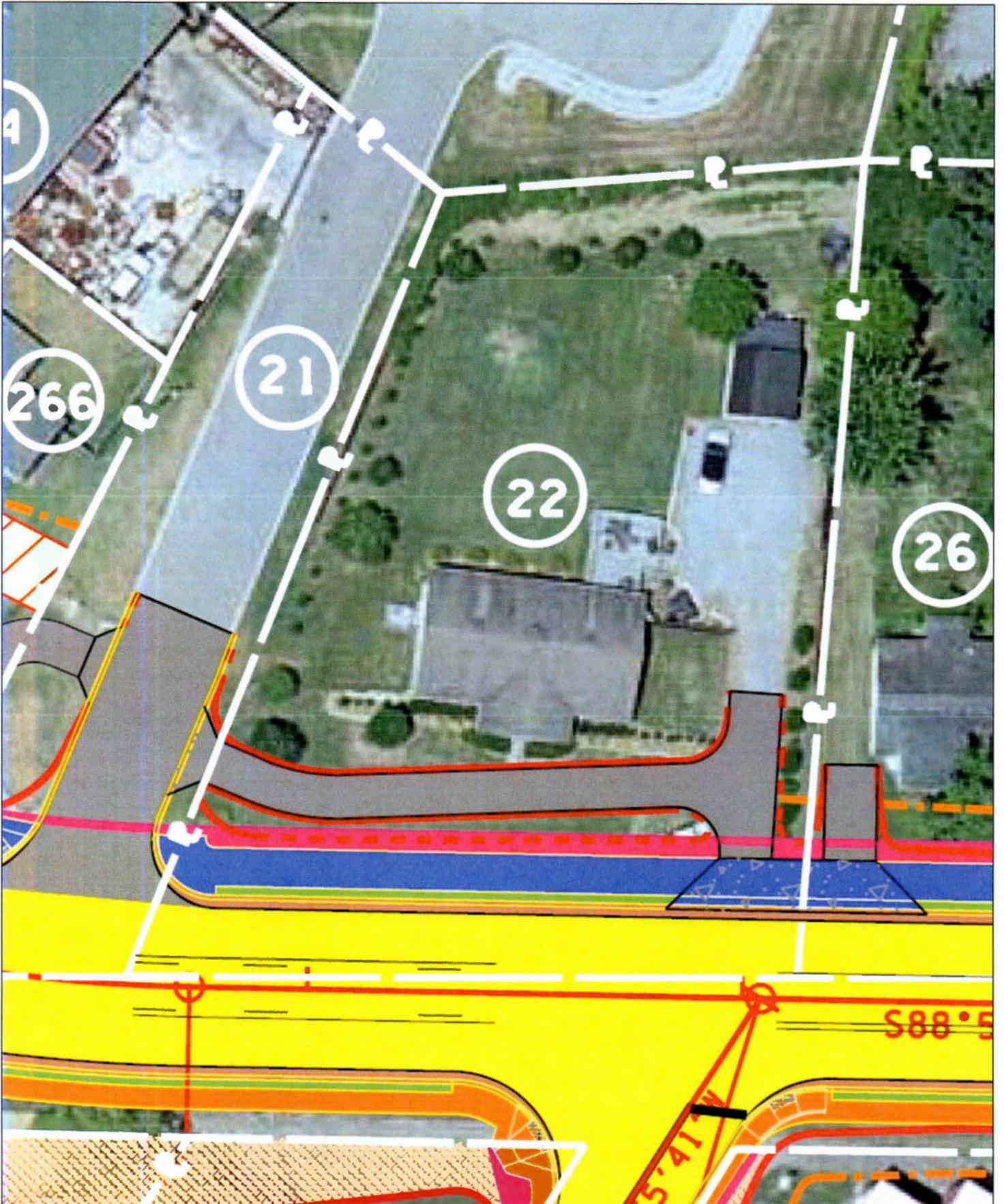
**AERIAL PHOTOGRAPH**



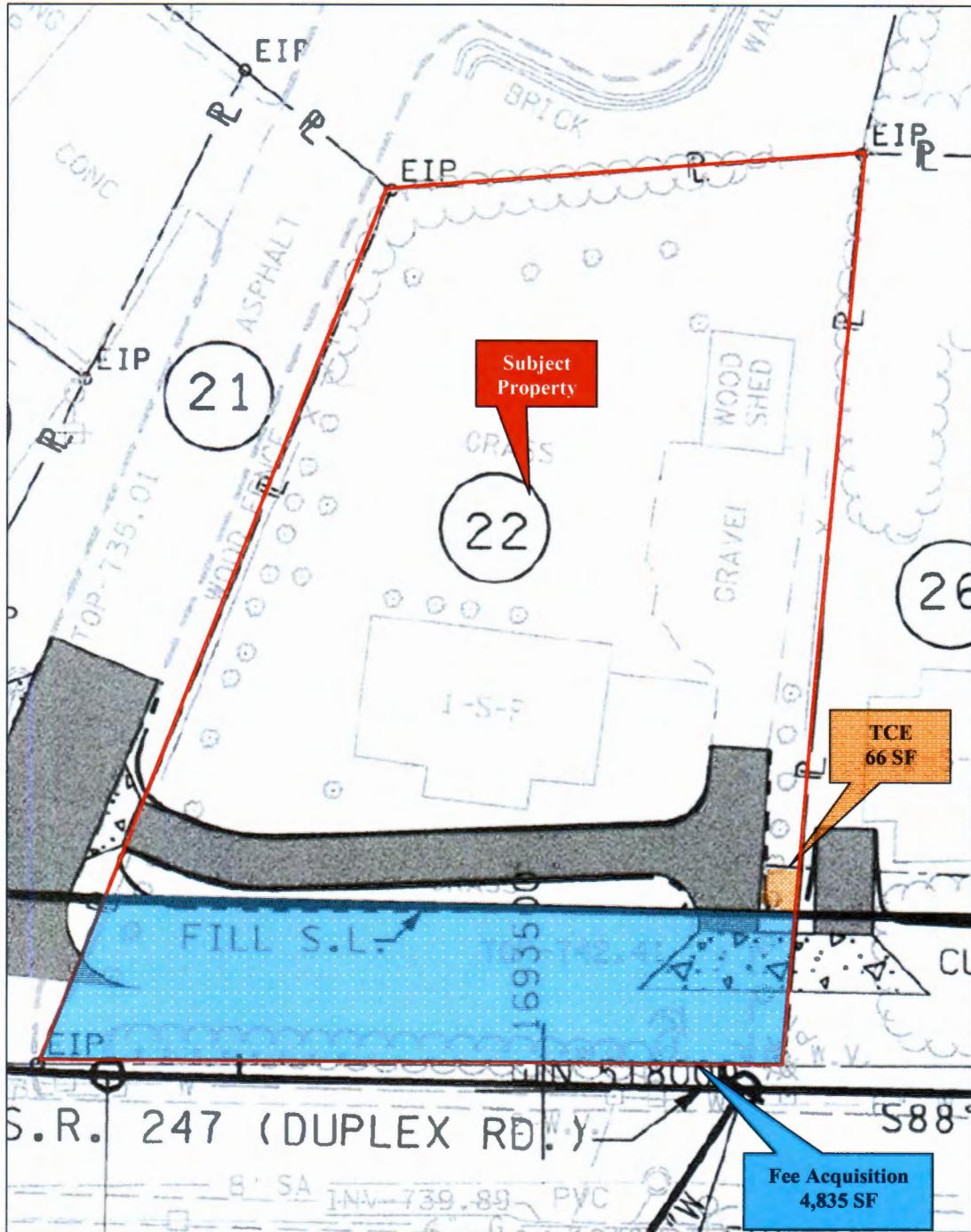
**FEMA FLOOD MAP**



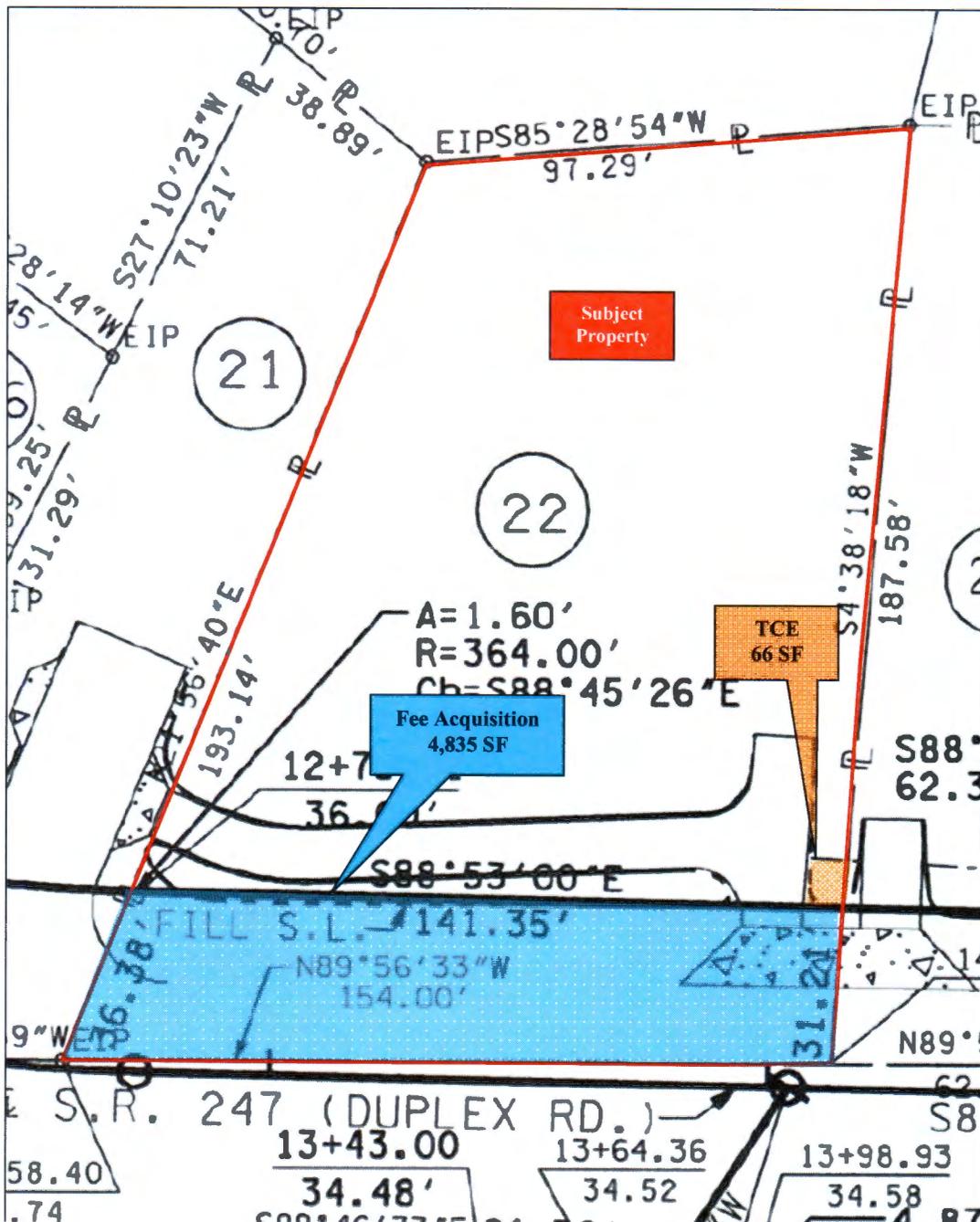
### ENGINEER OVERLAY MAP



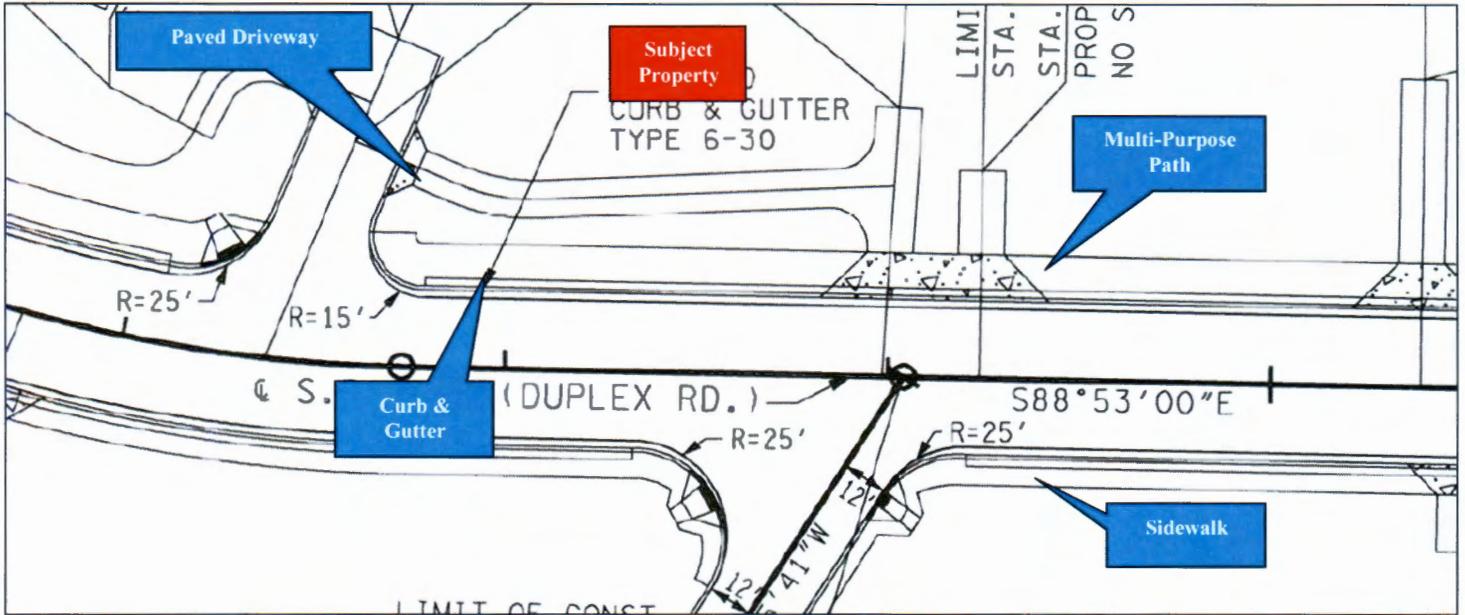
### RIGHT-OF-WAY MAP – PRESENT LAYOUT



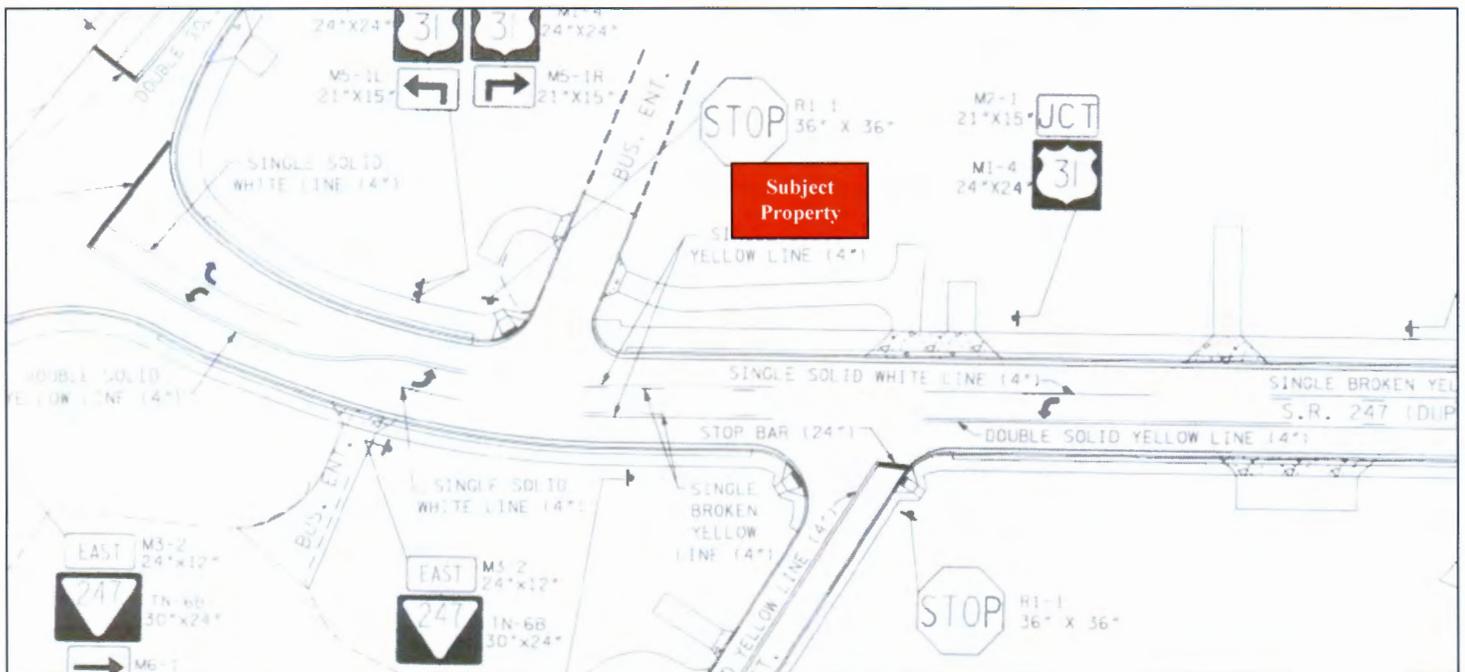
### RIGHT-OF-WAY MAP – ROW LAYOUT



### RIGHT-OF-WAY MAP – PROPOSED LAYOUT



### SIGNING AND 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* 2<sup>nd</sup> 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, 14<sup>th</sup> 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:

\_\_\_\_\_ 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.

**SIGNIFICANT OBSERVATIONS AND LIMITING CONDITIONS (CONT'D.....)**

It is important to note, several attempts to contact the property owner and/or representative of the owner were unsuccessful. Conversations with the adjacent land owners, as well as our exterior inspections, revealed the subject dwelling is currently uninhabited and appears abandoned and unmaintained. Therefore access to the interior of the property was not available. Based on the present state of the improvements, the highest and best use of the subject property is to maintain the existing improvements on an interim basis for future redevelopment or rezoning. Due to age and condition of the dwelling and site improvements, we have excluded the improvements from our analysis.

**EXPOSURE TIME**

It is understood that in order for the subject property to achieve the market value estimated herein, an exposure time of 6 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.

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State Project No. 60LPLM-F2-019 County MAURY Tract No. 22  
Federal Project No. STP-M-247(9) Name of Appraiser Ted A. Boozer, MAI

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

- (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.
- (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) Mr. & Mrs. Charles Buford were contacted on (Date) 10/10/2014 & 5/8/2015

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

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

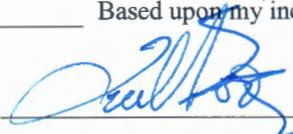
The owner or his representative Declined  Accepted  to accompany appraiser on (Date) 10/10 2014 & 5/8/2015

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

Date(s) of inspection of subject 10/10/2014 & 5/8/2015

Date(s) of inspection of comparable sales 7/31/2014 & 5/8/2015

- (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 8<sup>th</sup> day of May, 2015 is \$39,540 Based upon my independent appraisal and the exercise of my professional judgment.

Appraiser's Signature  Date of Report 6/29/2015  
 State of Tennessee Certified General Real Estate Appraiser License Number CG-973