DAVID BRILEY
MAYOR

**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**

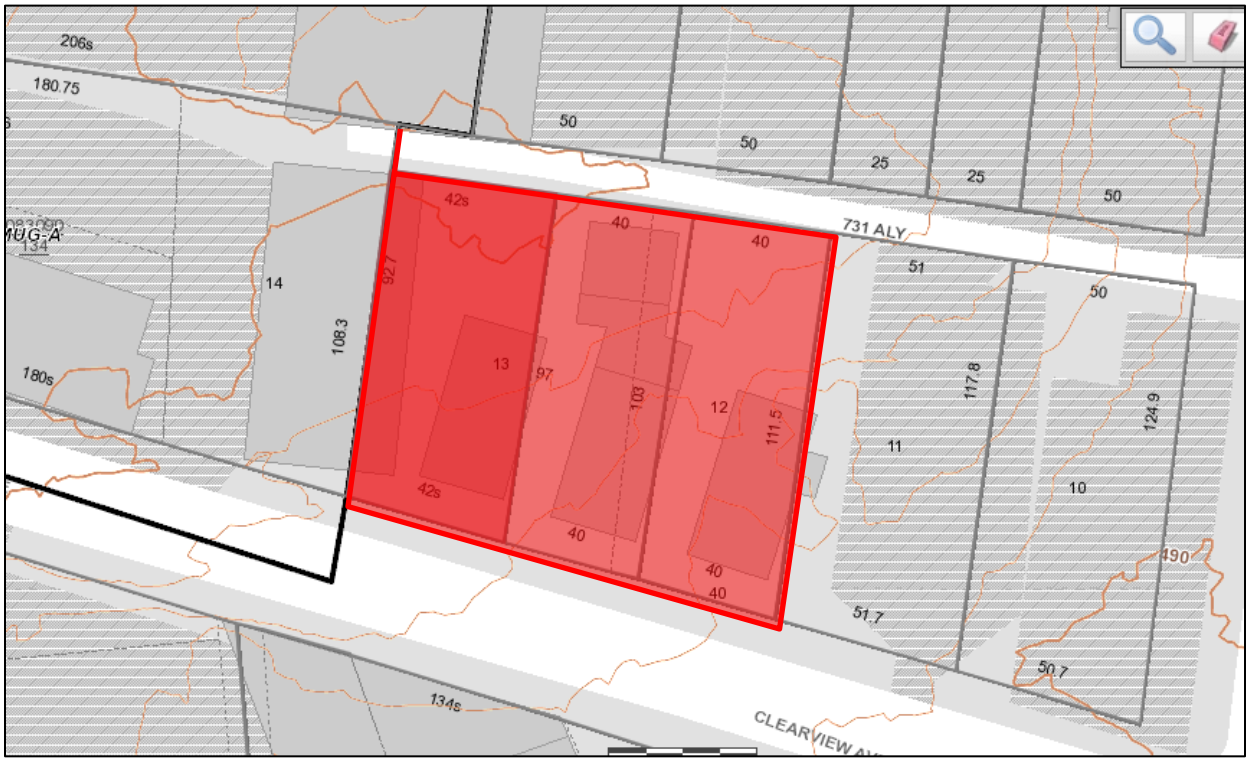
Metropolitan Historic Zoning Commission
Sunnyside in Sevier Park
3000 Granny White Pike
Nashville, Tennessee 37204
Telephone: (615) 862-7970
Fax: (615) 862-7974

# STAFF RECOMMENDATION
## 1007, 1009, 1011 Clearview Avenue
## March 20, 2019

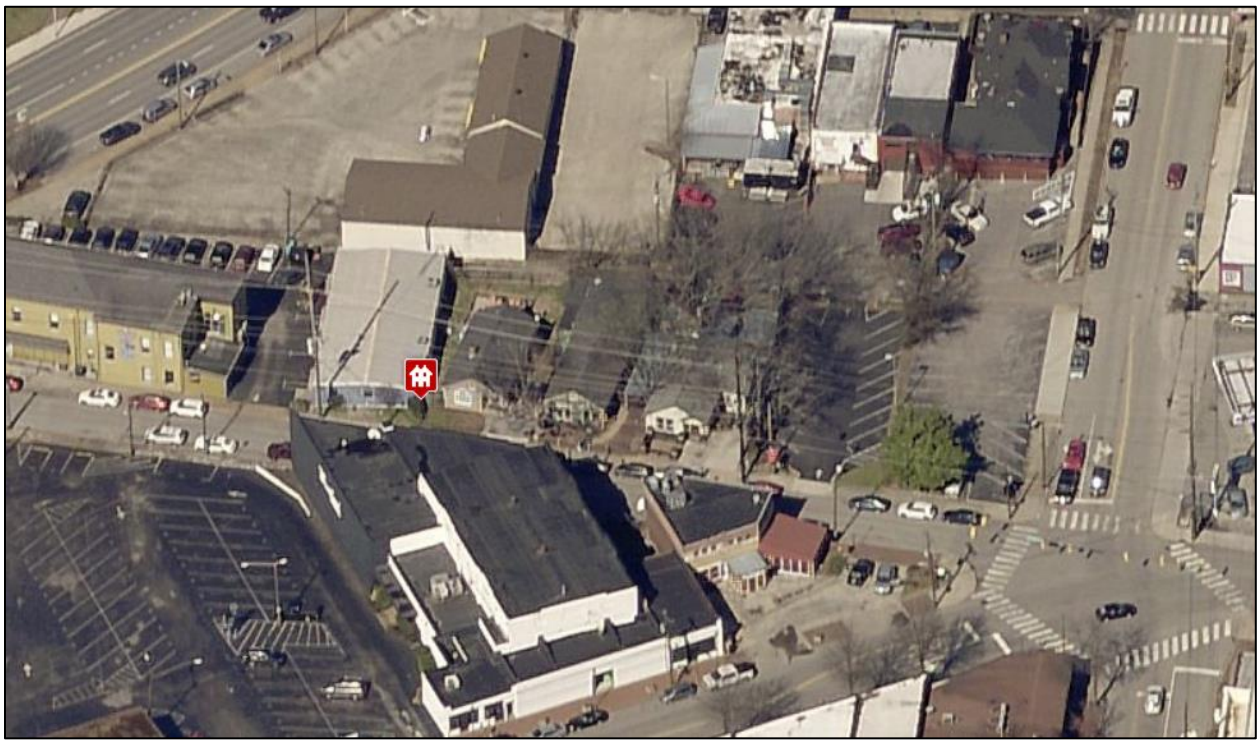
**Application:** Demolition/Economic Hardship
**District:** Lockeland Springs-East End Neighborhood Conservation Zoning Overlay
**Council District:** 06
**Base Zoning:** CS
**Map and Parcel Number:** 08309013600, 08309013700, 08309013800
**Applicant:** Paula and Norman Spicher
**Project Lead:** Paul Hoffman, paul.hoffman@nashville.gov

| | |
|---|---|
| **Description of Project:** The applicant requests demolition of three contributing buildings based on economic hardship.<br><br>**Recommendation Summary:** Staff recommends disapproval finding that the proposed demolition does not meet section III.B.2.c for economic hardship. | **Attachments**<br>**A:** Photographs<br>**B:** Engineer's Reports<br>**C:** Demo estimates<br>**D:** Rehab estimates<br>**E:** Property Tax Info<br>**F:** Appraisals<br>**G**: Owners Letter |

## Vicinity Map:




## Aerial Map:



## Applicable Design Guidelines:

**III.B. Demolition**

**1. Demolition is not appropriate**

a. if a building, or major portion of a building, is of such architectural or historical interest and value that its removal would be detrimental to the public interest; or

b. if a building, or major portion of a building, is of such old or unusual or uncommon design and materials that it could not be reproduced or be reproduced without great difficulty and expense.

**2. Demolition is appropriate**

a. if a building, or major portion of a building, has irretrievably lost its architectural and historical integrity and significance and its removal will result in a more historically appropriate visual effect on the district;

b. if a building, or major portion of a building, does not contribute to the historical and architectural character and significance of the district and its removal will result in a more historically appropriate visual effect on the district; or

c. if the denial of the demolition will result in an economic hardship on the applicant as determined by the MHZC in accordance with section 17.40.420 (Historic Zoning Regulations), Metropolitan Comprehensive Zoning Ordinance.

Ordinance 17.40.420 D. Determination of Economic Hardship. In reviewing an application to remove an historic structure, the historic zoning commission may consider economic hardship based on the following information:

1. An estimated cost of demolition and any other proposed redevelopment as compared to the estimated cost of compliance with the determinations of the historic zoning commission;
2. A report from a licensed engineer or architect with experience in rehabilitation as to the structural soundness of the subject structure or improvement and its suitability for rehabilitation;
3. The estimated market value of the property in its current condition; its estimated market value after the proposed undertaking; and its estimated value after compliance with the determinations of the historic zoning commission.
4. An estimate from an architect, developer, real estate consultant, appraiser, or other real estate professional experienced in rehabilitation as to the economic feasibility of rehabilitation or reuse of the existing structure.
5. Amount paid for the property, the date of purchase, and the party from whom purchased, including a description of the relationship, if any, between the owner of record or applicant and the person from whom the property was purchased, and any terms of financing between the seller and buyer.
6. If the property is income-producing, the annual gross income from the property for the previous two years; itemized operating and maintenance expenses for the previous two years; and depreciation deduction and annual cash flow before and after debt service, if any, during the same period.
7. Any other information considered necessary by the commission to a determination as to whether the property does yield or may yield a reasonable return to the owners.
8. Hardship Not Self-Imposed. The alleged difficulty or hardship has not been created by the previous actions or inactions of any person having an interest in the property after the effective date of the ordinance codified in this title.

*(Ord. BL2012-88, § 1, 2012; Ord. 96-555 § 10.9(C), 1997)*

**Background:** The historic buildings at 1007, 1009, and 1011 Clearview Avenue are contributing buildings in the Lockeland Springs-East End Neighborhood Conservation Zoning Overlay. They were constructed circa 1910.

The Commission approved additions to either side of 1007 Clearview in 2016. The permit has expired and the work was not undertaken. A rear and side addition were administratively approved for 1011 Clearview Ave in 2012.

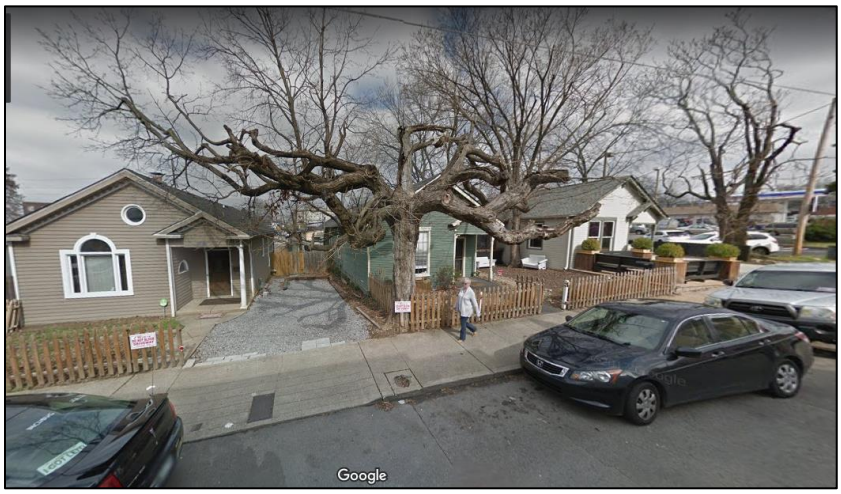


Figure 1. Existing buildings at 1007, 1009 and 1011 Clearview Avenue

**Analysis and Findings:**
The applicant requests demolition of the three buildings based on economic hardship.

Figure 2. 1914 Sanborn map (Clearview Avenue was Lindsey Street at this time)

Explanation of Economic Hardship and Application Requirements: Since it is the Commission's primary goal to ensure the preservation of historic buildings, demolition requests are reviewed by staff in great detail providing not only an analysis of the information given but an analysis of what questions remain. It is the responsibility of the applicant to prove hardship rather than for staff to disprove hardship. According to articles published by the National Trust for Historic Preservation and the National Alliance of Preservation Commissions, economic hardship requires a property owner to establish that disapproval of demolition denies them of all reasonable beneficial use or return on the property. The design guidelines define economic hardship as "a condition that warrants the demolition of a contributing structure where the cost of a structure plus the cost of repairs to make it habitable are greater than the market value of the structure. Economic hardship may be caused by, but not limited to structural damage, termite damage and fire damage. This exception shall not apply to any property owner who creates a hardship condition or situation as a consequence of their own neglect or negligence." In this case, the buildings are occupied and two are income-producing. 1007 Clearview is a residential rental. 1009 Clearview is the residence of the owner and his son's office. 1011 Clearview is an operating restaurant. The information listed in the ordinance for economic hardship regarding income producing properties was not provided.

Structural Analysis**:**
The applicant has provided an engineer's report for each building from licensed engineer Matthew Hagerty. In all three reports, Mr. Hagerty's summary recommends repairs that

will allow for the foundation and drainage system to provide continued support for the buildings and he recommends a standard maintenance program. He does not identify, nor do the rehab estimates, identify major work that might be unreasonable to conduct. For instance, the report for 1011 Clearview notes that the floors show signs of settling; however, it "is not creating any significant structural issues at this time."

Following is a summary of his particular recommendations on each building.

| **Address** | **1007 Clearview** | **1009 Clearview** | **1011 Clearview** |
|---|---|---|---|
| Drainage | Install French drain and perimeter drainage to move water away from building. | Install French drain and perimeter drainage to move water away from building. | Install French drain, perimeter drainage and downspout leaders to move water away from building. |
| Framing | Replace deck stairs. | Replace exterior deck, ceiling framing and stairwells. | Replace front roof column. |
| Foundation | Install gravity wall to support existing foundation. | Seal foundation cracks, replace wood section of foundation. | Fill cracks in foundation, monitor trees adjacent to structure. |
| Cladding | Replace damaged siding. | Replace siding. | Not addressed. |
| Floor support | Not addressed. | Replace floor girders and piers. | Not addressed. |
| Roof framing | Replace roof framing. | Replace roof framing. | Not addressed. |
| Roof material | Replace roofing. | Replace roofing. | Not addressed. |

In general, Mr. Hagerty recommends that the drainage, framing and foundation of each building be addressed. He states "following the repairs and other recommendations, the foundation and drainage system will provide continued support for the structure." In this case the engineer's findings do not state that urgent work is needed for safe occupation of the buildings, nor do they provide evidence that demolition is the only option.

Staff finds that the property owner currently has a reasonable use of the lot; since the buildings are occupied and the engineer's report does not specify that the buildings are unsafe but instead recommends common maintenance actions.

**Rehabilitation**:
The applicant acquired two estimates for rehabilitation work and additions. The estimates are not detailed enough for a full analysis but are in line with the engineer's findings and with the type of work that might be expected for an older building. The rehabilitation estimates include roofing replacement, drainage, structural work, siding

replacement, new windows, and some plumbing and electrical upgrades. Staff's review is that this scope of work would be considered regular maintenance and would not be unusual for buildings that have not been maintained in recent years, in a manner that would require building permits. The last completed building permit for 1007 Clearview was in 2009, 1009 Clearview was in 1998 and 1011 was in 2013.

The portion of the estimates that include new additions was not considered in this analysis as the purpose of economic hardship is to review the reasonable use of the existing historic buildings, not for improvements. Images of an addition and proposed new construction if the buildings are demolished were not included in this report, as they are not relevant to the economic hardship request.

Economic hardship is in place to ensure that an owner has reasonable use, not necessarily the highest and best use of the property. Staff finds that the engineer's reports on the buildings do not provide evidence that demolition is required. The fact that the buildings are in use and safe for continued use, means that they do not meet the standards for economic hardship.

**Recommendation:** Staff recommends disapproval finding that the proposed demolition does not meet section III.B.2.c for economic hardship.

## ATTACHMENT A

## BIOGRAPHIES FOR REPORT RESEARCH & WRITERS

Paul Hoffman is a Historic Preservationist 1 with the Metropolitan Historic Zoning Commission. For more than a decade prior to joining MHZC, he worked on rehabilitation and preservation projects on historic structures in middle Tennessee, including the Tennessee State Capitol, Ryman Auditorium, Belmont Mansion, and Rosenwald schools in Sumner County. Paul earned his M.A. in the historic preservation program at Middle Tennessee State University, specializing in early Tennessee history and building pathology.

Robin Zeigler is the Historic Zoning Administrator with the Metropolitan Historic Zoning Commission. She has been a local preservation specialist for more than 12 years working as the Senior Historic Preservation Planner for the Planning Division of the Salt Lake City Corporation and the Preservation Planner for the City of Bowling Green in Kentucky. In addition she has taught historic preservation planning as an adjunct professor at Western Kentucky University. She is a former board member of the National Alliance of Preservation Commissions. Zeigler holds a graduate degree from Middle Tennessee State University's Public History Program.

**PHOTOS**

1007 Clearview Avenue

1009 Clearview Avenue

1011 Clearview Avenue

1011 Clearview Avenue

1011 Clearview Avenue

Construct19-008MH February 6th, 2019

C/O: Andrea Ladd

Structure and Drainage Observance for 1007 Clearview Ave., Nashville, TN 37206

On Friday, February 1st, 2018, Construct, LLC (Matthew Hagerty, P.E.) performed a limited structural and drainage observance at the above-mentioned structure.

**Disclaimer:** The professional opinions offered are based on visual observations of apparent conditions existing at the time of observance. Latent and concealed defects and deficiencies are excluded. Destructive testing, subsurface investigation, structural calculations and seismic analysis as well as preparation of design drawings detailing any recommended repairs or improvements are beyond the scope of the services provided. An independent Geotechnical Engineer and/or geologist should be retained if a complete geotechnical investigation is desired. Owner/Agent/Buyer is granted a single use of this report for one transaction, and agrees that this report is not intended for use in any legal action without written consent from Construct, LLC.

***Findings:*** This foundation is comprised of a stone block foundation with a crawl space, originally constructed in 1906. The original construction drawings were not available for review to verify the structure was done in conformance with construction documents, however, the quality of visible construction and building materials appears to be in conformance to building standards at the time of original construction and in continued service providing condition with the following observations and recommendations. All areas of interior and exterior of the structure were accessible and viewed as part of this observance.

**1. Exterior Drainage:** The exterior landscaping and hardscape are sloped towards the foundation from the East and South sides of the property. The roof has rain gutters and downspouts, most of which drain next to the foundation (See Photo #1). Water from the roof and downspouts that is not adequately discharged at least three feet from the foundation to a positive drainage (area that grades away from the foundation), may collect at the foundation. In addition, there are sections of the grade that are covering the exterior finishes of the structure (See Photo #2). This condition leads to dry rot and termite intrusion, which causes damage to the finishes and framing of the structure. It also allows water to get into the crawl space.

**Recommended Action:** Install drainage leaders to the downspouts to drain water away from the foundation. Regrade the sections of the structure where the grade is covering the exterior finishes.

**Photo #1: Downspout Draining Next to Foundation**

**Photo #2: Grade Covering Exterior Finishes**

**2. Crawl Space Drainage:** There was saturated water throughout the crawl space and efflorescence on the foundation walls (See Photo #3). Efflorescence is a white powder residue left on concrete after water seeps through, and partially dissolves the entrained mineral salts inherent in concrete. This water saturates the soils, and along with elevated levels of relative humidity, can cause settlement and damage to the ferrous metal building components, wood framing, foundation and related structure over time. This water intrusion is coming from the sloping of the property and the downspouts. Water intrusion into the crawl space causes settlement of the foundation and piers and high humidity. In addition, this water intrusion is causing fungus to grow in the crawl space (See Photo #4).

**Recommended Action:** Install a French (foundation) drain around the perimeter of the building, leading to a sump pump to discharge water away from the foundation. Install a new crawl space liner to properly cover all of the crawl space. Have a remediation company clean the crawl space, foundation and framing to remove any fungus.

**Photo #3: Saturated Soil**

**Photo #4: Fungus in Crawl Space**

**3. Framing:** The current condition of the visible framing appears to be in good, continue service providing condition, with no significant structural issues, except for the following. The exterior deck stairs appear to be weathered to a point where they need to be replaced (See Photo #5). The roof is sagging and bowing in multiple locations (See Photo #6). This is most likely due to damage of the roof sheathing and the framing being under-designed and overstressed. If not repaired, the roof will continue to deflect and could fail. The siding on the perimeter walls is also deteriorating (See Photo #7).

**Recommended Action:** Replace the exterior deck stairs. Replace the roof and roof framing. Replaced damaged siding.

**Photo #5: Weathered Deck Stairs**

**Photo #6: Sagging Roof**

**Photo #7: Damaged Siding**

**4. Foundation:** The existing foundation is in overall good and continued service providing condition, originally formed, placed, consolidated, and installed within building code compliance and acceptable guidelines for construction at the time of original construction. There were no areas of notable damage found of significance throughout the visible and accessible areas of the structure, except for the following. There was undermining of the foundation at the rear section of the house (See Photo #8). This undermining is dues to previous excavation in the crawl space. In addition, it appears that there is no concrete footing under the foundation wall. In its current condition, the foundation is at risk of failure.

**Recommended Action:** Properly support undermined section of foundation by installing a continuous gravity wall around the undermined section of the foundation.

**Photo #8: Undermined Foundation**

**5. Floor Elevation Survey:** The floor elevation was measured throughout with a liquid "zip level" to compare the floor elevation for flatness. This is important to check because in some situations floors can settle, due to varying causes, usually stemming from soil settlement in parts or entirely throughout foundations. These floor measurements showed the floor diaphragm to be outside the normal, acceptable tolerances of 1" in 20'. This settlement, however, is currently not creating any significant structural issues at this time. The front roof column, however, is settling and rotating

(See Photo #9). This is settling because is not supported by a structural pier. If not addressed, the column can fail.

**Recommended Action:** See drainage and foundation recommendations to minimize future movements. Install New pier for the front roof column.

**Photo #9: Undermined Foundation**

**Maintenance:** It is recommended to implement a standard maintenance program as follows:

1. Keep rain gutters, downspouts and drain lines clean and directed away from foundation to lower areas in front of site.
2. Monitor foundation and floor frame condition for changes by a qualified professional.
3. Maintain proper function of existing interior and exterior drain and plumbing lines, monitor annually for functionality.
4. Monitor foundation/slab/basement annually during winter months for any signs of moisture or leaks.
5. Implement a professional pest control program per current residential standards for foundations.

**Summary:**

The drainage, foundation and framing for the structure are in need of repair/replacement. It is recommended that the repairs be performed by a contractor who specializes in this type of work. Following the repairs and other recommendations, the foundation and drainage system will provide continued support for the structure.

Maintain drainage and monitor crawl space/foundation per recommendations as noted above.

Sincerely,
Matthew Hagerty, P. E.
Principal
Construct, LLC
Tennessee Professional Engineer License #121076

*Disclaimer: This observance report has been developed and prepared to address observations, site conditions and evaluations relating to professional construction standards at the time of construction for this type of structure. Current Building Code (2012 International Building Code) has been revised from the time of original construction, and is only used as a basis of knowledge, not as a comparison. This observance report is contingent only on what was visible at the time of observance, and excludes any hidden, latent or other defects/situations which were undetectable to the naked eye during observance. Construct, LLC assumes no liability for all unforeseen problems. This report should not be construed as a warranty of any kind, express or implied.*

## LIMITATIONS

The conclusions and recommendations stated in this report are based on a visual survey of the structure. Deficiencies which were not apparent at the time of this survey are not included in this report. This survey is limited to visible areas. This report is designed to give a general status of the structure's structural system. You have not requested or authorized any destructive testing, subsurface investigation, structural calculations or lateral analysis and you have not provided Construct, LLC with a geotechnical report. It in no way precludes the possibility of hidden damage nor guarantees that additional damage may not occur following the survey.

### INITIAL ASSESSMENT REPORT ONLY

This report is intended to be used for information purposes only. The information presented should not be used by others to make repair recommendations or as construction documents. The recommendations presented in this report are intended to give general direction for repairs. Complete repair detail will be specified as a part of the construction documents.

### AREA THIS REPORT IS LIMITED TO

This report is limited to the visible areas only. No investigation was made at the other sections of the structure and as to the structural integrity (specifically the lateral stability) of the superstructure section of the residence.

### LIMITATION OF LIABILITY

In using this report Owner/Agent agrees that the liability of Construct, LLC, its officers, agents, employees, affiliates, used on this observance and to the extent such liability arises from professional acts, errors and/or omissions, shall be limited in the aggregate to a sum that is no greater than the total fee of Construct, LLC for services rendered on this observance.

Construct19-009MH February 6th, 2019

C/O: Andrea Ladd

Structure and Drainage Observance for 1009 Clearview Ave., Nashville, TN 37206

On Friday, February 1st, 2018, Construct, LLC (Matthew Hagerty, P.E.) performed a limited structural and drainage observance at the above-mentioned structure.

**Disclaimer:** The professional opinions offered are based on visual observations of apparent conditions existing at the time of observance. Latent and concealed defects and deficiencies are excluded. Destructive testing, subsurface investigation, structural calculations and seismic analysis as well as preparation of design drawings detailing any recommended repairs or improvements are beyond the scope of the services provided. An independent Geotechnical Engineer and/or geologist should be retained if a complete geotechnical investigation is desired. Owner/Agent/Buyer is granted a single use of this report for one transaction, and agrees that this report is not intended for use in any legal action without written consent from Construct, LLC.

***Findings:*** This foundation is comprised of a combination of concrete masonry unit (CMU) blocks and wood foundation with a crawl space, originally constructed in 1923, with several additions since original construction. The rear section of the house appears to be built on a slab-on-grade foundation. The original and subsequent construction drawings were not available for review to verify the structure was done in conformance with construction documents, however, the quality of visible construction and building materials appears to be in conformance to building standards at the time of original construction and in continued service providing condition with the following observations and recommendations. All areas of interior and exterior of the structure were accessible and viewed as part of this observance.

**1. Exterior Drainage:** The exterior landscaping and hardscape are sloped towards the foundation from the East and South sides of the property. The roof has no rain gutters or downspouts (See Photo #1). Water from the roof and downspouts that is not adequately discharged at least three feet from the foundation to a positive drainage (area that grades away from the foundation), may collect at the foundation. This is also causing the exposed framing to rot. In addition, there are sections of the grade that are covering the exterior finishes of the structure (See Photo #2). This condition leads to dry rot and termite intrusion, which causes damage to the finishes and framing of the structure. It also allows water to get into the crawl space.

**Recommended Action:** Install roof gutters and downspouts to drain water away from the foundation. Regrade the sections of the structure where the grade is covering the exterior finishes.

**Photo #1: Missing Gutters and Downspouts, Rotted Framing**

**Photo #2: Grade Covering Exterior Finishes**

**2. Crawl Space Drainage:** There was saturated water throughout the crawl space and efflorescence on the foundation walls (See Photo #3). Efflorescence is a white powder residue left on concrete after water seeps through, and partially dissolves the entrained mineral salts inherent in concrete. This water saturates the soils, and along with elevated levels of relative humidity, can cause settlement and damage to the ferrous metal building components, wood framing, foundation and related structure over time. This water intrusion is coming from the sloping of the property and the downspouts. Water intrusion into the crawl space causes settlement of the foundation and piers and high humidity. In addition, this water intrusion is causing fungus to grow in the crawl space.

**Recommended Action:** Install a French (foundation) drain around the perimeter of the building, leading to a sump pump to discharge water away from the foundation. Install a new crawl space liner to properly cover all of the crawl space. Have a remediation company clean the crawl space, foundation and framing to remove any fungus.

**Photo #3: Saturated Soil**

**3. Framing:** The current condition of the visible framing appears to be in good, continue service providing condition, with no significant structural issues, except for the following. The exterior deck stairs appear to framed in such a way that they are creating a safety hazard (See Photo #4). In addition, the exterior deck itself is rotting, and it is framed in a way that makes it a safety hazard as well (See Photo #5). The roof is sagging and bowing in multiple locations (See Photo #6). In the attic, the framing has been modified to accommodate the roof being under-designed (See Photo #7). In addition, the roof rafters and roof sheathing are damaged (See Photo #8). In its current condition the roof will continue to deflect and could fail. The ceiling of the house is deflecting in a similar manner. The siding on the perimeter walls is also deteriorating (See Photo #9). In the crawl space, the floor framing was installed in an unconventional way that is causing framing members to deflect excessively and become damaged (See Photos #10 and #11). In addition, many of the wood posts are bearing directly into the ground, which causes them to fail prematurely (See Photo #11).

**Recommended Action:** Remove and replace the roof, roof framing, ceiling framing, exterior deck, stairwells and siding on the entire structure. Remove and replace all floor girders and piers.

**Photo #4: Exterior Deck Stair Supports**

**Photo #5: Exterior Deck**

**Photo #6: Sagging Roof**

**Photo #7: Modified Attic Framing**

**Photo #8: Damaged Roof Sheathing**

**Photo #9: Damaged Siding**

**Photo #10: Unconventional and Under-Design Framing**

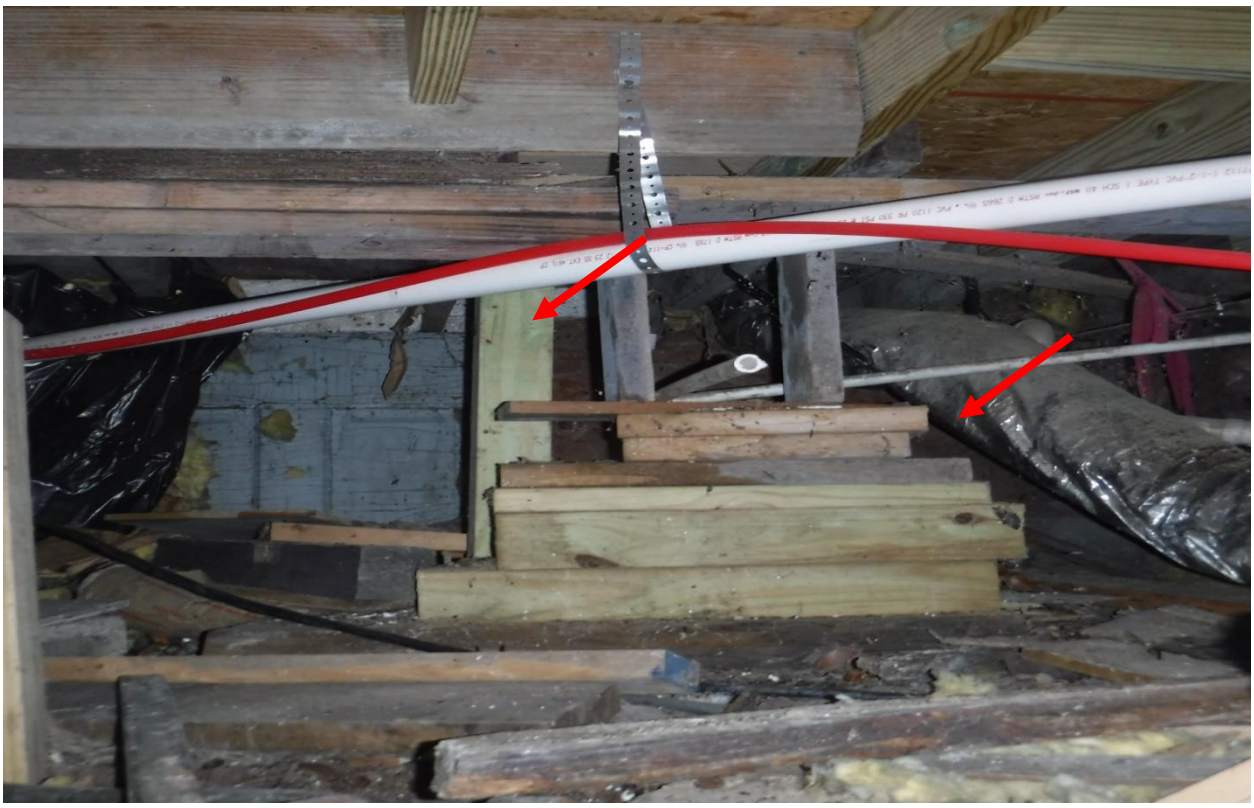


**Photo #11: Unconventional and Under-Design Framing, Pier in Contact with Soil**

**4. Foundation:** The existing foundation is in overall good and continued service providing condition, originally formed, placed, consolidated, and installed within building code compliance and acceptable guidelines for construction at the time of original construction. There were no areas of notable damage found of significance throughout the visible and accessible areas of the structure, except for the following. There are sections of the foundation that have settled and caused the foundation to crack (See Photo #12). This, however, does not appear to be a significant structural issue at this time. In addition, there is a section of the foundation on the West side of the house that is constructed of wood (See Photo #13). While building code accepts the construction of a wood foundation, the service life of the foundation is significantly reduced if it is not constructed properly, which is the case here. The wood foundation is currently rotting and not adequately supporting the structure.

**Recommended Action:** Seal foundation cracks and replace the section of wood foundation.

**Photo #12: Crack in Foundation**

**Photo #13: Wood Foundation, Deteriorated**

**5. Floor Elevation Survey:** The floor elevation was measured throughout with a liquid "zip level" to compare the floor elevation for flatness. This is important to check because in some situations floors can settle, due to varying causes, usually stemming from soil settlement in parts or entirely throughout foundations. These floor measurements showed the floor diaphragm to be outside the normal, acceptable tolerances of 1" in 20'. This settlement is currently structural issues with the framing of the structure.

**Recommended Action:** Lift and level floors. See the framing section of the report for further recommendations.

**Maintenance:** It is recommended to implement a standard maintenance program as follows:

1. Keep rain gutters, downspouts and drain lines clean and directed away from foundation to lower areas in front of site.
2. Monitor foundation and floor frame condition for changes by a qualified professional.
3. Maintain proper function of existing interior and exterior drain and plumbing lines, monitor annually for functionality.
4. Monitor foundation/slab/basement annually during winter months for any signs of moisture or leaks.
5. Implement a professional pest control program per current residential standards for foundations.

**Summary:**

The drainage, foundation and framing for the structure are in need of repair/replacement. It is recommended that the repairs be performed by a contractor who specializes in this type of work. Following the repairs and other recommendations, the foundation and drainage system will provide continued support for the structure.

Maintain drainage and monitor crawl space/foundation per recommendations as noted above.

Sincerely,
Matthew Hagerty, P. E.
Principal
Construct, LLC
Tennessee Professional Engineer License #121076

*Disclaimer: This observance report has been developed and prepared to address observations, site conditions and evaluations relating to professional construction standards at the time of construction for this type of structure. Current Building Code (2012 International Building Code) has been revised from the time of original construction, and is only used as a basis of knowledge, not as a comparison. This observance report is contingent only on what was visible at the time of observance, and excludes any hidden, latent or other defects/situations which were undetectable to the naked eye during observance. Construct, LLC assumes no liability for all unforeseen problems. This report should not be construed as a warranty of any kind, express or implied.*

## LIMITATIONS

The conclusions and recommendations stated in this report are based on a visual survey of the structure. Deficiencies which were not apparent at the time of this survey are not included in this report. This survey is limited to visible areas. This report is designed to give a general status of the structure's structural system. You have not requested or authorized any destructive testing, subsurface investigation, structural calculations or lateral analysis and you have not provided Construct, LLC with a geotechnical report. It in no way precludes the possibility of hidden damage nor guarantees that additional damage may not occur following the survey.

### INITIAL ASSESSMENT REPORT ONLY

This report is intended to be used for information purposes only. The information presented should not be used by others to make repair recommendations or as construction documents. The recommendations presented in this report are intended to give general direction for repairs. Complete repair detail will be specified as a part of the construction documents.

### AREA THIS REPORT IS LIMITED TO

This report is limited to the visible areas only. No investigation was made at the other sections of the structure and as to the structural integrity (specifically the lateral stability) of the superstructure section of the residence.

### LIMITATION OF LIABILITY

In using this report Owner/Agent agrees that the liability of Construct, LLC, its officers, agents, employees, affiliates, used on this observance and to the extent such liability arises from professional acts, errors and/or omissions, shall be limited in the aggregate to a sum that is no greater than the total fee of Construct, LLC for services rendered on this observance.

Construct19-010MH February 6th, 2019

C/O: Andrea Ladd

Structure and Drainage Observance for 1011 Clearview Ave., Nashville, TN 37206

On Friday, February 1st, 2018, Construct, LLC (Matthew Hagerty, P.E.) performed a limited structural and drainage observance at the above-mentioned structure.

**Disclaimer:** The professional opinions offered are based on visual observations of apparent conditions existing at the time of observance. Latent and concealed defects and deficiencies are excluded. Destructive testing, subsurface investigation, structural calculations and seismic analysis as well as preparation of design drawings detailing any recommended repairs or improvements are beyond the scope of the services provided. An independent Geotechnical Engineer and/or geologist should be retained if a complete geotechnical investigation is desired. Owner/Agent/Buyer is granted a single use of this report for one transaction, and agrees that this report is not intended for use in any legal action without written consent from Construct, LLC.

***Findings:*** This foundation is comprised of a concrete masonry unit (CMU) block foundation with a crawl space, originally constructed in 1923. The original construction drawings were not available for review to verify the structure was done in conformance with construction documents, however, the quality of visible construction and building materials appears to be in conformance to building standards at the time of original construction and in continued service providing condition with the following observations and recommendations. All areas of interior and exterior of the structure were accessible and viewed as part of this observance.

**1. Exterior Drainage:** The exterior landscaping and hardscape are sloped towards the foundation from the East and South sides of the property. The roof has rain gutters and downspouts, most of which drain next to the foundation (See Photo #1). Water from the roof and downspouts that is not adequately discharged at least three feet from the foundation to a positive drainage (area that grades away from the foundation), may collect at the foundation. In addition, there are sections of the grade that are covering the exterior finishes of the structure (See Photo #2). This condition leads to dry rot and termite intrusion, which causes damage to the finishes and framing of the structure. It also allows water to get into the crawl space.

**Recommended Action:** Install drainage leaders to the downspouts to drain water away from the foundation. Regrade the sections of the structure where the grade is covering the exterior finishes.

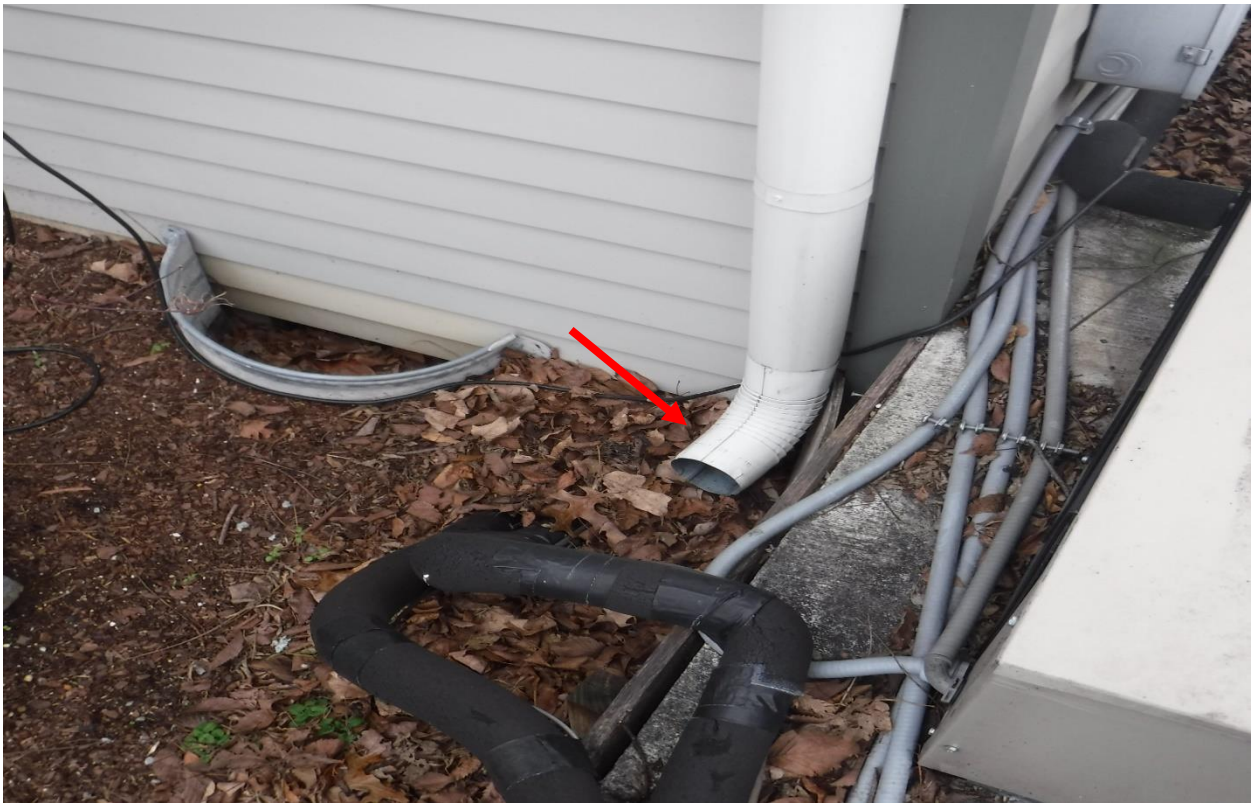


**Photo #1: Downspout Draining Next to Foundation**

**Photo #2: Grade Covering Exterior Finishes**

**2. Crawl Space Drainage:** There was saturated water and water on the liner in the crawl space and efflorescence on the foundation walls (See Photo #3). Efflorescence is a white powder residue left on concrete after water seeps through, and partially dissolves the entrained mineral salts inherent in concrete. This water saturates the soils, and along with elevated levels of relative humidity, can cause settlement and damage to the ferrous metal building components, wood framing, foundation and related structure over time. This water intrusion is coming from the sloping of the property and the downspouts. Water intrusion into the crawl space causes settlement of the foundation and piers and high humidity. In addition, this water intrusion is causing fungus to grow in the crawl space.

**Recommended Action:** Install a French (foundation) drain around the perimeter of the building, leading to a sump pump to discharge water away from the foundation. Install a new crawl space liner to properly cover all of the crawl space. Have a remediation company clean the crawl space, foundation and framing to remove any fungus.

**Photo #3: Water Ponding on Liner**

**3. Framing:** The current condition of the visible framing appears to be in good, continue service providing condition, with no significant structural issues. The floor framing has been previously retrofitted and appear to be functioning as intended. The front roof column, however, is rotting (See Photo #4). If not addressed, the column can fail.

**Recommended Action:** Remove and replace column.

**Photo #4: Rotted Post**

**4. Foundation:** The existing foundation is in overall good and continued service providing condition, originally formed, placed, consolidated, and installed within building code compliance and acceptable guidelines for construction at the time of original construction. There were no areas of notable damage found of significance throughout the visible and accessible areas of the structure, except for the following. There was foundation cracking at several areas of the foundation (See Photo #5). This cracking, however, is not presenting a structural issue at this time. There are also several large trees around the property directly next to the foundation (See Photo #6). This could lead to the tree lifting and damaging the structure, however, it does not appear to be happening at this time.

**Recommended Action:** Fill in cracks in foundation. Continue to monitor the trees and the structure in these locations.

**Photo #5: Crack in Foundation**

**Photo #6: Tree Next to Foundation**

**5. Floor Elevation Survey:** The floor elevation was measured throughout with a liquid "zip level" to compare the floor elevation for flatness. This is important to check because in some situations floors can settle, due to varying causes, usually stemming from soil settlement in parts or entirely throughout foundations. These floor measurements showed the floor diaphragm to be outside the normal, acceptable tolerances of 1" in 20'. This settlement, however, is currently not creating any significant structural issues at this time.

**Maintenance:** It is recommended to implement a standard maintenance program as follows:

1. Keep rain gutters, downspouts and drain lines clean and directed away from foundation to lower areas in front of site.
2. Monitor foundation and floor frame condition for changes by a qualified professional.
3. Maintain proper function of existing interior and exterior drain and plumbing lines, monitor annually for functionality.
4. Monitor foundation/slab/basement annually during winter months for any signs of moisture or leaks.
5. Implement a professional pest control program per current residential standards for foundations.

**Summary:**

The drainage, foundation and framing for the structure are in need of repair/replacement. It is recommended that the repairs be performed by a contractor who specializes in this type of work. Following the repairs and other recommendations, the foundation and drainage system will provide continued support for the structure.

Maintain drainage and monitor crawl space/foundation per recommendations as noted above.

Sincerely,
Matthew Hagerty, P. E.
Principal
Construct, LLC
Tennessee Professional Engineer License #121076

*Disclaimer: This observance report has been developed and prepared to address observations, site conditions and evaluations relating to professional construction standards at the time of construction for this type of structure. Current Building Code (2012 International Building Code) has been revised from the time of original construction, and is only used as a basis of knowledge, not as a comparison. This observance report is contingent only on what was visible at the time of observance, and excludes any hidden, latent or other defects/situations which were undetectable to the naked eye during observance. Construct, LLC assumes no liability for all unforeseen problems. This report should not be construed as a warranty of any kind, express or implied.*

## LIMITATIONS

The conclusions and recommendations stated in this report are based on a visual survey of the structure. Deficiencies which were not apparent at the time of this survey are not included in this report. This survey is limited to visible areas. This report is designed to give a general status of the structure's structural system. You have not requested or authorized any destructive testing, subsurface investigation, structural calculations or lateral analysis and you have not provided Construct, LLC with a geotechnical report. It in no way precludes the possibility of hidden damage nor guarantees that additional damage may not occur following the survey.

### INITIAL ASSESSMENT REPORT ONLY

This report is intended to be used for information purposes only. The information presented should not be used by others to make repair recommendations or as construction documents. The recommendations presented in this report are intended to give general direction for repairs. Complete repair detail will be specified as a part of the construction documents.

### AREA THIS REPORT IS LIMITED TO

This report is limited to the visible areas only. No investigation was made at the other sections of the structure and as to the structural integrity (specifically the lateral stability) of the superstructure section of the residence.

### LIMITATION OF LIABILITY

In using this report Owner/Agent agrees that the liability of Construct, LLC, its officers, agents, employees, affiliates, used on this observance and to the extent such liability arises from professional acts, errors and/or omissions, shall be limited in the aggregate to a sum that is no greater than the total fee of Construct, LLC for services rendered on this observance.

# Quote Submitted to:

*Corey Ladd*
(615) 294-1291
contactcorey@gmail.com

**Date: 12/17/2018** **Job # 18-0348D**

**We hereby submit our Proposal for: 1009 Clearview Ave**

**Demolition Pricing:**

| | | | |
|---|---|---|---|
| 1009 | :..... | $ | 7,600.00 |
| 1007 | :..... | $ | 7,600.00 |
| 1011 | :..... | $ | 10,200.00 |
| | **Total** | **$** | **25,400.00** |

Structural Scope:

- Notify 811 before demolition begins
- Obtain demolition permits
- Recycle Freon from A/C Units
- Demolish existing structure
- Remove slab
- Remove footings
- Supply dust suppression during demolition
- Supply C&D containers for demolition debris
- Rough grade affected areas after demolition is complete
- All demolition debris to be taken to certified landfill/solid fill site for disposal

Exclusions:

- Asbestos Abatement to be priced seperately
- ME&P cut and caps to be done by others
- ICRA containment to be done by others
- All items not listed in scope to be priced separately
- Seed and straw to be priced separately or done by others
- Grading permit to be obtained by others
- Final grade to be priced separately or done by others unless noted above

We will complete all work as specified above (weather permitting) upon receipt of duly signed agreement and/or notice that the owner is ready for work to commence on the job. We are adequately covered with Public Liability, Property Damage and Workman's Compensation Insurance. **LIC#00058732**

We will furnish all labor, materials, machinery, equipment and services, and perform and complete the work as specified above for the consideration of all ***salvageable materials*** on the premises, with the exceptions as noted above. Terms are Net 30 days.

Upon completion of the project as specified above, interest charges will be added at 1.5% per month on past due invoices. In the event collection of any amount due hereunder is placed in the hands of an attorney for collection, or in the event it becomes necessary for Demo Plus, Inc. to bring legal action to enforce any provision of this agreement, the undersigned agrees to pay to Demo Plus, Inc., in addition to all other relief to which Demo Plus, Inc. may be entitled, all costs and expenses of such collection or enforcement including, but not limited to, reasonable attorney's fees, and all such relief shall be cumulative.

**BY:** *Chase Huffstutler*
**Eric Sloan** *Project Manager/Estimator*
**Phone:** 615.620.3366 (ext.)210 ***Mobile:*** *615.293.5534* **Fax:** 615.620.3375
Email: chaseh@demoplusinc.com

NOTE: This proposal may be withdrawn by us if not accepted within 30 (thirty) days.

**ACCEPTANCE OF PROPOSAL**

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outline above.

_____ _____

Signature Date

Tiny's Construction LLC
2461 Bransford Ave.
Nashville, TN 37204-0285

# Estimate

| Date | Estimate # |
|---|---|
| 11/30/2018 | 5609 |

| Name / Address |
|---|
| Oldacre McDonald, LLC<br>3841 Green Hills Village Dr. Suite 400<br>Nashville, TN 37215 |

| Project |
|---|
| 1007, 1009, & 1011 Clearview Ave. |

| Description | Total |
|---|---|
| Demolition Of House Located At 1007 Clearview Ave. | 5,128.93 |
| Demolition Of House Located At 1009 Clearview Ave. | 8,044.30 |
| Demolition Of House Located At 1011 Clearview Ave. | 10,136.51 |
| Note:<br><br>Price based on demoing all 3 houses simultaneously.<br><br>Excludes trees and hazmats | |
| This estimate is for demolition of structure down to dirt.<br><br>Any additional work beyond demolition of structure will be priced accordingly.<br><br>This project is priced at $1,000 per dumpster. Fewer dumpsters used will result in a deduction of $750 to the estimates price. (Minimum of $4,750 for the project.)<br><br>PAYMENT IS DUE UPON COMPLETION | |

| ALL RECYCLABLES ARE PROPERTY OF TINY'S CONSTRUCTION, LLC | **Total** |
|---|---|

m 615.333.9155 info@tinysconstructionllc.com
f 615.834.9952 tinysconstructionllc.com

Signature

Tiny's Construction LLC
2461 Bransford Ave.
Nashville, TN 37204-0285

# Estimate

| Date | Estimate # |
|---|---|
| 11/30/2018 | 5609 |

| Name / Address |
|---|
| Oldacre McDonald, LLC<br>3841 Green Hills Village Dr. Suite 400<br>Nashville, TN 37215 |

| Project |
|---|
| 1007, 1009, & 1011 Clearview Ave. |

| Description | Total |
|---|---|
| -BF- | |

GENERAL NOTES APPLY UNLESS OTHERWISE SPECIFIED

MP&E Disconnects and Capping off by others.

Slab demo is based off of 4" slab. Any thicker a change order will be required.

ALL HAZARDOUS MATERIALS ARE TO BE ABATED BY OTHERS. A SURVEY IS REQUIRED PRIOR TO MOBILIZATION. (SURVEY BY OTHERS)

All sawcutting by others. Unless otherwise specified

Care will be taken to not damage driveways, parking lots or other locations dumpsters may be place. However, due to the size and weight of the dumpsters and trucks Tiny's Construction, LLC shall not be held responsible for damages.

ALL DUST CONTAINMENT BY OTHERS, FLOOR PROTECTION BY OTHERS, LENTILS & SHORING BY OTHERS.

IF WORK STOPPAGE IS CAUSED BY CLIENT/OWNER AND REQUIRES REMOBILIZATION OR MULTI-MOBILIZATIONS THAT HAVE NOT BEEN EXPRESSED PRIOR TO DATE OF BID, TINY'S CONSTRUCTION, LLC RESERVES THE RIGHT TO CHARGE FOR TIME AND MATERIALS

THIS PRICE IS BASED ON NON-CORE FILLED WALLS. CORE FILLED WALLS WILL REQUIRE A CHANGE ORDER

ALL RECYCLABLES ARE PROPERTY OF TINY'S CONSTRUCTION, LLC

**Total** $23,309.74

m 615.333.9155 info@tinysconstructionllc.com
f 615.834.9952 tinysconstructionllc.com

Signature _____

**CHAD LINDSEY CONSTRUCTION, LLC**
PO BOX 331444
NASHVILLE, TN 37203-7514
615-964-7147
estimator@ledtenn.com

# Estimate

| ADDRESS |
| --- |
| Mr Seth Yazdian |

| ESTIMATE # | DATE | |
| --- | --- | --- |
| QU00123 | 11/30/2018 | |

| DATE | ACTIVITY | DESCRIPTION | QTY | RATE | AMOUNT |
| --- | --- | --- | --- | --- | --- |
| 11/30/2018 | **Demolition** | Demolition of houses located at 1007, 1009, and 1011 Clearview Ave. | 1 | 24,000.00 | 24,000.00 |

Exclusions: Grading, Import any materials, Sinkhole repair, Spoil haul off, Tap Fees, Top soil, Temporary Construction Fence, Rock Excavation, Irrigation, Water, Sewer, Landscaping, Storm water drainage.

TOTAL **$24,000.00**

Accepted By

Accepted Date

# Proposal / Contract

Prepared for (Home Owners) : Andrea Ladd & Matt Spicher
Address: 1007 Clearview Ave Nashville
Phone number: 615-589-6680
Email address: ladda@comcast.net
Prepared by: General Contractor. ( 599 Waldron Road LaVergne TN 37086 ) 615-417-2534
Date Prepared: 2-10-19

---

This Agreement is made, this day:_____
Between Home Owners and General Contractor: (R.L.Ward Builders)
The Contractor and Home Owners, agree that work detailed below in the (Budget section) will have a start date of: Within (7) days after all permits have been issued

***Payment due @ signing :***
***$ 2000.00 when contract is signed ( this starts the, permit process )***
***Note! This amount will come off Final Deposit.***

***Balance of Deposit : Once permits have been Issued, and start date has been set.***

Home Owner agrees to pay a total of $ 86,572.00
With a 40% Deposit, to be paid on or before the start date, with bi-weekly draws based upon work completed. **40% Deposit $ 34,628.80**

The Home Owner will hold 5 % of payment until final walkthrough, and confirm that all work was completed & that, the contractor has met all the obligations to this contract.

Items ( 1-10 ) Detail of all responsibility, of both, Contractor and Home Owner.

1) **Contractor agrees to secure all permits and maintain all insurance**, necessary to complete this project, all work will be done within the parameters of the laws of the State of Tennessee.

2) **The Contractor agrees to have continued work from the point the project is started**, and to finish the project in a timely manner. Home Owners understand, and have been advised that, **Weather, Products (supply / demand), and Labor availability,** are all some of the, but not limited to, (unforeseen conditions) that can cause delays in the projects finish time.

3) **Contractor agrees that any debris, equipment, ect.** Will be removed from the property upon completion of this project, the location will be returned to the state in which it was found prior to work, excepting of course the changes made as a result of the work preformed.

4) **Contractor and Home Owners agree**, that all materials shall be new, and in compliance with all applicable laws and codes. All materials used shall be held only to the manufactures warranty, Contractor does not warranty materials beyond manufactures warranty.

5) **Limited Warranties:**
Contractor will complete All specified work, in a substantial and workmanlike manner according to standard practices, prevalent in Contractors trade, **Contractor: warrants that all work will comply with all applicable building codes and regulations** All labor will be free from defect for (**One Year**) from the date of final completion of this project, the final payment will serve as the final completion date.
**Warranty** : It is the condition of this Contract, that the warranty on all products used is **ONLY warranty by the manufactures warranty.** Contractor does not provide any future warranty to products and or materials used, other than the manufactures warranty. The Contractor Shall

ONLY use **Licensed: (Electricians, Plumbers, HVAC)** All three of which, is required to have a state license. Their work, will be Inspected by the State and or local Codes department, and **must pass all inspections**, before final completion of this project. Should there be any issues, after the final walkthrough day, of this finished project. Issues that pertains to (Electrical, Plumbing, HVAC) The Contractor, will provide the home owner, with the contact information of said Licensed Tradesmen, it will be the responsibility of the Home owner to contact said licensed Tradesmen and set up a day and time for them to come out and meet with homeowner, and resolve any issues, as they will be responsible for any issues that pertain to their Licensed trade, for ONE year from the finished project date. The Contractor shall receive a written notice from the Home Owners, should a defect be discovered in the workmanship of any other work completed, during the ONE year warranty time. Upon notice, the Contractor shall promptly preform the correction of work.

6) **Change Orders:**
The Contractor and Home Owners recognize that:
Contractors original **Cost and Time Estimates for Completion**, may prove too low due to unforeseen events, or to factors unknown to the Contractor, at the time this contract was made.
Should a Change order be necessary, The Contractor will provide to the home owner a written change order, stating any changes and cost. It **must be signed by both Contractor and Home Owner** before work will begin.

7) **Items that are, Not part of this contract:** Any work to be completed on this project, and or any items to be supplied by the contractor on this project. **If it is NOT written, in this Contract under (Project Budget section), then it is NOT part of this Contract.** And there would be additional cost-plus fees.

8) **Home Owner recognizes**, and understands that the Contractor, is in charge of the worksite safety at ALL times, and that all safety precautions, Must be followed: **that are set by Contractor,** until this project is completed. Failure to adhere to set safety precautions would result in a breach of contract.

9) **Home Owner recognizes**, and understands that **NO** other subs and or workers, shall be hired by the home owner, to preform any work on this project, that pertain to any work being done in the areas in which, the Contractor has been hired to do under this contract. And no work shall be done that can or will, directly or indirectly effect the Contractor, in preforming the work set forth in this contract. **Unless, it is in writing and agreed upon by both parties**.

10) **Pictures**: Contractor, reserves the right to take or have taken, pictures of all finished work on this project, and can use any and all pictures in advertising and websites to promote their business.

**Dispute Resolution :**

If any dispute arises under the terms of this agreement, the parties agree the, dispute to be submitted to binding arbitration, under the rules issued by the American Arbitration Association. The decision of the arbitrator shall be final.

Any costs and fees (Other than attorney fees) associated with mediation and arbitration shall be shared equally by the parties.

The reasonable attorney fees, of the prevailing party shall be paid by the other party.

**Make Checks payable to: R.L.Ward Builders**

***( Estimates are ONLY good for 30 Days from Date submitted )***

## Project: BUDGET

| Description | Cost | |
|---|---|---|
| 1) Demo the current shingles from roof: it is estimated to have (2) layers of current shingles. (Once shingles have been removed We will replace up to 3 sheets of OSB roof decking where needed due to any rot that may be found) if more than 3 sheets of OSB are need that will consist of a change order. Install new roof, using 30 year Architectural shingles. *instead of using felt paper for underlay* (We use TYPAR underpayment (Typar is stronger than 30 lb felt paper and lighter than number 30 felt, does not absorb water, meets all ICC codes) | $ | 7,600 |
| 2) Down spout drains will be installed at all down spouts: which will have up to 6 ft buried drain with a pop up drain | $ | 1,100 |
| 3) Install a french drain around the perimeter of the house, leading to a sump pump to discharge water away from the foundation | $ | 3,400 |
| 4) Install a new vapor barrier under the house | $ | 800 |
| 5) Re-place any damaged siding (Note! If we demo the siding from house at 1009 Ave we can use some of the good siding from there to replace any needed on this project) | $ | 1,150 |
| 6) Pour new concrete footer, under house in the area where the foundation has been undermined due to previous excavation | $ | 1,800 |
| 7) Front porch column : this section of concrete pad needs to have a footer put under the outside edge where the column rest, this is done by removing post temp support area, cut concrete 2X2 sq where post sets and pour a footer to meet codes, we will during this process raise the concrete pad to close the current crack in the middle of the pad. After new footer has been completed, install new column support . | $ | 1,500 |
| 8) Under the house : Treat all areas where fungus is visible : neutralize the areas to prevent any future exposure. | $ | 900 |
| 9) New windows per plans and Historical approved (9) windows | $ | 4,500 |
| 10) Note! If the inside is requested to have open cathedral ceilings and open space such as is in 1011 Clearview Ave. we can do that per owners request. that would be by way of change order, once all specifications have been determined. This is not included in this estimate @ this time . | | |
| | | |
| | | |
| | | |
| | | |
| | | |

| Description | Cost |
|---|---|
| **Build new Addition on the rear of the house: per plans provided by owner** | |
| 10) New addition will be 5' 4" on the left side, and 7' 6" on the right side Both sides will be 22' 7" deep. total new square foot addition: estimated 276 sq ft X 180.00 sq ft | $ 49,680 |
| Note! The exterior of the new addition will have Hardi-board siding to match current siding | |
| Note! New roof to match current new roof installed in item # 1 | |
| | |
| | |
| | |
| **Permits / Landfield fee. $ 2850.00** | $ 2,850 |
| **Contractor fee 15% $ 11,292.00** | $ 11,292 |
| **Total** | **$ 86,572** |

**Date**:

**Signature** :

Home Owners:

* _____

* _____

**Signature**:

General Contractor:

R.L. Ward Builders: * _____

*CL CONSTRUCTION*
7175 Nolensville Rd. Suite 207
Nolensville, TN 37135
(P) 615.776.7375
(F) 615.776.1222

March 1st, 2019

1007 Clearview Ave
Matthew Spicher

Project: 1007 Clearview Ave  Nashville, TN 37206
Below is a proposal for the construction services shown in the scope below based upon the findings of structural and drainage observance done on February 6th 2019 by Construct, LLC (Matthew Hagerty, P.E.) Construct 19-008MH as well as
All labor, equipment and material are included.

Construction Scope

1) Demo/Remove and Replace Roof
w/ new asphalt shingle roof; Timberline color / slate
$9000

2) Plumbing, Drainage and Prevention
Clear surrounding perimeter and install a French drain. Remove all fungus and treat for further issues. Install new vapor barrier under the house.
$ 5,000

3) Remove and Replace Siding
Replace with new "Hardie" cement fiber siding
New fiberglass batt insulation within existing 2x4 cavity space (R-15 min)
$ 3000

6) Supports, Foundation, and Columns
Pour new concrete footing, 6x6 P.T. Wood posts with Simpson metal connectors at the top and bottom.
$2500

9) Historical Approved Windows
(9) New Historical Approved Windows (Double Hung) Aluminum Clad IG Low E II w/Argon
$6000

10) Add Addition to current structure based on setbacks.
$60,000

Repairs - $25,500

Addition - $60,000

Building Permit Fees - $3000

Overhead and Profit - $12, 825

Total Cost of Project - $98,325

To execute this agreement above please sign below.

Signature Date

*CL CONSTRUCTION*
7175 Nolensville Rd. Suite 207
Nolensville, TN 37135
(P) 615.776.7375
(F) 615.776.1222

March 1st, 2019

1009 Clearview Ave
Norman Spicher

Project: 1009 Clearview Ave  Nashville, TN 37206
Below is a proposal for the construction services shown in the scope below based upon the findings of structural and drainage observance done on February 6th 2019 by Construct, LLC (Matthew Hagerty, P.E.) Construct 19-009MH as well as
All labor, equipment and material are included.

Construction Scope

1) Demo/Remove and Replace Roof (multiple layers of added shingles, structural integrity not sound. We'll need to replace and support previous add ons)
w/ new asphalt shingle roof; Timberline color / slate
Repair 2x4 Rafters
Add new fiberglass batt insulationat roof (R-38 min) with vent baffles between rafters.
$20,000

2) Plumbing, Drainage and Prevention
Clear surrounding perimeter and install a French drain. Remove all fungus and treat for further issues. Install new vapor barrier under the house. Install new plumbing for multiple areas of the property. (including bathrooms, kitchen, drainage, sewer, and water lines.)
$17,000

3) Remove and Replace Siding
Replace with new "Hardie" cement fiber siding
New fiberglass batt insulation within existing 2x4 cavity space (R-15 min)
Repair wood framing and existing CMU (8" CMU Foundation walls)
$32,000

4) Remove and Replace HVAC
based off of the size of the current state (addition added 20 years ago did not factor in ton size for current unit)
$12,000

5) Supports, Foundation, and Columns
Pour new concrete footing, 6x6 P.T. Wood posts with Simpson metal connectors at the top and bottom.
Triple 2x12 Beams to be added below existing floor joists and additional beam liner added.
Repair cracks in foundation
Remove ceiling and replace structural supports in rafters. (structural letter pending)
Spray new insulation
New Drywall
Remove all debris and rotted wood in foundation as well as water damage areas
$52,000

6) Historical Approved Windows
Multiple  New Historical Approved Windows (Double Hung) Aluminum Clad IG Low E II w/Argon
$9,000

7) Finishes, Hardwood, Trim Outs, and Paint
$34,900

7) Replace Electrical
$15,000

Repairs - $191,900

Proposed (2nd level Addition) - $340000

Building Permit Fees - $6800

Overhead and Profit - $80,805

Total Cost of Project - $538,700

To execute this agreement above please sign below.

Signature Date

# Proposal / Contract

Prepared for (Home Owners) : Andrea Ladd & Matt Spicher
Address: 1009 Clearview Ave. Nashville
Phone number: 615-589-6680
Email address: ladda@comcast.net
Prepared by: General Contractor. ( 599 Waldron Road LaVergne TN 37086 ) 615-417-2534
Date Prepared: 2-10-19

---

This Agreement is made, this day:_____
Between Home Owners and General Contractor: (R.L.Ward Builders)
The Contractor and Home Owners, agree that work detailed below in the (Budget section) will have a start date of: Within (7) days after all permits have been issued

***Payment due @ signing :***
***$ 2000.00 when contract is signed ( this starts the, permit process, and architect plans which are included @ no additional cost to home owner )***
***Note! This amount will come off Final Deposit.***

***Balance of Deposit : Once permits have been Issued, and start date has been set.***

Home Owner agrees to pay a total of $ 299,920.00
With a 40% Deposit, to be paid on or before the start date, with bi-weekly draws based upon work completed. **40% Deposit $ 119,968.00**

The Home Owner will hold 5 % of payment until final walkthrough, and confirm that all work was completed & that, the contractor has met all the obligations to this contract.

Items ( 1-10 ) Detail of all responsibility, of both, Contractor and Home Owner.

1) **Contractor agrees to secure all permits and maintain all insurance**, necessary to complete this project, all work will be done within the parameters of the laws of the State of Tennessee.

2) **The Contractor agrees to have continued work from the point the project is started**, and to finish the project in a timely manner. Home Owners understand, and have been advised that, **Weather, Products (supply / demand), and Labor availability,** are all some of the, but not limited to, (unforeseen conditions) that can cause delays in the projects finish time.

3) **Contractor agrees that any debris, equipment, ect.** Will be removed from the property upon completion of this project, the location will be returned to the state in which it was found prior to work, excepting of course the changes made as a result of the work preformed.

4) **Contractor and Home Owners agree**, that all materials shall be new, and in compliance with all applicable laws and codes. All materials used shall be held only to the manufactures warranty, Contractor does not warranty materials beyond manufactures warranty.

5) **Limited Warranties:**
Contractor will complete All specified work, in a substantial and workmanlike manner according to standard practices, prevalent in Contractors trade, **Contractor: warrants that all work will comply with all applicable building codes and regulations** All labor will be free from defect for (**One Year**) from the date of final completion of this project, the final payment will serve as the final completion date.
**Warranty** : It is the condition of this Contract, that the warranty on all products used is **ONLY warranty by the manufactures warranty.** Contractor does not provide any future warranty to

products and or materials used, other than the manufactures warranty. The Contractor Shall ONLY use **Licensed: (Electricians, Plumbers, HVAC)** All three of which, is required to have a state license. Their work, will be Inspected by the State and or local Codes department, and **must pass all inspections**, before final completion of this project. Should there be any issues, after the final walkthrough day, of this finished project. Issues that pertains to (Electrical, Plumbing, HVAC) The Contractor, will provide the home owner, with the contact information of said Licensed Tradesmen, it will be the responsibility of the Home owner to contact said licensed Tradesmen and set up a day and time for them to come out and meet with homeowner, and resolve any issues, as they will be responsible for any issues that pertain to their Licensed trade, for ONE year from the finished project date. The Contractor shall receive a written notice from the Home Owners, should a defect be discovered in the workmanship of any other work completed, during the ONE year warranty time. Upon notice, the Contractor shall promptly preform the correction of work.

6) **Change Orders:**
The Contractor and Home Owners recognize that:
Contractors original **Cost and Time Estimates for Completion**, may prove too low due to unforeseen events, or to factors unknown to the Contractor, at the time this contract was made.
Should a Change order be necessary, The Contractor will provide to the home owner a written change order, stating any changes and cost. It **must be signed by both Contractor and Home Owner** before work will begin.

7) **Items that are, Not part of this contract:** Any work to be completed on this project, and or any items to be supplied by the contractor on this project. **If it is NOT written, in this Contract under (Project Budget section), then it is NOT part of this Contract.** And there would be additional cost-plus fees.

8) **Home Owner recognizes**, and understands that the Contractor, is in charge of the worksite safety at ALL times, and that all safety precautions, Must be followed: **that are set by Contractor,** until this project is completed. Failure to adhere to set safety precautions would result in a breach of contract.

9) **Home Owner recognizes**, and understands that **NO** other subs and or workers, shall be hired by the home owner, to preform any work on this project, that pertain to any work being done in the areas in which, the Contractor has been hired to do under this contract. And no work shall be done that can or will, directly or indirectly effect the Contractor, in preforming the work set forth in this contract. **Unless, it is in writing and agreed upon by both parties**.

10) **Pictures**: Contractor, reserves the right to take or have taken, pictures of all finished work on this project, and can use any and all pictures in advertising and websites to promote their business.

**Dispute Resolution :**

If any dispute arises under the terms of this agreement, the parties agree the, dispute to be submitted to binding arbitration, under the rules issued by the American Arbitration Association. The decision of the arbitrator shall be final.

Any costs and fees (Other than attorney fees) associated with mediation and arbitration shall be shared equally by the parties.

The reasonable attorney fees, of the prevailing party shall be paid by the other party.

**Make Checks payable to: R.L.Ward Builders**

***( Estimates are ONLY good for 30 Days from Date submitted )***

## Project: BUDGET

| Description | Cost |
|---|---|
| **Phase # 2 Demo and remodel** the rear section of the house, which consist of two different additions, that have been added on the the main house structure, from the back of the main house. | |
| 1) Demo the two addition structures down to the foundation. (Note will will keep the footers and current foundation) | $ 16,400 |
| Note! Framing for new, (TWO story addition) Note! This is figured for just open rooms on both levels, we can add bathrooms , ect upon request, that will consist of a change order.<br>All rooms will be drywalled finished, hardwood floors, trim and painting Note! The upper level will have vaulted ceilings same as the vaulted ceilings in the front half of Phase # 1, the bottom level will have eight foot ceiling height | |
| Note! The roof line will be same gable style as it is now (All to be approved by Historical board) | |
| 2) Estimated new sq ft, the addition will consist of : 720 sq ft per level = 1440 sq ft X 160.00 sq ft construction turn key cost. | 230400 |
| 5) We will dig out from the rear of the main house structure down to ground level where the current room is, that is the furthest from the house now, this will give us enough room to have a two story addition without compromising any roof additional roof height, this way we stay within the guidelines of the Historical board, this will also include re-in force of footers | $ 7,500 |
| Note! This will allow for (6) Windows per level, all walls, ceilings will be drywall, all ceilings will be 9 ft ceilings the upper level ceiling will be vaulted. | |
| Note! Insulation and HVAC will all meet and or exceed codes required. | |
| Note! All siding and roof will be of same materials as used in Phase #1 project. | |
| Keep in mind that all rooms are finished as just open space with no bathrooms or kitchens, all of which we can do if requested that would be by way of change order. | |
| | |
| | |
| | |
| | |
| | |

| Description | Cost |
|---|---|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| **Permits / Landfield fee. $ 6500.00** | $ 6,500 |
| **Contractor fee 15% $ 39,120.00** | $ 39,120 |
| **Total** | **$ 299,920** |

**Date**:

**Signature** :

Home Owners:

* _____

* _____

**Signature**:

General Contractor:

R.L. Ward Builders: * _____

# Proposal / Contract

Prepared for (Home Owners) : Andrea Ladd & Matt Spicher
Address: 1009. Clearview Ave. Nashville
Phone number: 615-589-6680
Email address: ladda@comcast.net
Prepared by: General Contractor. ( 599 Waldron Road LaVergne TN 37086 ) 615-417-2534
Date Prepared: 2-10-19

---

This Agreement is made, this day:_____
Between Home Owners and General Contractor: (R.L.Ward Builders)
The Contractor and Home Owners, agree that work detailed below in the (Budget section) will have a start date of: Within (7) days after all permits have been issued

***Payment due @ signing :***
***$ 2000.00 when contract is signed ( this starts the, permit process )***
***Note! This amount will come off Final Deposit.***

***Balance of Deposit : Once permits have been Issued, and start date has been set.***

Home Owner agrees to pay a total of $ 191,418.00
With a 40% Deposit, to be paid on or before the start date, with bi-weekly draws based upon work completed. **40% Deposit $ 76,567.20**

The Home Owner will hold 5 % of payment until final walkthrough, and confirm that all work was completed & that, the contractor has met all the obligations to this contract.

Items ( 1-10 ) Detail of all responsibility, of both, Contractor and Home Owner.

1) **Contractor agrees to secure all permits and maintain all insurance**, necessary to complete this project, all work will be done within the parameters of the laws of the State of Tennessee.

2) **The Contractor agrees to have continued work from the point the project is started**, and to finish the project in a timely manner. Home Owners understand, and have been advised that, **Weather, Products (supply / demand), and Labor availability,** are all some of the, but not limited to, (unforeseen conditions) that can cause delays in the projects finish time.

3) **Contractor agrees that any debris, equipment, ect.** Will be removed from the property upon completion of this project, the location will be returned to the state in which it was found prior to work, excepting of course the changes made as a result of the work preformed.

4) **Contractor and Home Owners agree**, that all materials shall be new, and in compliance with all applicable laws and codes. All materials used shall be held only to the manufactures warranty, Contractor does not warranty materials beyond manufactures warranty.

5) **Limited Warranties:**
Contractor will complete All specified work, in a substantial and workmanlike manner according to standard practices, prevalent in Contractors trade, **Contractor: warrants that all work will comply with all applicable building codes and regulations** All labor will be free from defect for (**One Year**) from the date of final completion of this project, the final payment will serve as the final completion date.
**Warranty** : It is the condition of this Contract, that the warranty on all products used is **ONLY warranty by the manufactures warranty.** Contractor does not provide any future warranty to products and or materials used, other than the manufactures warranty. The Contractor Shall

ONLY use **Licensed: (Electricians, Plumbers, HVAC)** All three of which, is required to have a state license. Their work, will be Inspected by the State and or local Codes department, and **must pass all inspections**, before final completion of this project. Should there be any issues, after the final walkthrough day, of this finished project. Issues that pertains to (Electrical, Plumbing, HVAC) The Contractor, will provide the home owner, with the contact information of said Licensed Tradesmen, it will be the responsibility of the Home owner to contact said licensed Tradesmen and set up a day and time for them to come out and meet with homeowner, and resolve any issues, as they will be responsible for any issues that pertain to their Licensed trade, for ONE year from the finished project date. The Contractor shall receive a written notice from the Home Owners, should a defect be discovered in the workmanship of any other work completed, during the ONE year warranty time. Upon notice, the Contractor shall promptly preform the correction of work.

6) **Change Orders:**
The Contractor and Home Owners recognize that:
Contractors original **Cost and Time Estimates for Completion**, may prove too low due to unforeseen events, or to factors unknown to the Contractor, at the time this contract was made.
Should a Change order be necessary, The Contractor will provide to the home owner a written change order, stating any changes and cost. It **must be signed by both Contractor and Home Owner** before work will begin.

7) **Items that are, Not part of this contract:** Any work to be completed on this project, and or any items to be supplied by the contractor on this project. **If it is NOT written, in this Contract under (Project Budget section), then it is NOT part of this Contract.** And there would be additional cost-plus fees.

8) **Home Owner recognizes**, and understands that the Contractor, is in charge of the worksite safety at ALL times, and that all safety precautions, Must be followed: **that are set by Contractor,** until this project is completed. Failure to adhere to set safety precautions would result in a breach of contract.

9) **Home Owner recognizes**, and understands that **NO** other subs and or workers, shall be hired by the home owner, to preform any work on this project, that pertain to any work being done in the areas in which, the Contractor has been hired to do under this contract. And no work shall be done that can or will, directly or indirectly effect the Contractor, in preforming the work set forth in this contract. **Unless, it is in writing and agreed upon by both parties**.

10) **Pictures**: Contractor, reserves the right to take or have taken, pictures of all finished work on this project, and can use any and all pictures in advertising and websites to promote their business.

**Dispute Resolution :**

If any dispute arises under the terms of this agreement, the parties agree the, dispute to be submitted to binding arbitration, under the rules issued by the American Arbitration Association. The decision of the arbitrator shall be final.

Any costs and fees (Other than attorney fees) associated with mediation and arbitration shall be shared equally by the parties.

The reasonable attorney fees, of the prevailing party shall be paid by the other party.

**Make Checks payable to: R.L.Ward Builders**

***( Estimates are ONLY good for 30 Days from Date submitted )***

## Project: BUDGET

| Description | Cost |
|---|---|
| **Phase # 1** will be Everything in the original Sq ft of the house, it does not include any of the added on additions. (The added on additions start from the rear Double doors) | |
| 1) Demo all the current wood siding, and any rotten eve boards, all corner boards ect. Note! (We will keep all wood siding that is removed to be reused on other properties owned by the home owners) Note! If home owners want to have the entire siding re-moved on the rear section the added amount to the price quoted would be an additional $ 3000.00 | $ 2,800 |
| 2) Replace any rotten 2x4 wall framing once exposed ( we anticipate there to be up to 500.00 worth of materials in repairs mostly around windows, and doors ) | $ 1,600 |
| 3) Replace all windows with a quality replacement window with Low-E and double insulated energy efficient windows. ( All windows will comply with the Historical board approval) Note! If home owners want to have the windows re-placed on the rear section the added amount to the price quoted would be an additional $ 1600.00 | $ 4,500 |
| 4) Demo the current shingles from roof: it is estimated to have (2) layers of current shingles. (Once shingles have been removed We will replace up to 3 sheets of OSB roof decking where needed due to any rot that may be found) if more than 3 sheets of OSB are need that will consist of a change order. Install new roof, using 30 year Architectural shingles. *instead of using felt paper for underlay* (We use TYPAR underpayment (Typar is stronger than 30 lb felt paper and lighter than number 30 felt, does not absorb water, meets all ICC codes) Note! If home owners want to have the entire roof re-roofed including the roof that goes over the rear added on sections, the added amount to the price quoted would be an additional : $ 3500.00 | $ 7,600 |
| 5) Install New Hardi-board siding with 4 inch reveal, new facia boards, and all corner boards and window trim. This will include adding osb and house wrap to prior to siding being installed. ( All siding will comply with the Historical board) Note! All trim will be to match current trim in style and era) Note! If home owners want to have the entire siding re-placed on the rear section the added amount to the price quoted would be an additional $ 9200.00 | $ 18,500 |
| 6) Under the main house structure: We will hand dig new footers per codes required every 8 ft apart for a new Girder support, install proper girder support, (lift and Level out the main floor joist) | $ 4,200 |
| 7) Clean ALL debris from under the house, seal any cracks in block foundation walls, and then install a vapor barrier per codes required | $ 2,800 |

| Description | Cost | |
|---|---|---|
| 8) Install Half-round gutters and down spouts  Note! If home owners want to have the gutters and downspouts on the rear section the added amount to the price quoted would be an additional $ 2100.00. Note! The price quoted includes adding facia board to have something to attach gutter to. | $ | 6,400 |
| 9) Inside the house : Demo ALL dividing walls including the fireplace completely to under main floor level. | $ | 3,800 |
| 10) Demo all wall covering to studs exposed | $ | 3,500 |
| 11) Electrcial Update all wiring once exposed | $ | 10,500 |
| 12) Plumbing Update all plumbing once exposed including sewer drain and water lines under house over to edge of foundation (note! This does not include no water lines or sewer line from the house to the street) should that be requested that will consist of an change order | $ | 8,500 |
| 13) Remove all ceilings and raise ceilings to cathedral ceilings: this will consist of adding new support rafters using 2X10  Note! All structural support will be approved by Structural Engineer prior to work beginning, the cost for Engineer is included in this estimate | $ | 28,800 |
| 14) New insulation in walls and under main floor level, Spray foam in the ceiling rafter area | $ | 9,100 |
| 15) Drywall:  all walls and ceilings :Finish Smooth or stucco look (Owner to decide finish) | $ | 11,500 |
| 16) All interior trim, baseboard, window trim ect will be of same style of trim of the era. | $ | 6,500 |
| 17) Painting : All interior and all exterior Note! If home owners want to have the exterior painting on the rear section the added amount to the price quoted would be an additional $ 2800.00 | $ | 9,500 |
| 18) Refinish all hardwood floors, this will also cover the cost of adding hardwood in all areas where walls will be taken down, this will also allow for up to 200 sq ft of flooring to be added for areas that may not have no hardwood flooring currently | $ | 7,500 |
| 19) Install a new HVAC unit with new duct work the unit will meet and or exceed all codes required for the space to be Heated and cooled | $ | 9,100 |
| 20) We will add all plumbing for two bathrooms, and for kitchen sink area, the lines will be under the floor level until it is determined where the sink and bathrooms will be located. Note! This does not include building bathrooms or any fixtures, if that is requested that will be a change order. | $ | 1,500 |
| 21) Drainage : install a french drain along front and left side of house, all down spouts will have at least 6 ft out with pop up drains, proper drain for under house will be installed per codes required | $ | 3,750 |

| Description | Cost |
|---|---|
| **Permits / Landfield fee. $ 4500.00** | $ 4,500 |
| **Contractor fee 15% $ 24,967.50** | $ 24,968 |
| **Total** | **$ 191,418** |

**Date**:

**Signature** :

Home Owners:

* _____

* _____

**Signature**:

General Contractor:

R.L. Ward Builders: * _____

*CL CONSTRUCTION*
7175 Nolensville Rd. Suite 207
Nolensville, TN 37135
(P) 615.776.7375
(F) 615.776.1222

March 1st, 2019

1011 Clearview Ave
Norman Spicher

Project: 1011 Clearview Ave  Nashville, TN 37206
Below is a proposal for the construction services shown in the scope below based upon the findings of structural and drainage observance done on February 6th 2019 by Construct, LLC (Matthew Hagerty, P.E.) Construct 19-010MH as well as
All labor, equipment and material are included.

Construction Scope

1) Drainage and Prevention
Install French drain with new downspouts and drainage.
Replace vapor barrier
Remove and Prevention on fungus growing
$8,000

5) Columns
Replace front porch column
$1000

Repairs - $9,000

Overhead and Profit - $1,350

Total Cost of Project - $10,350

To execute this agreement above please sign below.

Signature Date

*CL CONSTRUCTION*
7175 Nolensville Rd. Suite 207
Nolensville, TN 37135
(P) 615.776.7375
(F) 615.776.1222

March 1st, 2019

1011 Clearview Ave
Norman Spicher

Project: 1011 Clearview Ave  Nashville, TN 37206
Below is a proposal for the construction services shown in the scope below based upon the findings of structural and drainage observance done on February 6th 2019 by Construct, LLC (Matthew Hagerty, P.E.) Construct 19-010MH as well as
All labor, equipment and material are included.

Construction Scope

1) Drainage and Prevention
Install French drain with new downspouts and drainage.
Replace vapor barrier
Remove and Prevention on fungus growing
$8,000

5) Columns
Replace front porch column
$1000

Repairs - $9,000

Overhead and Profit - $1,350

Total Cost of Project - $10,350

To execute this agreement above please sign below.

Signature Date

# Proposal / Contract

Prepared for (Home Owners) : Andrea Ladd & Matt Spicher
Address: 1011 Clearview Ave Nashville
Phone number: 615-589-6680
Email address: ladda@comcast.net
Prepared by: General Contractor. ( 599 Waldron Road LaVergne TN 37086 ) 615-417-2534
Date Prepared: 2-10-19

---

This Agreement is made, this day:_____
Between Home Owners and General Contractor: (R.L.Ward Builders)
The Contractor and Home Owners, agree that work detailed below in the (Budget section) will have a start date of: Within (7) days after all permits have been issued

***Payment due @ signing :***
***$ 2000.00 when contract is signed ( this starts the, permit process )***
***Note! This amount will come off Final Deposit.***

***Balance of Deposit : Once permits have been Issued, and start date has been set.***

Home Owner agrees to pay a total of $ 8,596.00
With a 40% Deposit, to be paid on or before the start date, with bi-weekly draws based upon work completed. **40% Deposit $ 3,438.40**

The Home Owner will hold 5 % of payment until final walkthrough, and confirm that all work was completed & that, the contractor has met all the obligations to this contract.

Items ( 1-10 ) Detail of all responsibility, of both, Contractor and Home Owner.

1) **Contractor agrees to secure all permits and maintain all insurance**, necessary to complete this project, all work will be done within the parameters of the laws of the State of Tennessee.

2) **The Contractor agrees to have continued work from the point the project is started**, and to finish the project in a timely manner. Home Owners understand, and have been advised that, **Weather, Products (supply / demand), and Labor availability,** are all some of the, but not limited to, (unforeseen conditions) that can cause delays in the projects finish time.

3) **Contractor agrees that any debris, equipment, ect.** Will be removed from the property upon completion of this project, the location will be returned to the state in which it was found prior to work, excepting of course the changes made as a result of the work preformed.

4) **Contractor and Home Owners agree**, that all materials shall be new, and in compliance with all applicable laws and codes. All materials used shall be held only to the manufactures warranty, Contractor does not warranty materials beyond manufactures warranty.

5) **Limited Warranties:**
Contractor will complete All specified work, in a substantial and workmanlike manner according to standard practices, prevalent in Contractors trade, **Contractor: warrants that all work will comply with all applicable building codes and regulations** All labor will be free from defect for (**One Year**) from the date of final completion of this project, the final payment will serve as the final completion date.
**Warranty** : It is the condition of this Contract, that the warranty on all products used is **ONLY warranty by the manufactures warranty.** Contractor does not provide any future warranty to products and or materials used, other than the manufactures warranty. The Contractor Shall

ONLY use **Licensed: (Electricians, Plumbers, HVAC)** All three of which, is required to have a state license. Their work, will be Inspected by the State and or local Codes department, and **must pass all inspections**, before final completion of this project. Should there be any issues, after the final walkthrough day, of this finished project. Issues that pertains to (Electrical, Plumbing, HVAC) The Contractor, will provide the home owner, with the contact information of said Licensed Tradesmen, it will be the responsibility of the Home owner to contact said licensed Tradesmen and set up a day and time for them to come out and meet with homeowner, and resolve any issues, as they will be responsible for any issues that pertain to their Licensed trade, for ONE year from the finished project date. The Contractor shall receive a written notice from the Home Owners, should a defect be discovered in the workmanship of any other work completed, during the ONE year warranty time. Upon notice, the Contractor shall promptly preform the correction of work.

6) **Change Orders:**
The Contractor and Home Owners recognize that:
Contractors original **Cost and Time Estimates for Completion**, may prove too low due to unforeseen events, or to factors unknown to the Contractor, at the time this contract was made.
Should a Change order be necessary, The Contractor will provide to the home owner a written change order, stating any changes and cost. It **must be signed by both Contractor and Home Owner** before work will begin.

7) **Items that are, Not part of this contract:** Any work to be completed on this project, and or any items to be supplied by the contractor on this project. **If it is NOT written, in this Contract under (Project Budget section), then it is NOT part of this Contract.** And there would be additional cost-plus fees.

8) **Home Owner recognizes**, and understands that the Contractor, is in charge of the worksite safety at ALL times, and that all safety precautions, Must be followed: **that are set by Contractor,** until this project is completed. Failure to adhere to set safety precautions would result in a breach of contract.

9) **Home Owner recognizes**, and understands that **NO** other subs and or workers, shall be hired by the home owner, to preform any work on this project, that pertain to any work being done in the areas in which, the Contractor has been hired to do under this contract. And no work shall be done that can or will, directly or indirectly effect the Contractor, in preforming the work set forth in this contract. **Unless, it is in writing and agreed upon by both parties**.

10) **Pictures**: Contractor, reserves the right to take or have taken, pictures of all finished work on this project, and can use any and all pictures in advertising and websites to promote their business.

**Dispute Resolution :**

If any dispute arises under the terms of this agreement, the parties agree the, dispute to be submitted to binding arbitration, under the rules issued by the American Arbitration Association. The decision of the arbitrator shall be final.

Any costs and fees (Other than attorney fees) associated with mediation and arbitration shall be shared equally by the parties.

The reasonable attorney fees, of the prevailing party shall be paid by the other party.

**Make Checks payable to: R.L.Ward Builders**

***( Estimates are ONLY good for 30 Days from Date submitted )***

## Project: BUDGET

| Description | Cost |
|---|---|
| **Repairs to Exterior of House/Restaurant** | |
| 1) Install a french drain around property, with drains leading into a sump pump to be discharged away from the foundation | $ 3,800 |
| 2) Re-place the vapor barrier under the house | $ 1,200 |
| 3) Treat all areas where fungus as started to grow, treat to prevent future fungus | $ 800 |
| 4) All downspouts will have a 6 ft drain buried with a pop up drain | $ 825 |
| 5) Post on front porch: Replace with new post with proper anchor to concrete/ ground to prevent water from wicking on bottom of post. | $ 850 |

| Description | Cost |
|---|---|
| **Contractor fee 15%** **$ 1,121.25** | $ 1,121 |
| **Total** | **$ 8,596** |

**Date**:

**Signature** :

Home Owners:

* _____

* _____

**Signature**:

General Contractor:

R.L. Ward Builders: * _____

# *Charlie Cardwell, Metropolitan Trustee*
# *Property Tax Payment*

| ADDRESS INFORMATION | | | | |
|---|---|---|---|---|
| 1007 CLEARVIEW AVE<br>NASHVILLE | **Account** | 08309013600 | **Bill** | 17-98482 |
| | **Receipt** | 3505570 | **Date** | Dec 11, 2017 |
| | **Receipted By** | MTGTAPEPAYMENT | | |
| | **Received By** | MTGTAPEPAYMENT | | |

**2017**

**THANK YOU FOR YOUR PAYMENT!**

## APPRAISAL INFORMATION

| | |
|---|---|
| Classification | RESIDENTIAL |
| Land Value | $139,700.00 |
| Improvement | $80,800.00 |
| Total Value | $220,500.00 |
| Assessed Percent | 25 |
| Assessed Value | $55,125.00 |
| Tax Rate | 3.155000000 |
| Total Base Tax | $1,739.19 |

## PAYMENT INFORMATION

| | |
|---|---|
| Previous Balance | $1,739.19 |
| Tax Paid Today | $1,739.19 |
| Interest Paid Today | $0.00 |
| Total Paid Today | $1,739.19 |

| METHOD | PAID BY | AMOUNT |
|---|---|---|
| Direct | WELLS FARGO | $1,739.19 |

PAID IN FULL

BALANCE DUE $0.00

CUT OR TEAR ALONG THIS LINE

SPICHER, DAVID A.& MATTHEW K.&
1007 CLEARVIEW AV
NASHVILLE, TN 37206

Metropolitan Trustee
PO BOX 305012
Nashville, TN 37230-5012

# *Charlie Cardwell, Metropolitan Trustee*
# *Property Tax Payment*

| ADDRESS INFORMATION | | | | |
|---|---|---|---|---|
| 1011 CLEARVIEW AVE<br>NASHVILLE | **Account** | 08309013800 | **Bill** | 17-98484 |
| | **Receipt** | 3591731 | **Date** | Dec 21, 2017 |
| | **Receipted By** | MTGTAPEPAYMENT | | |
| | **Received By** | MTGTAPEPAYMENT | | |

**2017**

**THANK YOU FOR YOUR PAYMENT!**

## APPRAISAL INFORMATION

| | |
|---|---|
| Classification | COMMERCIAL |
| Land Value | $149,800.00 |
| Improvement | $133,000.00 |
| Total Value | $282,800.00 |
| Assessed Percent | 40 |
| Assessed Value | $113,120.00 |
| Tax Rate | 3.155000000 |
| Total Base Tax | $3,568.94 |

## PAYMENT INFORMATION

| | |
|---|---|
| Previous Balance | $3,568.94 |
| Tax Paid Today | $3,568.94 |
| Interest Paid Today | $0.00 |
| Total Paid Today | $3,568.94 |

| METHOD | PAID BY | AMOUNT |
|---|---|---|
| Direct | REGIONS MORTGAGE | $3,568.94 |

PAID IN FULL

BALANCE DUE $0.00

CUT OR TEAR ALONG THIS LINE

SPICHER, NORMAN K.
P O BOX 60753
NASHVILLE, TN 37206

Metropolitan Trustee
PO BOX 305012
Nashville, TN 37230-5012

2017

**Charlie Cardwell, Metropolitan Trustee**
700 Second Avenue South, Suite 220
P.O. Box 196358
Nashville, TN 37219-6358

Printed Date: **03/04/2019 CMQ**
ACCOUNT # **08309013700**
BILL # **2017-98483**

# 2017 REAL PROPERTY TAX DELINQUENT STATEMENT

**RETAIN THIS PORTION FOR YOUR TAX RECORDS.**

## Owner Address
SPICHER, NORMAN K.
1011 CLEARVIEW AVE
NASHVILLE, TN 37206

## Property Address
1009 CLEARVIEW AVE

## Classification
RESIDENTIAL

## Legal Description
PT LOTS 12 13 BRANSFORD & MCWHIRTER SUB

| Acres | Council District |
|---|---|
| 0.09 | 6 |

| | | |
|---|---|---|
| Land Value | $ | 140,000.00 |
| Improvement Value | $ | 92,000.00 |
| Personal Property | $ | 0.00 |
| Total Value | $ | 232,000.00 |
| Exemption | | No |
| Equalization Factor | | 0.0000 |
| Assessed % | | 25 |
| Assessed Value | $ | 58,000.00 |
| Tax Rate | | 3.1550 |
| Base Tax | $ | 1,829.90 |
| Rollback Tax | $ | 0.00 |
| Interest Due | $ | 356.85 |
| Prior Payments | $ | 0.00 |
| Balance Due | $ | 2,186.75 |

## Your taxes are distributed as follows:

| Fund Description | Rate | GSD Tax | USD Tax | Amount |
|---|---|---|---|---|
| GSD GENERAL FUND | 1.28800 | 747.04 | 0.00 | 747.04 |
| GSD DEBT SERVICE | 0.29700 | 172.26 | 0.00 | 172.26 |
| GSD SCHOOL DEBT SERVICE | 0.12600 | 73.08 | 0.00 | 73.08 |
| GSD SCHOOLS GENERAL PURPOSE | 0.99400 | 576.52 | 0.00 | 576.52 |
| USD GENERAL FUND | 0.33400 | 0.00 | 193.72 | 193.72 |
| USD DEBT SERVICE | 0.06600 | 0.00 | 38.28 | 38.28 |
| USD FIRE PROTECTION | 0.05000 | 29.00 | 0.00 | 29.00 |
| **Total Base Tax** | **3.1550** | **$ 1,597.90** | **$ 232.00** | **$ 1,829.90** |

## Payment History

| | |
|---|---|
| Original Tax Due | 1,829.90 |
| Adjustments | 0.00 |
| Interest Accrued | 356.85 |
| Previous Base Tax Payments | 0.00 |
| Previous Interest Payments | 0.00 |
| Current Base Tax Due | 1,829.90 |
| Current Interest Due | 356.85 |
| Total Current Amount Due | 2,186.75 |
| Amount Due Next Month | 2,214.20 |

**The Metropolitan Trustee accepts partial payment of taxes which have not been turned over to the Chancery Court for collection. The tax lien held against the property will remain in effect until the balance of the property tax has been paid in full, pursuant to T.C.A. 67-5-2101 et seq.**

**There are delinquent taxes due for this account for the following year(s): 2017. Please call (615) 862-6330 for delinquent amounts.**

**ADA (615) 862-6330**

CUT OR TEAR ALONG THIS LINE

2017

**Charlie Cardwell, Metropolitan Trustee**
700 Second Avenue South, Suite 220
P.O. Box 196358
Nashville, TN 37219-6358

**PAY ONLINE AT: nashville.gov/trustee**

| ACCOUNT | BILL # |
|---|---|
| 08309013700 | 2017-98483 |

PROPERTY ADDRESS
1009 CLEARVIEW AVE

Taxes must be paid by **March 31, 2019**
AMOUNT REMITTED:

**Current Amount Due: $ 2,186.75**

To avoid interest, total tax must be paid in full by : March 31, 2019

Important: Return this portion with your payment. Use the address below for current payment only. Make check payable to:

☐ Address Change
☐ Credit Card Payment

SPICHER, NORMAN K.
1011 CLEARVIEW AVE
NASHVILLE, TN 37206

Metropolitan Trustee
Real Property Tax Dept.
PO BOX 196358
Nashville, TN 37219-6358

* *DELINQUENT TAXES DUE - PLEASE CONTACT TRUSTEE FOR MORE INFORMATION* *

Your payment options are:

By mail: PO BOX 305012, NASHVILLE, TN 37230-5012

At our office: 700 Second Avenue South, Suite 220, Nashville, TN 37210

Pay online by visiting our website at: www.nashville.gov/trustee

Mailing Address Changes:
Contact the Davidson County Assessor's Office at (615) 862-6080 with any changes in address and/or any assessment related questions.

*** Pursuant to State Law (T.C.A. 67-5-2010) to avoid interest total taxes must be paid by February 28, 2019. To any unpaid balance, interest of 1.5% shall be added on March 1, following the tax due date and on the first day of each succeeding month.

*IMPORTANT LEGAL NOTICE:
All Bankruptcy Notices and other Legal Notices must be sent to:

Metropolitan Department of Law
PO Box 196300
Nashville, TN 37219

If you have any questions, please contact our office at (615) 862-6330 and my staff will answer any questions you may have.

Sincerely,

***IMPORTANT*** A convenience fee of 1.84% will be added to all credit and debit cards processed by the Metropolitan Trustee's Office. This fee is charged by the electronic processing company and no part of the fee goes to Metro. Pay online by visiting our website at: WWW.NASHVILLE.GOV/TRUSTEE

**Map/Parcel Account Number:**
**08309013700**

Any change of address shown on the front should be noted here

| Mailing Address Change Here: |
|---|
| Signature required to change mailing address |

*IMPORTANT LEGAL NOTICE: All Bankruptcy Notices and other Legal Notices must be sent to:
Metropolitan Department of Law
PO Box 196300
Nashville, TN 37219

☐ American Express ☐ Discover ☐ Master Card ☐ Visa

| Billing Zip Code: | CVV: | Exp Date: |
|---|---|---|
| Credit Card Number: | Amount: | |
| Signature *REQUIRED* | Print Name Here *REQUIRED* | |
| Date: | Daytime Phone *REQUIRED* | |

***Email Address***

☐ Yes, I would like to opt-out of paper billing and begin receiving my tax statement via electronic mail

# *Charlie Cardwell, Metropolitan Trustee*
# *Property Tax Payment*

| ADDRESS INFORMATION | | | | |
|---|---|---|---|---|
| 1007 CLEARVIEW AVE<br>NASHVILLE | **Account** | 08309013600 | **Bill** | 17-98482 |
| | **Receipt** | 3505570 | **Date** | Dec 11, 2017 |
| | **Receipted By** | MTGTAPEPAYMENT | | |
| | **Received By** | MTGTAPEPAYMENT | | |

**2017**

**THANK YOU FOR YOUR PAYMENT!**

## APPRAISAL INFORMATION

| | |
|---|---|
| Classification | RESIDENTIAL |
| Land Value | $139,700.00 |
| Improvement | $80,800.00 |
| Total Value | $220,500.00 |
| Assessed Percent | 25 |
| Assessed Value | $55,125.00 |
| Tax Rate | 3.155000000 |
| Total Base Tax | $1,739.19 |

## PAYMENT INFORMATION

| | |
|---|---|
| Previous Balance | $1,739.19 |
| Tax Paid Today | $1,739.19 |
| Interest Paid Today | $0.00 |
| Total Paid Today | $1,739.19 |

| METHOD | PAID BY | AMOUNT |
|---|---|---|
| Direct | WELLS FARGO | $1,739.19 |

PAID IN FULL

BALANCE DUE $0.00

CUT OR TEAR ALONG THIS LINE

SPICHER, DAVID A.& MATTHEW K.&
1007 CLEARVIEW AV
NASHVILLE, TN 37206

Metropolitan Trustee
PO BOX 305012
Nashville, TN 37230-5012

**TheCRVGroup.com**
**607 Hill Street**
**Lebanon, TN 37087**
**615-449-8099**

January 15, 2019

Mr. Matthew Spicher
Matthew Spicher
1011 Clearview Avenue
Nashville, TN 37206

RE: Appraisal of
Commercial Building
1007 Clearview Avenue
Nashville, Tennessee 37206

Dear Mr. Spicher:

Per your request, I have developed an appraisal on the above referenced property. The purpose of the appraisal is for an opinion of the as-is market value of the fee simple interest of the subject property as of December 4, 2018. I personally inspected the property and considered market factors pertinent to the opinion of value.

An appraisal of the subject property has been requested by the client. The results and conclusions of this appraisal assignment have been reported in an Appraisal Report. The reporting of all information contained within this report conforms to USPAP Standards Rule 2 and more specifically Standards Rule 2 – 2(a). This appraisal report is strictly for use by the client. The level of reporting contained in this report is consistent with the minimum reporting requirements as required by USPAP Standards Rule 2 – 2 (a).

The reported value is subject to the Contingent and Limiting Conditions located within this report. The intended use of this report is for asset valuation for partnership decisions and may not be used for any other function. Based on an analysis of the market, it is my opinion that the market value of the subject property as of December 4, 2018 is:

**$280,000**
**TWO HUNDRED EIGHTY THOUSAND DOLLARS**

The appraisal procedure and this appraisal report conform to the current requirements prescribed by the ***Uniform Standards of Professional Appraisal Practice*** of the Appraisal Standards Board of the Appraisal Foundation. I have both the knowledge and experience to complete the appraisal competently. I appreciate this opportunity of being of service to you. If my office can be of further assistance, please do not hesitate to contact us.

Respectfully submitted,

Taylor Vandever, MAI
Certified General Appraiser
CG-4643

**CONTINGENT AND LIMITING CONDITIONS**

The conclusions reached in this appraisal are subject to the following assumptions and limiting conditions.

1. The legal description furnished is assumed to be correct, as are the property lines pointed out to the appraiser.
2. All liens and encumbrances have been disregarded and the property was appraised as though free and clear and under proper management. Title to the property is assumed to be good and marketable and invested in the owner of record.
3. Sketches in this report are included to assist the reader in visualizing the property. I have made no survey of the property and assume no responsibility for such matters.
4. This report incorporates information assembled from various sources, all of which are believed to be reliable. However, an impractical and uneconomic expenditure of time would be required to furnish unimpeachable verification in all instances.
5. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any function other than the previously stated intended use.
6. Your appraiser is not required to give testimony or appear in court with reference to the property under appraisal unless arrangements have been previously made.
7. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal and are invalid if used separately.
8. Neither all nor any part of the contents of this report (especially any analyses, opinions, or conclusions as to value, the identity of the appraiser, or any national organization with which we are connected) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without prior written consent and approval.
9. The date of value, to which the analyses, conclusions, and opinions expressed in this report, is set forth in the letter of transmittal. The appraiser assumes no responsibility for economic or physical factors occurring at some later date that may affect the analyses, conclusions, and opinions herein stated.
10. No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.
11. Except as specifically stated, data relative to size and shape taken from sources considered reliable and no encroachment of real property improvements is assumed to exist.
12. This appraisal report is not to be considered an environmental assessment of the property. We are not experts in the field of environmental hazards and are not qualified to detect the existence of potentially hazardous material that may or may not be present on or near the property. The reported value is predicated on the assumption that there were no environmental problems. Should there be a problem, which

requires clean up, the reported value will be affected in direct proportion to the cost to cure.

13. It does not appear that that the subject property is located in a Special Flood Hazard Area. However, we make no guarantee regarding this determination since we are not surveyors.
14. The projections included in this report are utilized to assist in the valuation process and are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser.
15. All hypothetical conditions and / or extraordinary assumptions that might affect the estimate of value conclusions for this assignment are outlined in the Scope of Work section of this report. The concluded value given in this report is predicated on these assumptions and conditions as stated.

Taylor Vandever, MAI
Certified General Appraiser
CG-4643

**DEFINITION OF MARKET VALUE**

Value has been defined as "the relationship between a thing desired and a potential purchaser." It is the estimated equivalent of a commodity or service. Utility and scarcity are the prime requisites of value, and both must be present before value exists. Their presence alone, however, does not create value; in addition, there must be a need or desire, "demand", on the part of the individual to possess the object, and purchasing power, that is, the ability to participate in the market in order to satisfy needs and desires.

The purpose of the appraisal assignment was for an opinion of the “as-is” market value of the described property. Market value is defined as:

> The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
>
> 1. buyer and seller are typically motivated;
> 2. both parties are well informed and well advised, and each acting in what he considers his own best interest;
> 3. a reasonable time is allowed for exposure in the open market;
> 4. payment is made in terms of cash and U.S. dollars or in terms of financial arrangements comparable thereto;
> 5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
>
> **The Dictionary of Real Estate Appraisal* (4th ed.). (2002). Chicago, IL: Appraisal Institute. According to: Federal Register 34696, August 24, 1990. C.F.R. Part 34.42(g). Amended June 7, 1994.

**IDENTIFICATION OF SUBJECT PROPERTY**

| | |
|---|---|
| Property Name: | Treehouse Restaurant |
| Property Address: | 1007 Clearview Avenue |
| City, State, Zip Code: | Nashville, Tennessee 37206 |
| Property Tax Identification Number: | Tax Map 083-09-0, Parcel 136.00 |
| Current Use of Property: | Commercial Building |

**SALES HISTORY OF PROPERTY**

Current Owner of Record: David A. Spicher; Matthew K Spicher & P Tillis

| Subject Sales / Transfers | Prior Sale |
|---|---|
| Date of Sale / Transfer | October 13, 2009 |
| Sale / Transfer Price | $175,000 |
| Deed Book / Page | Instrument Number 200910190096539 |

| | |
|---|---|
| Is the subject property listed for sale? | Yes (Collective with other Parcels) |
| List Amount | $3,100,000 |
| List Source | Realtracs |
| Listing Agent | Andrea S. Ladd (Related Party) |
| Subject property currently under contract | No |
| Listing and or Contract Analysis: | None |

**ASSIGNMENT PARAMETERS**

| | |
|---|---|
| Client / Intended User: | Matthew Spicher |
| Intended Use of Appraisal Is For: | Asset Valuation for Partnership Decisions |
| Real Property Interest Appraised: | Fee Simple Interest |
| Value Reported: | Market Value |
| Effective Date of Value: | December 4, 2018 |
| Date of Report: | January 15, 2019 |

## EXPOSURE TIME

A reasonable exposure time for a property is defined in USPAP as the "estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market." A reasonable exposure time for the subject property is estimated to be about 6 months .

## MARKETING TIME

The reasonable marketing time for a property is an opinion of the amount of time it might take to sell a real property interest at the concluded market value during the period immediately after the effective date of an appraisal. A reasonable marketing time for the subject property is estimated at 6 months.

## SCOPE OF WORK

| | | | | | | |
|---|---|---|---|---|---|---|
| **Extent of Inspection:** | X | Interior & Exterior | | Exterior Only | | None |
| | | | | | | |
| **Data Sources Used:** | X | Subscription Services | X | Public Records | X | Appraiser's Files |
| | | | | | | |
| **Building Area Measured?** | X | Yes | | No | | N/A |
| | | | | | | |
| **Approaches to Value Developed:** | | Cost Approach | X | Sales Comparison | | Income Apporach |

## REASONS FOR EXCLUDING AN APPROACH TO VALUE

In the valuation of the subject property, only the Sales Comparison Approach is concluded as being necessary to produce a credible report. The subject property is an improved property that is occupied by a restaurant that is operated by an ownership entity in the property. The Cost Approach is not applicable, as the improvements are old and estimating depreciation levels would be very subjective. The Income Approach is not applicable due to the size and scope of the property. This property could be viewed as an investment property for a small scale or local investor; however, properties of this scope are typically not viewed by an investor through typical commercial valuation techniques, such as the Direct Capitalization technique. The appeal to an investor often comes from the ability to generate positive cash flow with consideration typically given to mortgage terms. Neither the Cost Approach, nor Sales Comparison Approach are applicable.

## ADDITIONAL SCOPE OF WORK COMMENTS

In the appraisal of the subject property, the appraiser completed the following steps an analysis:

1. Identified the subject property to be appraised, the client of the appraisal, purpose of the appraisal, the intended use of the appraisal, and the rights to be appraised.

2. Based on the client's needs and objectives, identified the scope of work and valuation approach required to produce credible results for the intended use.
3. Identified regional, city, neighborhood, and subject data relevant to the appraisal and the scope of work.
4. Gathered the comparable data deemed to be the most applicable, within the context of the scope of work and the valuation approach to be employed.
5. Analyzed the data to arrive at conclusions of highest and best use and value indications via the valuation approach employed herein.
6. Reconciled the results of this analysis to arrive at a final value conclusion.
7. Prepared this written report in order to communicate the results of the appraisal process to the client.

**EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS**

The use of an extraordinary assumption and / or a hypothetical condition might affect the assignment results. The appraiser reserves the right to alter the valuation conclusions if the use of these appraisal conditions has an impact on the final estimate of value.

**Extraordinary Assumptions Made**

- None

**Hypothetical Conditions Made**

- None

**MARKET AREA DESCRIPTION**

Market Area Location: East Nashville / Five Points

The subject neighborhood is roughly bounded by Eastland Avenue to the north, Shelby Avenue to the south, Ellington Parkway to the west and Shelby Park Golf Course to the east. The characteristics and factors affecting the marketability of the neighborhood are as follows:

| Characteristics of Subject's Market | | | | | | |
|---|---|---|---|---|---|---|
| **Location:** | X | Urban | | Suburban | | Rural |
| **Built Up:** | X | Over 75% | | 25-75% | | Under 75% |
| **Development:** | X | Increasing | | Stable | | Declining |
| **Value Trend:** | X | Increasing | | Stable | | Declining |
| **Vacancy Trend:** | | Increasing | | Stable | X | Declining |
| **Changes in Land Use:** | | Unlikely | | Likely | X | Taking Place |

| Marketability Factors | Exc. | Good | Avg. | Fair | Poor |
|---|---|---|---|---|---|
| **Employment Stability:** | | X | | | |
| **Convenience to Employment:** | | X | | | |
| **Convenience to Shopping:** | | X | | | |
| **Adequacy of Public Transportation:** | | | X | | |
| **Recreational Facilities:** | | X | | | |
| **Adequacy of Utilities:** | | | X | | |
| **Police and Fire Protection:** | | | X | | |
| **Appeal to Broad Market:** | | X | | | |

## LAND ANALYSIS

In the land analysis, an appraiser studies the characteristics and surroundings of the land that contribute to or detract from its value. The appraiser must be cognizant of the market standards in the area of the subject property.

**Characteristics of the Subject Site:**

| | |
|---|---|
| Size | 0.09 Acres or 3,920 SF |
| Available Utilities: | |
| Electricity | Public |
| Water | Public |
| Sewer | Public |
| Gas | Public |

**Taxes and Zoning**

| | |
|---|---|
| Tax Year Analyzed: | 2017 |
| Assessment Rate | 25% |
| Taxes Due for 2017 | $1,739.19 |

| | |
|---|---|
| **Zoning Classification** | CS - Commercial Services |
| Overlay | MDHA-FP - Five Points Redevelopment District |
| Overlay | OV-NHC – Neighborhood Conservation Overlay |
| Overlay | OV-UZO – Urban Zoning Overlay |
| Present Use of Site: | Legally Conforming |

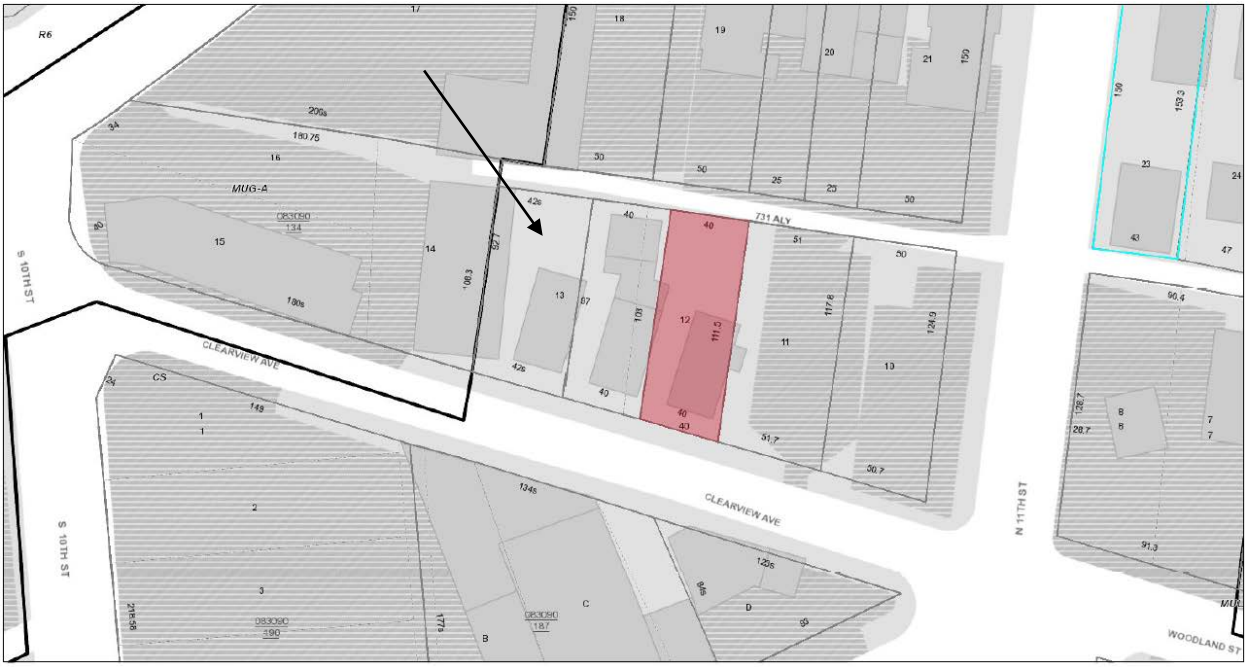
**Flood Hazard Information**

| | |
|---|---|
| Flood Panel | 47037C0242H |
| Panel Date | April 5, 2017 |
| Flood Zone | X |
| Located in Flood Zone | No |

**Comments:** The subject parcel is a 0.09 tract of land. The shape is generally rectangular with frontage of about 42 linear feet and depth of approximately 97 feet. The topography is slightly sloping from Clearview Avenue to the rear of the parcel. Access is gained via driveway entrance along Clearview Avenue as well as alley access along the rear of the parcel. Parking is available in driveway, as well as open surface parking along the street or paid public lots in close proximity.

The parcels are identified as being within the Five Points area, which is a high demand and high traffic area of East Nashville. There are multiple retail, shopping, restaurant, office and residential properties in close proximity to the subject property.

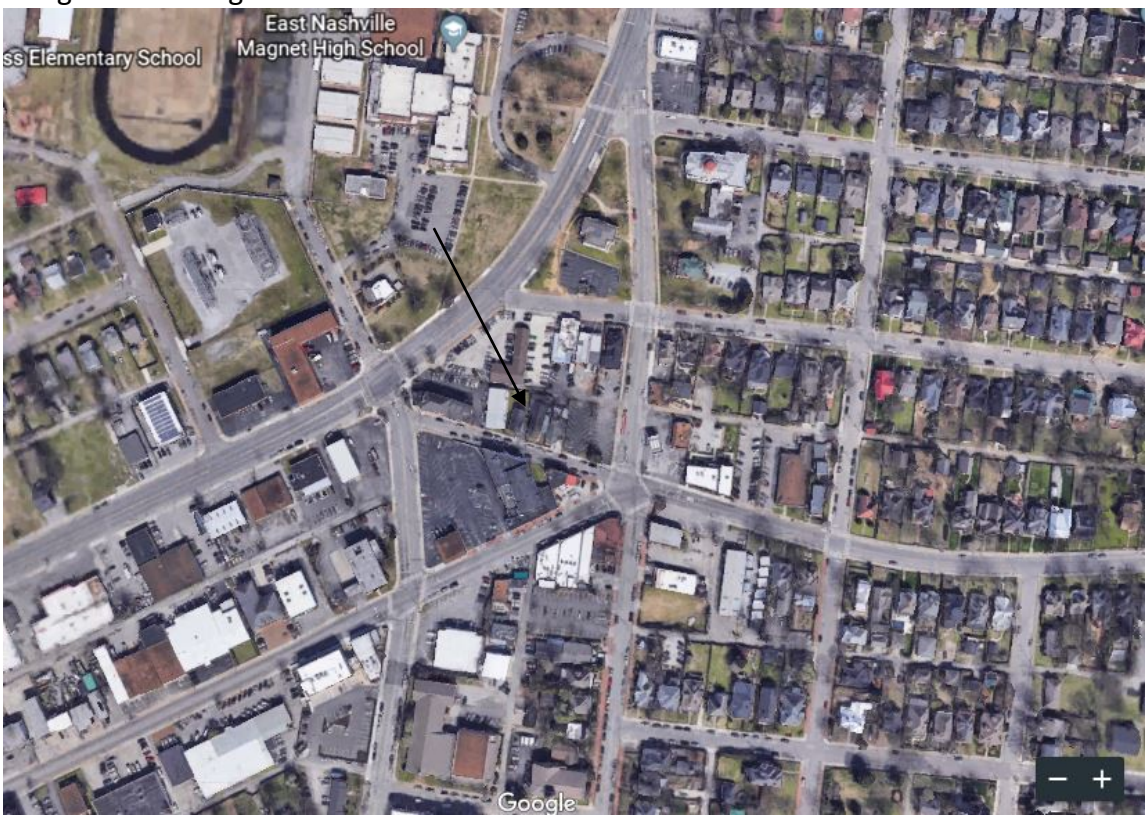
Zoning Map




Five Points Development District

Aerial Map

Google Earth Image



# National Flood Hazard Layer FIRMette

## DESCRIPTION OF IMPROVEMENTS

The characteristics and features of the subject property's improvements can be measured only in relation to the relevant market. The general descriptions of the improvements are analyzed in relation to the market standards in which the subject property competes.

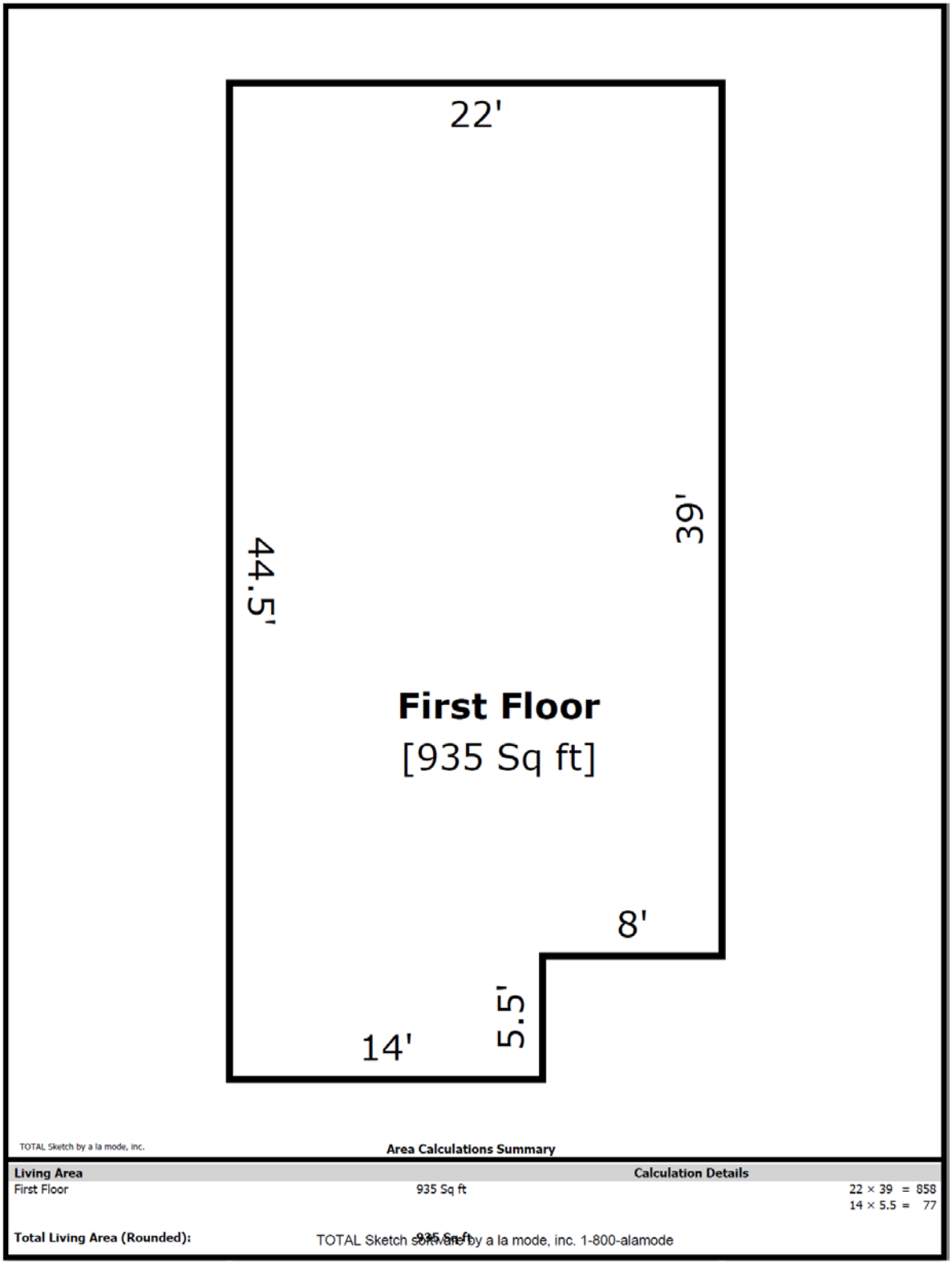
| | |
|---|---|
| **General Description of Buildings:** | |
| Number of Buildings | 1 |
| Number of Stories | 1 |
| Stage of Construction | Existing |
| Gross Improvement Size | 935 SF |
| **Foundation:** | |
| Foundation | Concrete Slab |
| **Exterior Description:** | |
| Exterior Walls | Wood Studs with Wood Siding |
| Roof Structure and Covering | Wood Truss / Asphalt Shingle |

**Comments:** The 0.09 acre tract of land is improved with one, 1-story building. The building was originally constructed in 1906. An interior inspection was not performed as we were not given access to this space, therefore, an assumption is made that it is in average condition. The property is believed to be a two-bedroom property. The total square footage of heated and cooled space is 935 square feet. The exterior of the improvements is in average condition for its age. Exterior repairs appear to be necessary.

The building is reportedly being utilized as a residential rental property under a month to month type lease. No consideration is given to any leases as no leases have been provided.

The building is in use as a residential property; however, it does appear reasonable that it could be converted to a live/work or commercial use, as this is a prevalent practice in the local market. Many residential structures have been converted to commercial uses where allowable.

**Building Sketch**



## HIGHEST AND BEST USE ANALYSIS

In estimating market value, an appraiser identifies the most profitable, competitive use to which a property can be put. The end result is a highest and best use analysis. The *Dictionary of Real Estate Appraisal*, published by The Appraisal Institute, defines highest and best use as:

1. The reasonable and probable use that supports the highest present value of vacant land or improved property, as defined, as of the data of the appraisal.

2. The reasonably probable and legal use of land or sites as though vacant, found to be physically possible, appropriately supported, financially feasible, and that results in the highest present land value.

3. The most profitable use.

The subject property is currently zoned CS - Commercial Services. A thorough examination of the East Nashville market has been performed as it pertains to commercial land value and also contributory value of improvements. An observation is made that there is significant overlap in improved value for all commercial properties to include residential, live/work, residential conversion, office, commercial and restaurant uses. This leads to a conclusion that the highest and best use of the property is general commercial development that complies with present zoning restrictions. After consideration of all aspects of highest and best use, the concluded findings are:

**The highest and best of subject as vacant:**

- **Current Use** **Residential Rental**
- **Most Likely Use** **Commercial Development**
- **Most Likely User** **Developer**
- **Timing** **Within 12 Months**

**The highest and best of subject as improved:**

- **Most Likely Use** **Renovation to Commercial Use**
- **Most Likely User** **Owner Occupant**
- **Timing** **Immediate**

## SALES COMPARISON APPROACH

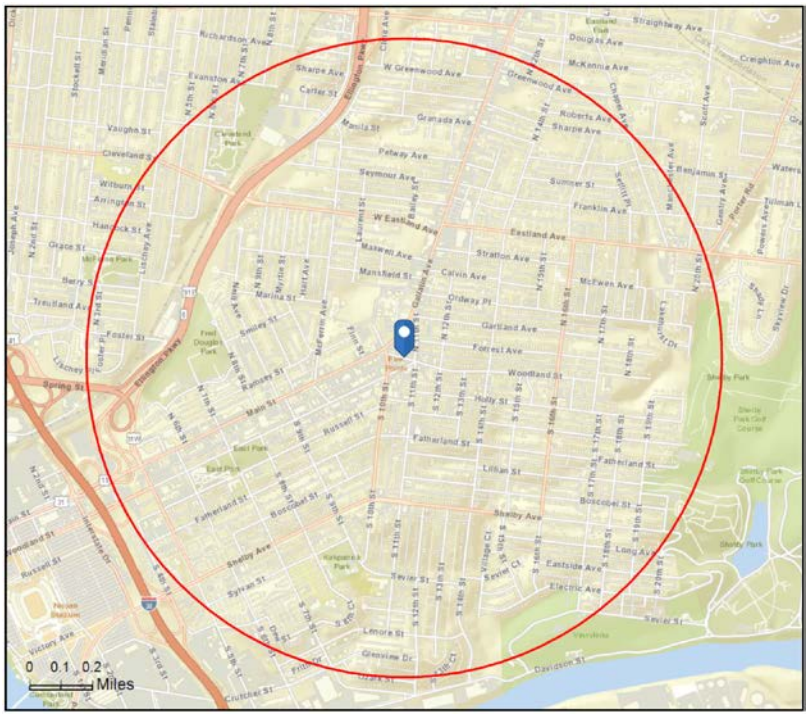
The sales comparison approach utilizes the sales of similar properties as the basis for an indication of market value. Direct comparisons are made between them on an item-by-item basis as to property rights transferred, financial concessions, conditions of sale, location differences, time of sale, and physical characteristics. Adjustments are made to the sale price of the comparative properties to arrive at an indication of what the properties would have sold had they been essentially the same as the subject property. These adjusted sales prices are reconciled into an indication of market value.

Carefully verified and analyzed market data is good evidence of market value, as it tends to represent the actions and reactions of typical buyers, sellers, users, and investors. The sales comparison approach, like the cost approach, is based on the principle of substitution. The principle of substitution implies that a prudent person will not pay more to buy a property than it would cost to buy a comparable substitute property of equal utility and desirability.

The properties shown on the following page represent sales transactions that have occurred in the subject market or similar markets and are used in the determination of valuation conclusions based upon market transactions. Sales older than 24 months may be used in the absence of recent, similar sales transactions.

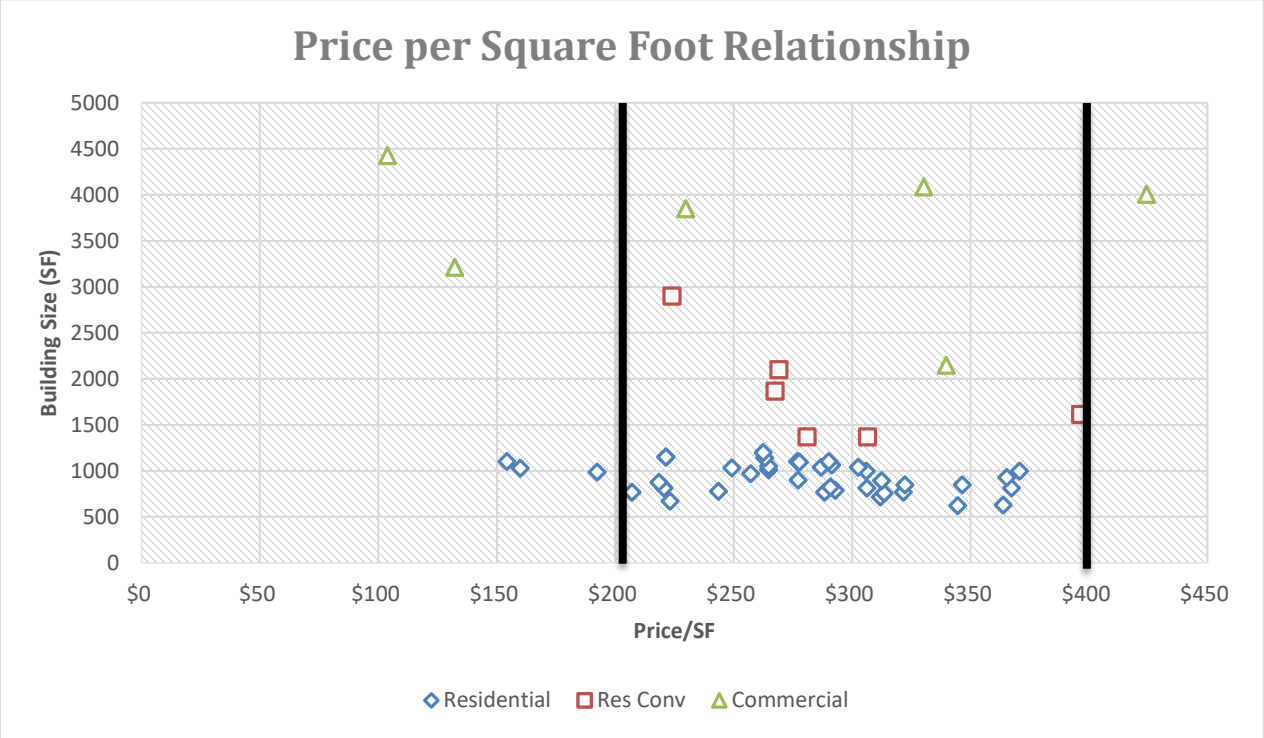
### Market Analysis

The first analysis performed is of the East Nashville market, with a specific focus on properties surrounding the Five Points area within a reasonable proximity. A 1-mile radius is shown below.



Thorough research was performed on property sales for a residential, residential conversion or commercial use, as these are all plausible uses of the subject property as improved and within the zoning guidelines.

The graph below shows three property types: Residential, Residential Conversion and Commercial uses that occurred within the subject market.




The sales data above shows that residential uses range from about $150 to about $375 per square foot; residential conversion uses range from about $225 to $400 per square foot; and commercial uses range from about $100 to about $425 per square foot. The lower end of the commercial range includes two sales that sold as vacant for future renovation and they also occurred several years ago, which are skewing the commercial range downward a bit.

This analysis indicates a consistent overlapping range from about $200 to about $400 per square foot, regardless of end use or building type for this market. The point of this analysis is to establish a basis for comp selection.

The subject property is being utilized as a two-bedroom, rental residential property with average interior quality. However, there are numerous plausible uses of the building. The comparable sales selected are of residential conversion properties that have a commercial component and of commercial properties that were purchased for restaurant use.

The sales selected are also largely supported by the established range shown above for two-bedroom residential properties ranging from 500 to 1,250 square feet. A

supplemental grouping of residential sales is included as an addendum to further support the value conclusion if the property were purchased for residential use.

## Quantitative Analysis

The comparable properties were analyzed utilizing a quantitative analysis. This technique is a mathematical process whereby the appraiser identifies elements of difference between the comparable property and the subject property and quantifies market reaction to these differences through the application of an adjustment procedure. A positive adjustment is made to the comparable property for qualities viewed as being inferior as compared to the subject property; conversely, a negative adjustment is made to the comparable property for qualities viewed as being superior as compared to the subject property. The adjustments made are based upon paired data analysis or other techniques such as regression analysis, trend analysis or the appraiser's judgment. The sales shown are located in the subject's market or similar markets and are believed to be similar to the subject property based upon physical and economic characteristics.

| | Subject | Sale 1 | Sale 2 | Sale 3 | Sale 4 | Sale 5 | Sale 6 |
|---|---|---|---|---|---|---|---|
| **Address** | 1009 Clearview Avenue | 1106 Chester Ave | 1100 Douglas Avenue | 112 S 11th Street | 307 N 16th Street | 212 S 11th Street | 1313 Woodland Street |
| **City** | Nashville | Nashville | Nashville | Nashville | Nashville | Nashville | Nashville |
| | | | | | | | |
| **Sales Date** | n/a | PENDING | 7/31/2018 | 6/29/2018 | 5/14/2018 | 4/20/2018 | 3/9/2018 |
| **Sales Price** | n/a | $385,000 | $420,000 | $1,700,000 | $885,000 | $640,000 | $1,350,000 |
| **Unadjusted Price / SF** | n/a | $281 | $307 | $424 | $230 | $397 | $330 |
| **Adjusted Price** | n/a | $385,000 | $420,000 | $1,700,000 | $885,000 | $640,000 | $1,350,000 |
| **Property Rights** | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple |
| | | | | | | | |
| **Site Size (acres)** | 0.09 | 0.22 | 0.11 | 0.19 | 0.17 | 0.22 | 0.13 |
| **Site Size (SF)** | 3,920 | 9,583 | 4,792 | 8,276 | 7,405 | 9,583 | 5,663 |
| **Zoning** | Commercial | Commercial | Mixed Use | Mixed Use | Commercial | Mixed Use | Mixed Use |
| **Topography** | Slightly Sloping | Level | Level | Level | Level | Level | Level |
| **Utilities** | All Available | All Available | All Available | All Available | All Available | All Available | All Available |
| | | | | | | | |
| **Year Built** | 1923 | 1930 | 1910 | 1968 | 1960 | 2003 | 1900 |
| **Gross Building Size** | 1,392 | 1,370 | 1,370 | 4,007 | 3,852 | 1,614 | 4,088 |
| **Condition** | Average | Good | Good | Good | Average | Good | Good |
| **Adjustments** | | | | | | | |
| **Adjusted Price / SF** | n/a | $281 | $307 | $424 | $230 | $397 | $330 |
| **Market Conditions** | Average | 0% | 0% | 0% | 0% | 0% | 0% |
| **Adj. for Market Conditions** | n/a | $281 | $307 | $424 | $230 | $397 | $330 |
| **Physical Adjustments** | | | | | | | |
| **Location** | Average | 20% | 20% | | 20% | | 10% |
| **Land Value** | Average | | | -10% | | -10% | |
| **Physical Characteristics** | Average | | | | 15% | | |
| **Age / Condition** | Average | -15% | -15% | -15% | | -15% | -15% |
| **Economic Characteristics** | Average | | | | | | |
| **Use / Zoning** | Average | | | | | | |
| **Non-Realty Items** | None | | | | | | |
| **Net Physical Adjustments** | | **5%** | **5%** | **-25%** | **35%** | **-25%** | **-5%** |
| **Indicated Value** | | **$295** | **$322** | **$318** | **$310** | **$297** | **$314** |

| Unadjusted Values | | | Adjusted Values | |
|---|---|---|---|---|
| Low Value | $230 | | Low Value | $295 |
| High Value | $424 | | High Value | $322 |
| Mean Value | $328 | | Mean Value | $309 |

The analysis indicated a price per square foot ranging from $295 to $322 with a calculated mean of $309.

- Sale 1 represents a pending sale in the market that has a similar range of potential uses to the subject property. It is included as a recent representation of the purchase of a residential structure for a commercial use. Sale 1 is adjusted upward for inferior location. A downward adjustment is applied for superior physical characteristics based upon condition of the property.
- Sale 2 represents a recent sale in the market that has a similar range of potential uses to the subject property. It is included as a recent representation of the purchase of a residential structure for a commercial use. Sale 2 is adjusted upward for inferior location. A downward adjustment is applied for superior physical characteristics based upon condition of the property.
- Sale 3 represents a commercial building that was purchased in the market by an owner occupant for restaurant use. A land value adjustment is applied for physical land size in comparison to the subject property. A downward adjustment is applied for superior physical characteristics based upon condition of the property.
- Sale 4 represents a commercial building that was purchased in the market with similar future uses to the subject property. The end use is not known. An upward adjustment is applied for inferior location. A physical adjustment is applied for inferior physical characteristics at the time of sale.
- Sale 5 represents the purchase of a residential conversion property that has a similar range of potential uses to the subject property. It is included as a recent representation of the purchase of a residential structure for a commercial use. This property was purchased for a live-work use, with the front being utilized as an office building. This sale is adjusted downward for land size in comparison to the subject property. A downward adjustment is applied for superior physical characteristics based upon condition of the property.
- Sale 6 represents a commercial building that was purchased in the market by an investor looking to re-lease the space. owner occupant for restaurant use. A land value adjustment is applied for physical land size in comparison to the subject property. An upward adjustment is applied for location. A downward adjustment is applied for superior physical characteristics based upon condition of the property.

The bracketed range from the adjustment process is about $295 to about $322 per square foot. Most reliance is placed on the lower end of the range, based upon physical characteristics of the building. In the appraiser's judgment, a concluded value of $300 per square foot is considered reasonable for the subject property based on the quantitative analysis.

The estimate of value as shown by the Sales Comparison Approach is:

| Sales Comparison Approach Conclusion | | | | |
|---|---|---|---|---|
| **Price / SF** | | **Building Size** | | **Value** |
| $300 | X | 935 | = | $280,500 |

**$280,000**
**TWO HUNDRED EIGHTY THOUSAND DOLLARS**

## FINAL OPINION OF VALUE

The indicated value, applicable to the subject property as of December 4, 2018 is:

| | |
|---|---|
| **Sales Comparison Approach** | **$280,000** |

### Sales Comparison Approach

The sales comparison approach yields a reliable indication of value when sales are recent and reasonably similar to the property being appraised. The sales comparison approach shows the market reaction of buyers and sellers in an active market and often times this approach to value is key in appraisal development; therefore, this approach to value is given consideration toward the final estimate of value.

## FINAL OPINION OF VALUE

A separate valuation analysis has been performed on properties located at 1007, 1009 and 1011 Clearview Avenue if all parcels are vacant and viewed collectively. The conclusion of that analysis is a land value of $90 per square foot, which suggests the land value for the subject parcel as vacant could be up to $352,836. The reported value above of $280,000 for 1007 Clearview as improved, reconciles to $71.42 per square foot, if looking specifically at the land, and is below the reported land value. It is important to note that there is no clear permission to demolish this structure based upon historic restrictions and neighborhood overlays. It is also important to note that the individual parcel in question only has 40 linear feet of road frontage (width), which would limit the potential uses of the subject site if vacant. In conclusion, the underlying land value of the subject parcel alone, is less than that of the three parcels viewed collectively; therefore, the value of the subject as improved is given most reliance.

After an analysis of the market, it is the appraiser's opinion that the market value of the subject property located at 1007 Clearview Avenue in Nashville, Tennessee as of December 4, 2018 is:

**$280,000**
**TWO HUNDRED EIGHTY THOUSAND DOLLARS**

**CERTIFICATION**

I certify that, 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 unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved;
- I have no bias with respect to the property that is the subject of this report 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 upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan;
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice;
- this report is written in compliance with Title XI of FIRREA and any implementing regulations;
- Taylor Vandever & Corey Ross made a personal inspection of the property that is the subject of this report;
- no one provided significant professional assistance to the persons signing this report;
- I am performing this assignment in conjunction with separate appraisals of each parcel individually with consideration given to the improvements, as well as providing an underlying land value of the parcels collectively. I have not performed any other valuation services or any other services on the subject property within the last three years prior to acceptance of this assignment.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I Taylor Vandever, have completed the Standards and Ethics Education Requirements for Designated Members of the Appraisal Institute.
- As of the date of this report, I Taylor Vandever, have completed the continuing education program for Designated Members of the Appraisal Institute.

Taylor Vandever, MAI
Certified General Appraiser
CG-4643

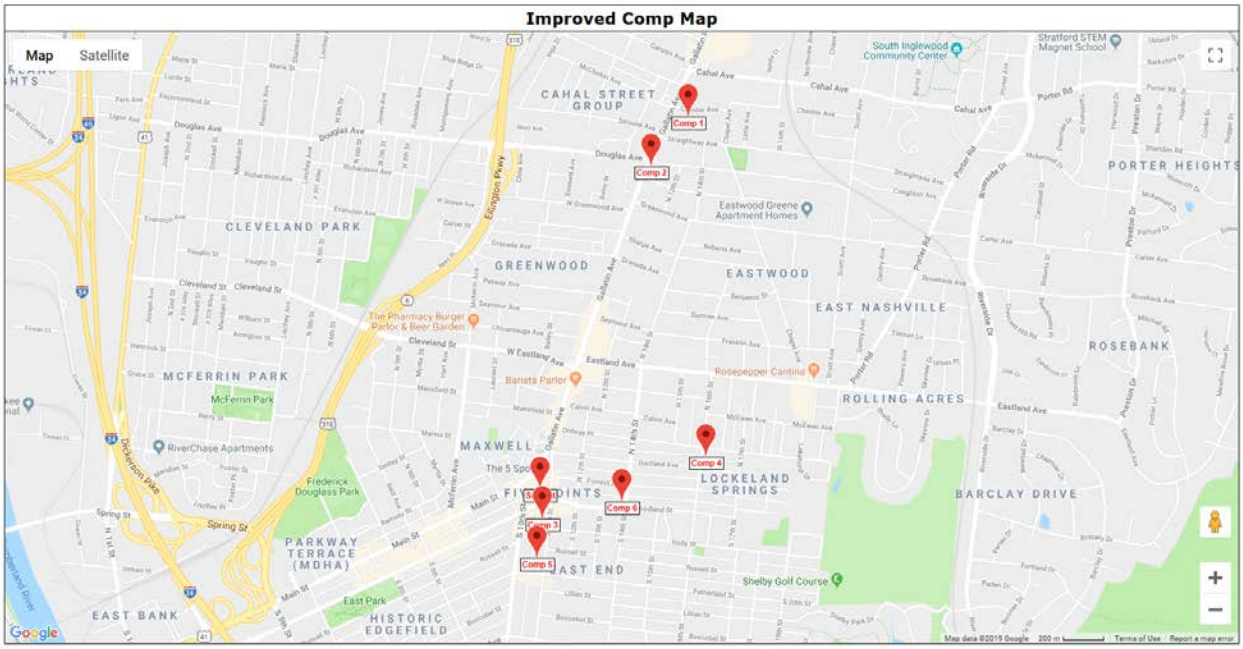
# ADDENDA

**SUBJECT PHOTOGRAPHS**

## Comparable Sales Data

**IMPROVED SALES SUMMARY TABLE**

| No. | Location | Sale Date | Price | Building Size (SF) | Price/ SF |
|---|---|---|---|---|---|
| 1. | 1106 Chester Ave | 01/15/2019 | $385,000 | 1,370 | $281.02 |
| 2. | 1100 Douglas Avenue | 07/31/2018 | $420,000 | 1,370 | $306.57 |
| 3. | 112 S 11th Street | 06/29/2018 | $1,700,000 | 4,007 | $424.26 |
| 4. | 307 N 16th Street | 05/14/2018 | $885,000 | 3,852 | $229.75 |
| 5. | 212 S 11th Street | 04/20/2018 | $640,000 | 1,614 | $396.53 |
| 6. | 1313 Woodland Street | 03/09/2018 | $1,350,000 | 4,088 | $330.23 |



**Pending Improved Sale No. 1**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2877 |
| **Property Type** | Commercial, Office - Residential Conversion |
| **Property Name** | Residential Mixed Use |
| **Address** | 1106 Chester Ave, Nashville, Davidson County, Tennessee 37206 |
| **Location** | Nashville |
| **Tax ID** | 083-13-0-010.00 |
| **Longitude, Latitude** | W-86.750660, N36.174860 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | Daniel Strimer |
| **Grantee** | Undisclosed |
| **Closing Date** | January 15, 2019 |
| **Deed Book/Page** | 201804200037572 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | MLS |
| **Verification** | MLS 1897609, Other sources: Public Record, Confirmed by Taylor Vandever |
| **Contract Price** | $385,000 |
| **Cash Equivalent** | $385,000 |
| **Adjusted Price** | $385,000 |

**Land Data**

| | |
|---|---|
| **Land Size** | 0.220 Acres or 9,583 SF |

**Pending Improved Sale No. 1 (Cont.)**

| | |
|---|---|
| **Front Footage** | 50 ft Total Frontage: 50 ft Chester Avenue; |
| **Zoning** | CL - Comercial Limited, Commercial |
| **Topography** | Level |
| **Utilities** | All Available |
| **Dimensions** | 50 x 206 |
| **Shape** | Rectangular |
| **Flood Info** | X |
| **Depth** | 206 |

**General Physical Data**

| | |
|---|---|
| **Building Name** | Residential |
| **Building Type** | Single Tenant |
| **Gross SF** | 1,370 |
| **Construction Type** | Class D |
| **Roof Type** | Shingle |
| **Foundation** | Crawl |
| **Stories** | 1 |
| **Year Built** | 1930 |
| **Condition** | Average |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross SF** | $281.02 Actual or $281.02 Adjusted |
| **Floor Area Ratio** | 0.14 |
| **Land to Building Ratio** | 7:1 |

**Remarks**

This transaction represents the LISTING of a residential building that has a mixed use zoning. The listing indicates that the property would be good for STR, office, retail or restaurant use. The property does not have frontage or visibility along Main street, so a retail use is not likely. The property has been renovated and is in good condition. The seller's agent indicates that the buyer is a local investor that has multiple similar holdings. She says he may retain this property for an office or coffee shop. She said she also has a backup offer at $390,000.

**Improved Sale No. 2**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2878 |
| **Property Type** | Commercial, Office - Residential Conversion |
| **Property Name** | Residential Mixed Use |
| **Address** | 1100 Douglas Avenue, Nashville, Davidson County, Tennessee 37206 |
| **Location** | Nashville |
| **Tax ID** | 072-13-0-422.00 |
| **Longitude, Latitude** | W-86.744320, N36.192370 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | Houdini Holdings |
| **Grantee** | John P Lynch & Doralee Trustees |
| **Sale Date** | July 31, 2018 |
| **Deed Book/Page** | 201808010074909 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | MLS 267 DOM |
| **Sale History** | $320,000 07/15/2016 |
| **Verification** | MLS 1724774, Other sources: Public Record, Confirmed by Taylor Vandever |
| **Sale Price** | $420,000 |

**Improved Sale No. 2 (Cont.)**

| | |
|---|---|
| **Cash Equivalent** | $420,000 |
| **Adjusted Price** | $420,000 |

**Land Data**

| | |
|---|---|
| **Land Size** | 0.110 Acres or 4,792 SF |
| **Front Footage** | 140 ft Total Frontage: 78 ft Gallatin Avenue; 62 ft Douglas Avenue; |
| **Zoning** | MUG-A, Mixed Use |
| **Topography** | Level |
| **Utilities** | All Available |
| **Dimensions** | 62 x 88 |
| **Shape** | Mostly Rectangular |
| **Flood Info** | X |
| **Depth** | 88 |

**General Physical Data**

| | |
|---|---|
| **Building Name** | Residential |
| **Building Type** | Single Tenant |
| **Gross SF** | 1,370 |
| **Construction Type** | Class D |
| **Roof Type** | Shingle |
| **Foundation** | Crawl |
| **Stories** | 2 |
| **Year Built** | 1910 Renovated |
| **Condition** | Average |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross SF** | $306.57 Actual or $306.57 Adjusted |
| **Floor Area Ratio** | 0.29 |
| **Land to Building Ratio** | 3.5:1 |

**Remarks**

This transaction represents the purchase of a residential building that has a mixed use zoning. This property has good visibility and frontage along Gallatin Avenue and Douglas Avenue at the corner. The property has been renovated and is in good condition. The property was marketed as a live-work opportunity. It has 5 parking places on site. The property was originally listed at $499,000.

**Improved Sale No. 3**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2875 |
| **Property Type** | Commercial, Restaurant |
| **Property Name** | Beyond the Edge |
| **Address** | 112 S 11th Street, Nashville, Davidson County, Tennessee 37206 |
| **Location** | Nashville |
| **Tax ID** | 083-09-0-222.00 |
| **Longitude, Latitude** | W-86.750350, N36.176630 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | David G. Knoble |
| **Grantee** | Matthew D. Chrette |
| **Sale Date** | June 29, 2018 |
| **Deed Book/Page** | 201807050065099 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | Arm's Length |
| **Verification** | Other sources: ReliabeThird Party, Public Records, Confirmed by Taylor Vandever |
| **Sale Price** | $1,700,000 |
| **Cash Equivalent** | $1,700,000 |
| **Adjusted Price** | $1,700,000 |

**Land Data**

| | |
|---|---|
| **Land Size** | 0.190 Acres or 8,276 SF |
| **Front Footage** | 50 ft Total Frontage: 50 ft South 11th Street; |
| **Zoning** | MUL, Mixed Use |
| **Topography** | Level |

**Improved Sale No. 3 (Cont.)**

| | |
|---|---|
| **Utilities** | All Available |
| **Dimensions** | 50 x 167 |
| **Shape** | Rectangular |
| **Flood Info** | X |
| **Depth** | 167 |

**General Physical Data**

| | |
|---|---|
| **Building Name** | Restaurant |
| **Building Type** | Single Tenant |
| **Gross SF** | 4,007 |
| | |
| **Construction Type** | Concrete Block/Brick |
| **Roof Type** | Dimensional Shingle |
| **Foundation** | Concrete Slab |
| **Stories** | One |
| **Year Built** | 1968 |
| **Condition** | Average |
| | |
| **Tenants** | 1 |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross SF** | $424.26 Actual or $424.26 Adjusted |
| **Floor Area Ratio** | 0.48 |
| **Land to Building Ratio** | 2.07:1 |

**Remarks**

This transaction represents the purchase of a building that is being repurposed for a restaurant use in the East Nashville market. This sales cnotract does not include FF&E, as the buyer is the current tenant and already owns the FF&E. This property has not been exposed to the open market; however, is viewed as a reasonable representation of market value.

**Improved Sale No. 4**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2872 |
| **Property Type** | Commercial, Restaurant |
| **Property Name** | 307 N 16th Street |
| **Address** | 307 N 16th Street, Nashville, Davidson County, Tennessee 37206 |
| **Location** | Nashville |
| **Tax ID** | 083-10-0-130.00 |
| **Longitude, Latitude** | W-86.741260, N36.179380 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | William H. Bernstein |
| **Grantee** | Stuart Speyer |
| **Sale Date** | May 14, 2018 |
| **Deed Book/Page** | 201812100119913 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | Arm's Length |
| **Verification** | MLS 1932424, Other sources: Public Records, Confirmed by Taylor Vandever |
| | |
| **Sale Price** | $885,000 |
| **Cash Equivalent** | $885,000 |
| **Adjusted Price** | $885,000 |

**Land Data**

| | |
|---|---|
| **Land Size** | 0.170 Acres or 7,405 SF |
| **Front Footage** | 61 ft Total Frontage: 61 ft N 16th; |

**Improved Sale No. 4 (Cont.)**

| | |
|---|---|
| **Zoning** | CS, Commercial |
| **Topography** | Level |
| **Utilities** | All Available |
| **Dimensions** | 61 x 121 |
| **Shape** | Rectangular |
| **Flood Info** | X |
| **Depth** | 121 |

**General Physical Data**

| | |
|---|---|
| **Building Name** | Retail |
| **Building Type** | Single Tenant |
| **Gross SF** | 3,852 |
| | |
| **Construction Type** | Brick |
| **Roof Type** | Flat |
| **Foundation** | Slab |
| **Stories** | 2 |
| **Year Built** | 1960 |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross SF** | $229.75 Actual or $229.75 Adjusted |
| **Floor Area Ratio** | 0.52 |
| **Land to Building Ratio** | 1.92:1 |

**Remarks**

This transaction includes the purchase of a commercially zoned property in the East Nashville property. This parcel is positioned near the corner of N 16th and Ordway.

**Improved Sale No. 5**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2876 |
| **Property Type** | Commercial, Office - Residential Conversion |
| **Property Name** | Residential Mixed Use |
| **Address** | 212 S 11th Street, Nashville, Davidson County, Tennessee 37206 |
| **Location** | Nashville |
| **Tax ID** | 083-13-0-010.00 |
| **Longitude, Latitude** | W-86.750660, N36.174860 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | Spartan Land Investments |
| **Grantee** | Built Capital LLC |
| **Sale Date** | April 20, 2018 |
| **Deed Book/Page** | 201804200037572 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | Arm's Length |
| **Mortgagee** | Pinnacle Bank |
| **Original Mortgage** | $512,000 |
| **Sale History** | $520,000 07/24/2018 |
| **Verification** | Whitney Neil; 615-974-6443, January 15, 2019; MLS 1897609, Other sources: Public Record, Confirmed by Taylor Vandever |
| **Sale Price** | $640,000 |

**Improved Sale No. 5 (Cont.)**

| | |
|---|---|
| **Cash Equivalent** | $640,000 |
| **Adjusted Price** | $640,000 |

**Land Data**

| | |
|---|---|
| **Land Size** | 0.220 Acres or 9,583 SF |
| **Front Footage** | 50 ft Total Frontage: 50 ft South 11th Street; |
| **Zoning** | MUL, Mixed Use |
| **Topography** | Level |
| **Utilities** | All Available |
| **Dimensions** | 50 x 187 |
| **Shape** | Rectangular |
| **Flood Info** | X |
| **Depth** | 187 |

**General Physical Data**

| | |
|---|---|
| **Building Name** | Residential |
| **Building Type** | Single Tenant |
| **Gross SF** | 1,614 |
| **Construction Type** | Class D |
| **Roof Type** | Shingle |
| **Foundation** | Crawl |
| **Stories** | 1 |
| **Year Built** | 2003 |
| **Condition** | Average |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross SF** | $396.53 Actual or $396.53 Adjusted |
| **Floor Area Ratio** | 0.17 |
| **Land to Building Ratio** | 5.94:1 |

**Remarks**

This transaction represents the purchase of a residential building that has a mixed use zoning. The zoning in place allows for office, residential, STR, and more uses. As of the date of sale, it was being utilized as an office. The property was renovated as part of the Property Brothers tv show and is in good condition. The buyer's agent indicated that the buyer purchased the property for a live/work purpose and is using the rear for his home and the front for his office. Future plans would include adding useable square footage in the present attic.

**Improved Sale No. 6**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2849 |
| **Property Type** | Commercial, Restaurant |
| **Property Name** | 1313 Woodland Street |
| **Address** | 1313 Woodland Street, Nashville, Davidson County, Tennessee 37206 |
| **Location** | Nashville |
| **Tax ID** | 083-09-0-158.00 |
| **Longitude, Latitude** | W-86.745940, N36.177380 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | CFC Properties, LLC |
| **Grantee** | Homesteady Properties, LLC |
| **Sale Date** | March 09, 2018 |
| **Deed Book/Page** | 201803130023750 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | Arm's Length |
| **Verification** | Agent, Other sources: Knowledgeable Third Party, Public Records, Confirmed by Charlie Tumbleston |
| **Sale Price** | $1,350,000 |
| **Cash Equivalent** | $1,350,000 |
| **Adjusted Price** | $1,350,000 |

**Land Data**

| | |
|---|---|
| **Land Size** | 0.130 Acres or 5,663 SF |
| **Front Footage** | 167 ft Total Frontage: 50 ft Woodland Street; 117 ft N 14th Street; |
| **Zoning** | MUL, Mixed Use |

**Improved Sale No. 6 (Cont.)**

| | |
|---|---|
| **Topography** | Level |
| **Utilities** | All Available |
| **Dimensions** | 50 x 117 |
| **Shape** | Rectangular |
| **Flood Info** | X |
| **Depth** | 117 |

**General Physical Data**

| | |
|---|---|
| **Building Name** | Restaurant |
| **Building Type** | Single Tenant |
| **Gross SF** | 4,088 |
| | |
| **Construction Type** | C |
| **Roof Type** | Flat |
| **Foundation** | Slab |
| **Stories** | 2 |
| **Year Built** | 1900 |
| **Condition** | Average |
| | |
| **Tenants** | 1 |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross SF** | $330.23 |
| **Floor Area Ratio** | 0.72 |
| **Land to Building Ratio** | 1.39:1 |

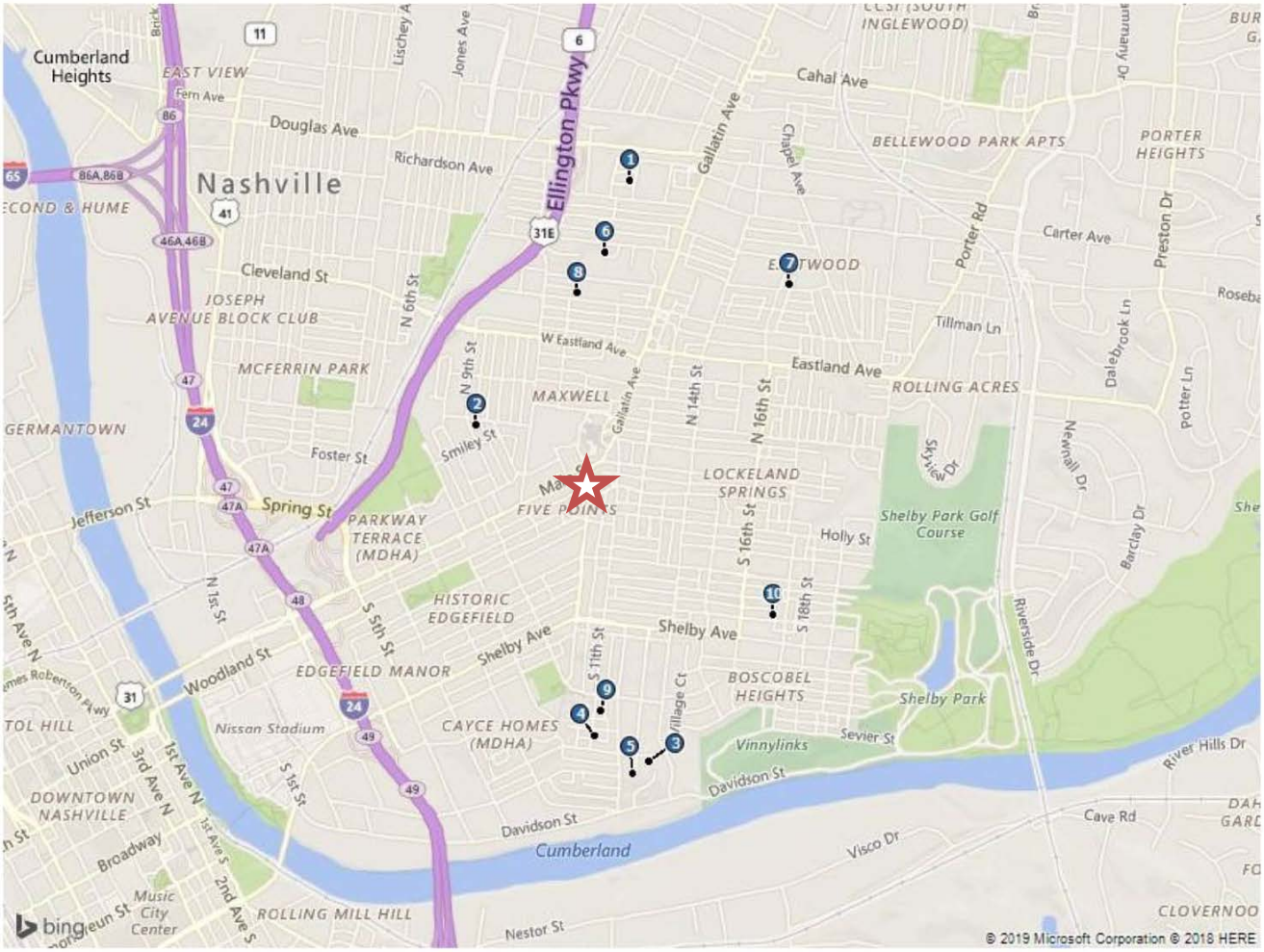
**Remarks**

This transaction represents the purchase of a former restaurant facility which was owner occupied. The property was vacant at the time of sale. Prior to the sale, the building was renovated to the studs in 2007 and a new roof was installed in 2016. The new owner has renovated the space and plans to re-lease the building. There was no FF&E transferred in the sale.

**Supplemental Residential Sales**

Closed 10 Properties Found

| | SqFt | BR | FB | HB | LP/SF | List Price | SP/SF | Sales Price | Year | DOM |
|---|---|---|---|---|---|---|---|---|---|---|
| MIN | 624 | 2 | 1 | 0 | $276.92 | $214,900 | $276.92 | $215,000 | 1923 | 0 |
| AVERAGE | 875 | 2 | 1 | 0 | $306.77 | $266,360 | $302.20 | $262,250 | 1950 | 33 |
| MEDIAN | 838 | 2 | 1 | 0 | $304.16 | $259,450 | $292.14 | $257,000 | 1949 | 31 |
| MAX | 1105 | 2 | 2 | 0 | $344.55 | $329,900 | $344.55 | $320,000 | 1990 | 99 |



**TheCRVGroup.com**
**607 Hill Street**
**Lebanon, TN 37087**
**615-449-8099**

January 15, 2019

Mr. Matthew Spicher
Matthew Spicher
1011 Clearview Avenue
Nashville, TN 37206

RE: Appraisal of
Commercial Building
1009 Clearview Avenue
Nashville, Tennessee 37206

Dear Mr. Spicher:

Per your request, I have developed an appraisal on the above referenced property. The purpose of the appraisal is for an opinion of the as-is market value of the fee simple interest of the subject property as of December 4, 2018. I personally inspected the property and considered market factors pertinent to the opinion of value.

An appraisal of the subject property has been requested by the client. The results and conclusions of this appraisal assignment have been reported in an Appraisal Report. The reporting of all information contained within this report conforms to USPAP Standards Rule 2 and more specifically Standards Rule 2 – 2(a). This appraisal report is strictly for use by the client. The level of reporting contained in this report is consistent with the minimum reporting requirements as required by USPAP Standards Rule 2 – 2 (a).

The reported value is subject to the Contingent and Limiting Conditions located within this report. The intended use of this report is for asset valuation for partnership decisions and may not be used for any other function. Based on an analysis of the market, it is my opinion that the market value of the subject property as of December 4, 2018 is:

**$410,000**
**FOUR HUNDRED TEN THOUSAND DOLLARS**

The appraisal procedure and this appraisal report conform to the current requirements prescribed by the ***Uniform Standards of Professional Appraisal Practice*** of the Appraisal Standards Board of the Appraisal Foundation. I have both the knowledge and experience to complete the appraisal competently. I appreciate this opportunity of being of service to you. If my office can be of further assistance, please do not hesitate to contact us.

Respectfully submitted,

Taylor Vandever, MAI
Certified General Appraiser
CG-4643

**CONTINGENT AND LIMITING CONDITIONS**

The conclusions reached in this appraisal are subject to the following assumptions and limiting conditions.

1. The legal description furnished is assumed to be correct, as are the property lines pointed out to the appraiser.
2. All liens and encumbrances have been disregarded and the property was appraised as though free and clear and under proper management. Title to the property is assumed to be good and marketable and invested in the owner of record.
3. Sketches in this report are included to assist the reader in visualizing the property. I have made no survey of the property and assume no responsibility for such matters.
4. This report incorporates information assembled from various sources, all of which are believed to be reliable. However, an impractical and uneconomic expenditure of time would be required to furnish unimpeachable verification in all instances.
5. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any function other than the previously stated intended use.
6. Your appraiser is not required to give testimony or appear in court with reference to the property under appraisal unless arrangements have been previously made.
7. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal and are invalid if used separately.
8. Neither all nor any part of the contents of this report (especially any analyses, opinions, or conclusions as to value, the identity of the appraiser, or any national organization with which we are connected) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without prior written consent and approval.
9. The date of value, to which the analyses, conclusions, and opinions expressed in this report, is set forth in the letter of transmittal. The appraiser assumes no responsibility for economic or physical factors occurring at some later date that may affect the analyses, conclusions, and opinions herein stated.
10. No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.
11. Except as specifically stated, data relative to size and shape taken from sources considered reliable and no encroachment of real property improvements is assumed to exist.
12. This appraisal report is not to be considered an environmental assessment of the property. We are not experts in the field of environmental hazards and are not qualified to detect the existence of potentially hazardous material that may or may not be present on or near the property. The reported value is predicated on the assumption that there were no environmental problems. Should there be a problem, which

requires clean up, the reported value will be affected in direct proportion to the cost to cure.

13. It does not appear that that the subject property is located in a Special Flood Hazard Area. However, we make no guarantee regarding this determination since we are not surveyors.
14. The projections included in this report are utilized to assist in the valuation process and are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser.
15. All hypothetical conditions and / or extraordinary assumptions that might affect the estimate of value conclusions for this assignment are outlined in the Scope of Work section of this report. The concluded value given in this report is predicated on these assumptions and conditions as stated.

Taylor Vandever, MAI
Certified General Appraiser
CG-4643

**DEFINITION OF MARKET VALUE**

Value has been defined as "the relationship between a thing desired and a potential purchaser." It is the estimated equivalent of a commodity or service. Utility and scarcity are the prime requisites of value, and both must be present before value exists. Their presence alone, however, does not create value; in addition, there must be a need or desire, "demand", on the part of the individual to possess the object, and purchasing power, that is, the ability to participate in the market in order to satisfy needs and desires.

The purpose of the appraisal assignment was for an opinion of the “as-is” market value of the described property. Market value is defined as:

> The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
>
> 1. buyer and seller are typically motivated;
> 2. both parties are well informed and well advised, and each acting in what he considers his own best interest;
> 3. a reasonable time is allowed for exposure in the open market;
> 4. payment is made in terms of cash and U.S. dollars or in terms of financial arrangements comparable thereto;
> 5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
>
> **The Dictionary of Real Estate Appraisal* (4th ed.). (2002). Chicago, IL: Appraisal Institute. According to: Federal Register 34696, August 24, 1990. C.F.R. Part 34.42(g). Amended June 7, 1994.

**IDENTIFICATION OF SUBJECT PROPERTY**

| | |
|---|---|
| Property Name: | Treehouse Restaurant |
| Property Address: | 1009 Clearview Avenue |
| City, State, Zip Code: | Nashville, Tennessee 37206 |
| Property Tax Identification Number: | Tax Map 083-09-0, Parcel 137.00 |
| Current Use of Property: | Commercial Building |

**SALES HISTORY OF PROPERTY**

| | |
|---|---|
| Current Owner of Record: | Norman K. Spicher |

| Subject Sales / Transfers | Prior Sale |
|---|---|
| Date of Sale / Transfer | April 9, 1998 |
| Sale / Transfer Price | $25,000 |
| Deed Book / Page | Deed Book 10884, Page 711 |

| | |
|---|---|
| Is the subject property listed for sale? | Yes (Collective with other Parcels) |
| List Amount | $3,100,000 |
| List Source | Realtracs |
| Listing Agent | Andrea S. Ladd (Related Party) |
| Is the subject property currently under contract or option? | No |
| Listing and or Contract Analysis: | None |

**ASSIGNMENT PARAMETERS**

| | |
|---|---|
| Client / Intended User: | Matthew Spicher |
| Intended Use of Appraisal Is For: | Asset Valuation for Partnership Decisions |
| Real Property Interest Appraised: | Fee Simple Interest |
| Value Reported: | Market Value |
| Effective Date of Value: | December 4, 2018 |
| Date of Report: | January 15, 2019 |

## EXPOSURE TIME

A reasonable exposure time for a property is defined in USPAP as the "estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market." A reasonable exposure time for the subject property is estimated to be about 6 months .

## MARKETING TIME

The reasonable marketing time for a property is an opinion of the amount of time it might take to sell a real property interest at the concluded market value during the period immediately after the effective date of an appraisal. A reasonable marketing time for the subject property is estimated at 6 months.

## SCOPE OF WORK

| | | | | | | |
|---|---|---|---|---|---|---|
| **Extent of Inspection:** | X | Interior & Exterior | | Exterior Only | | None |
| | | | | | | |
| **Data Sources Used:** | X | Subscription Services | X | Public Records | X | Appraiser's Files |
| | | | | | | |
| **Building Area Measured?** | X | Yes | | No | | N/A |
| | | | | | | |
| **Approaches to Value Developed:** | | Cost Approach | X | Sales Comparison | | Income Apporach |

## REASONS FOR EXCLUDING AN APPROACH TO VALUE

In the valuation of the subject property, only the Sales Comparison Approach is concluded as being necessary to produce a credible report. The subject property is an improved property that is occupied by a restaurant that is operated by an ownership entity in the property. The Cost Approach is not applicable, as the improvements are old and estimating depreciation levels would be very subjective. The Income Approach is not applicable due to the size and scope of the property. This property could be viewed as an investment property for a small scale or local investor; however, properties of this scope are typically not viewed by an investor through typical commercial valuation techniques, such as the Direct Capitalization technique. The appeal to an investor often comes from the ability to generate positive cash flow with consideration typically given to mortgage terms. Neither the Cost Approach, nor Sales Comparison Approach are applicable.

## ADDITIONAL SCOPE OF WORK COMMENTS

In the appraisal of the subject property, the appraiser completed the following steps an analysis:

1. Identified the subject property to be appraised, the client of the appraisal, purpose of the appraisal, the intended use of the appraisal, and the rights to be appraised.

2. Based on the client's needs and objectives, identified the scope of work and valuation approach required to produce credible results for the intended use.
3. Identified regional, city, neighborhood, and subject data relevant to the appraisal and the scope of work.
4. Gathered the comparable data deemed to be the most applicable, within the context of the scope of work and the valuation approach to be employed.
5. Analyzed the data to arrive at conclusions of highest and best use and value indications via the valuation approach employed herein.
6. Reconciled the results of this analysis to arrive at a final value conclusion.
7. Prepared this written report in order to communicate the results of the appraisal process to the client.

**EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS**

The use of an extraordinary assumption and / or a hypothetical condition might affect the assignment results. The appraiser reserves the right to alter the valuation conclusions if the use of these appraisal conditions has an impact on the final estimate of value.

**Extraordinary Assumptions Made**

- None

**Hypothetical Conditions Made**

- None

**MARKET AREA DESCRIPTION**

Market Area Location: East Nashville / Five Points

The subject neighborhood is roughly bounded by Eastland Avenue to the north, Shelby Avenue to the south, Ellington Parkway to the west and Shelby Park Golf Course to the east. The characteristics and factors affecting the marketability of the neighborhood are as follows:

| Characteristics of Subject's Market | | | | | | |
|---|---|---|---|---|---|---|
| **Location:** | X | Urban | | Suburban | | Rural |
| **Built Up:** | X | Over 75% | | 25-75% | | Under 75% |
| **Development:** | X | Increasing | | Stable | | Declining |
| **Value Trend:** | X | Increasing | | Stable | | Declining |
| **Vacancy Trend:** | | Increasing | | Stable | X | Declining |
| **Changes in Land Use:** | | Unlikely | | Likely | X | Taking Place |

| Marketability Factors | Exc. | Good | Avg. | Fair | Poor |
|---|---|---|---|---|---|
| **Employment Stability:** | | X | | | |
| **Convenience to Employment:** | | X | | | |
| **Convenience to Shopping:** | | X | | | |
| **Adequacy of Public Transportation:** | | | X | | |
| **Recreational Facilities:** | | X | | | |
| **Adequacy of Utilities:** | | | X | | |
| **Police and Fire Protection:** | | | X | | |
| **Appeal to Broad Market:** | | X | | | |

## LAND ANALYSIS

In the land analysis, an appraiser studies the characteristics and surroundings of the land that contribute to or detract from its value. The appraiser must be cognizant of the market standards in the area of the subject property.

**Characteristics of the Subject Site:**

| | |
|---|---|
| Size | 0.09 Acres or 3,920 SF |
| Available Utilities: | |
| Electricity | Public |
| Water | Public |
| Sewer | Public |
| Gas | Public |

**Taxes and Zoning**

| | |
|---|---|
| Tax Year Analyzed: | 2017 |
| Assessment Rate | 25% |
| Taxes Due for 2017 | $1,829.90 |

| | |
|---|---|
| **Zoning Classification** | CS - Commercial Services |
| Overlay | MDHA-FP - Five Points Redevelopment District |
| Overlay | OV-NHC – Neighborhood Conservation Overlay |
| Overlay | OV-UZO – Urban Zoning Overlay |
| Present Use of Site: | Legally Conforming |

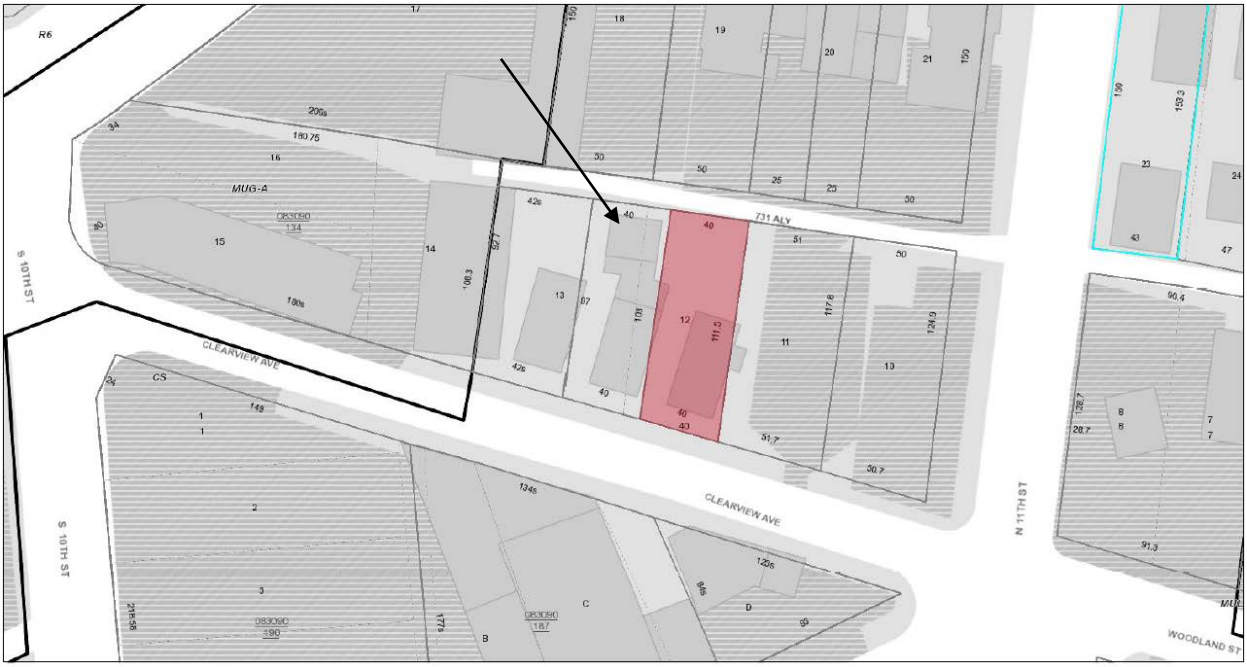
**Flood Hazard Information**

| | |
|---|---|
| Flood Panel | 47037C0242H |
| Panel Date | April 5, 2017 |
| Flood Zone | X |
| Located in Flood Zone | No |

**Comments:** The subject parcel is a 0.09 tract of land. The shape is generally rectangular with frontage of about 40 linear feet and depth of approximately 103 feet. The topography is slightly sloping from Clearview Avenue to the rear of the parcel. Access is gained via driveway entrance along Clearview Avenue as well as alley access along the rear of the parcel. Parking is available in driveway, as well as open surface parking along the street or paid public lots in close proximity.

The parcels are identified as being within the Five Points area, which is a high demand and high traffic area of East Nashville. There are multiple retail, shopping, restaurant, office and residential properties in close proximity to the subject property.

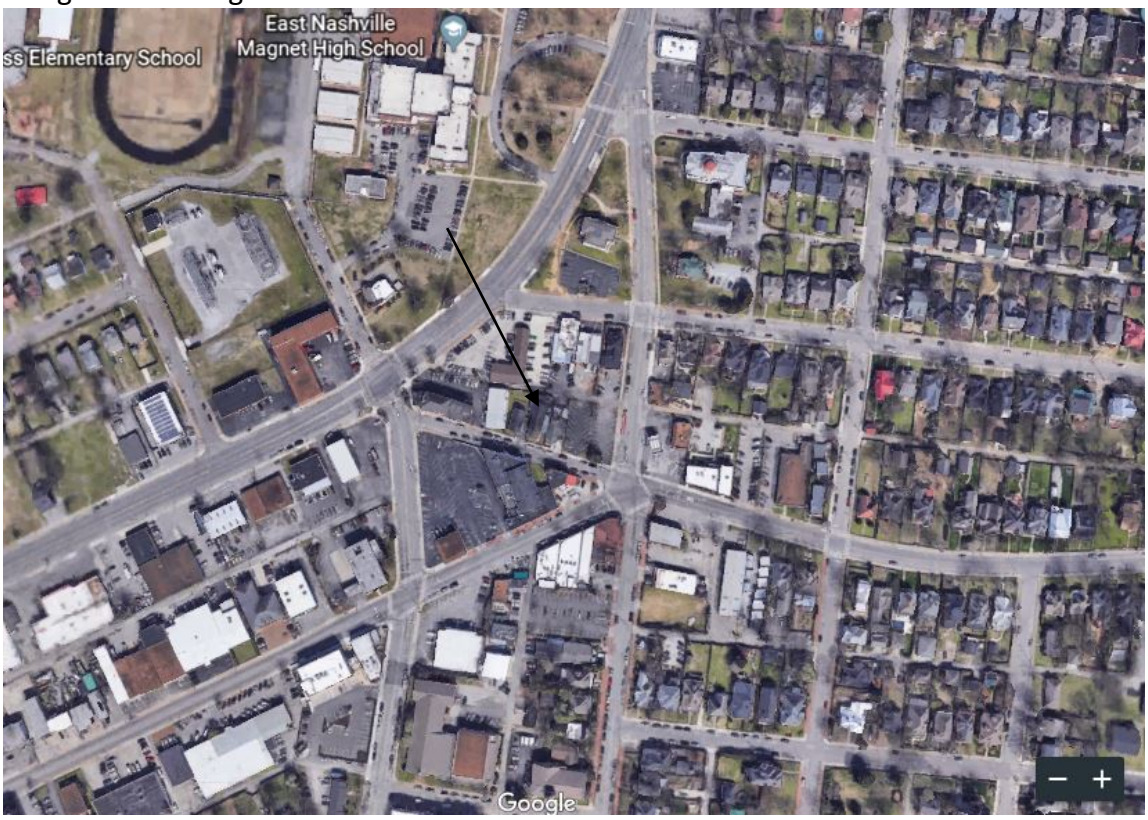
Zoning Map




Five Points Development District

Aerial Map

Google Earth Image



# National Flood Hazard Layer FIRMette

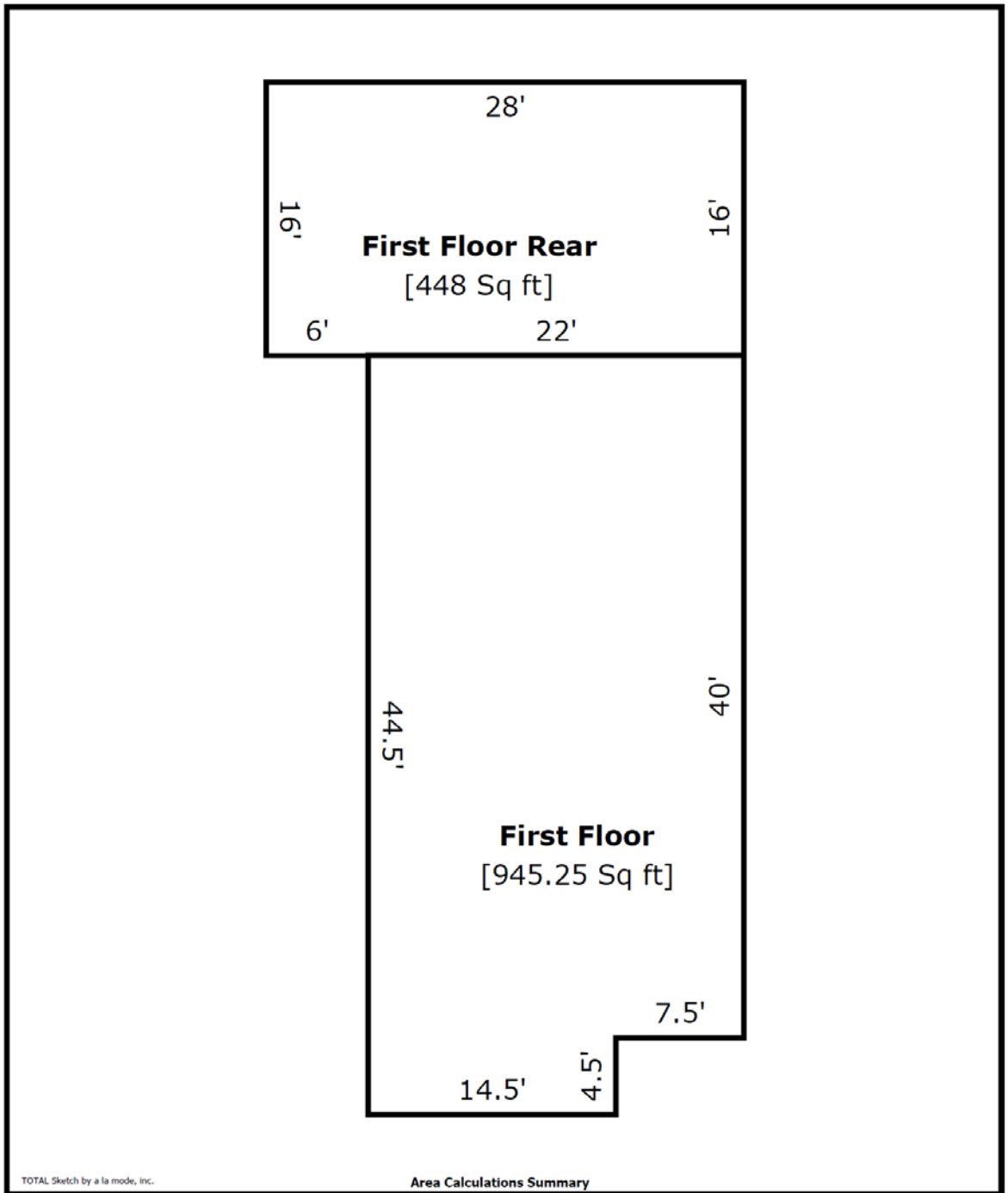
## DESCRIPTION OF IMPROVEMENTS

The characteristics and features of the subject property's improvements can be measured only in relation to the relevant market. The general descriptions of the improvements are analyzed in relation to the market standards in which the subject property competes.

| | |
|---|---|
| **General Description of Buildings:** | |
| Number of Buildings | 1 |
| Number of Stories | 1 |
| Stage of Construction | Existing |
| Gross Improvement Size | 1,392 SF |
| **Foundation:** | |
| Foundation | Concrete Slab |
| **Exterior Description:** | |
| Exterior Walls | Wood Studs with Wood Siding |
| Roof Structure and Covering | Wood Truss / Asphalt Shingle |

**Comments:** The 0.09 acre tract of land is improved with one, 1-story building. The building was originally constructed in 1923 and has since been maintained, but no modern upgrades have been performed. The total square footage of heated and cooled space is 1,392 square feet. There are improvements at the rear of the property that are not included in this square footage, as they do not appear to be up to code. The building is currently in use as an office and storage area. There are wood floors throughout but all finishes are dated and some in need of repair. The exterior of the improvements is in below average condition. Exterior repairs to include a replacement roof appear to be necessary.

**Building Sketch**




TOTAL Sketch by a la mode, inc.

**Area Calculations Summary**

| Living Area | | Calculation Details | |
|---|---|---|---|
| First Floor | 945.25 Sq ft | 22 × 40 = 880<br>4.5 × 14.5 = 65.25 | |
| First Floor Rear | 448 Sq ft | 28 × 16 = 448 | |
| **Total Living Area (Rounded):** | **1393 Sq ft** | | |

TOTAL Sketch software by a la mode, inc. 1-800-alamode

## HIGHEST AND BEST USE ANALYSIS

In estimating market value, an appraiser identifies the most profitable, competitive use to which a property can be put. The end result is a highest and best use analysis. The *Dictionary of Real Estate Appraisal*, published by The Appraisal Institute, defines highest and best use as:

1. The reasonable and probable use that supports the highest present value of vacant land or improved property, as defined, as of the data of the appraisal.

2. The reasonably probable and legal use of land or sites as though vacant, found to be physically possible, appropriately supported, financially feasible, and that results in the highest present land value.

3. The most profitable use.

The subject property is currently zoned CS - Commercial Services. A thorough examination of the East Nashville market has been performed as it pertains to commercial land value and also contributory value of improvements. An observation is made that there is significant overlap in improved value for all commercial properties to include residential, live/work, residential conversion, office, commercial and restaurant uses. This leads to a conclusion that the highest and best use of the property is general commercial development that complies with present zoning restrictions. After consideration of all aspects of highest and best use, the concluded findings are:

**The highest and best of subject as vacant:**

- **Current Use** **Commercial Building**
- **Most Likely Use** **Commercial Development**
- **Most Likely User** **Developer**
- **Timing** **Within 12 Months**

**The highest and best of subject as improved:**

- **Most Likely Use** **Renovation to Commercial Use**
- **Most Likely User** **Owner Occupant**
- **Timing** **Immediate**

## SALES COMPARISON APPROACH

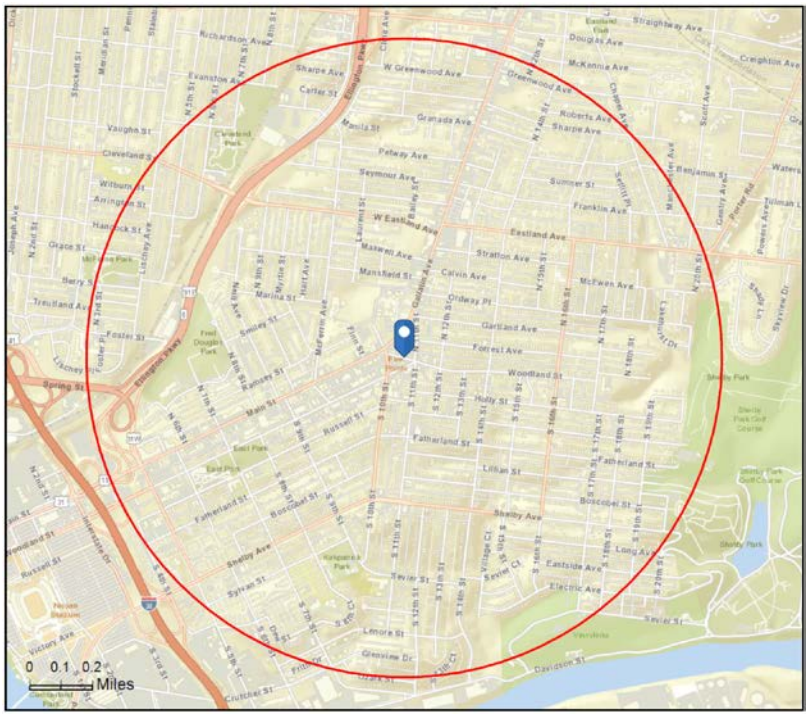
The sales comparison approach utilizes the sales of similar properties as the basis for an indication of market value. Direct comparisons are made between them on an item-by-item basis as to property rights transferred, financial concessions, conditions of sale, location differences, time of sale, and physical characteristics. Adjustments are made to the sale price of the comparative properties to arrive at an indication of what the properties would have sold had they been essentially the same as the subject property. These adjusted sales prices are reconciled into an indication of market value.

Carefully verified and analyzed market data is good evidence of market value, as it tends to represent the actions and reactions of typical buyers, sellers, users, and investors. The sales comparison approach, like the cost approach, is based on the principle of substitution. The principle of substitution implies that a prudent person will not pay more to buy a property than it would cost to buy a comparable substitute property of equal utility and desirability.

The properties shown on the following page represent sales transactions that have occurred in the subject market or similar markets and are used in the determination of valuation conclusions based upon market transactions. Sales older than 24 months may be used in the absence of recent, similar sales transactions.

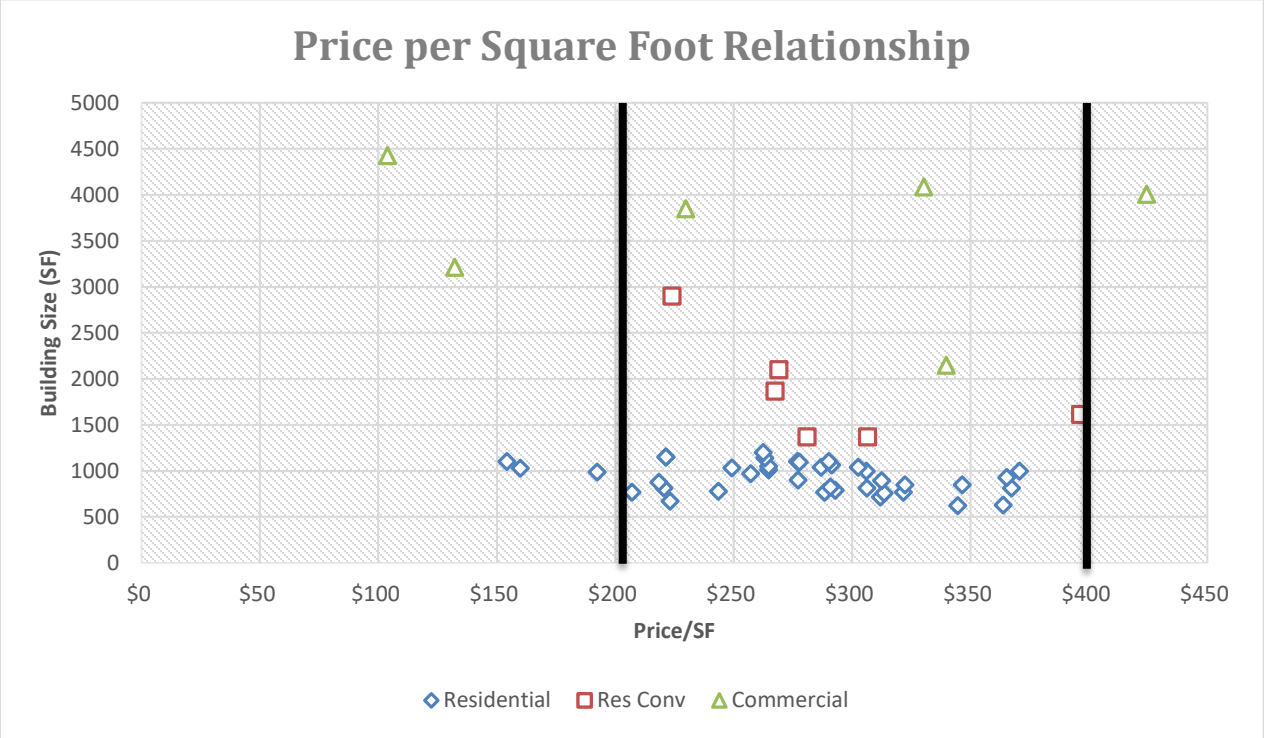
### Market Analysis

The first analysis performed is of the East Nashville market, with a specific focus on properties surrounding the Five Points area within a reasonable proximity. A 1-mile radius is shown below.



Thorough research was performed on property sales for a residential, residential conversion or commercial use, as these are all plausible uses of the subject property as improved and within the zoning guidelines.

The graph below shows three property types: Residential, Residential Conversion and Commercial uses that occurred within the subject market.




The sales data above shows that residential uses range from about $150 to about $375 per square foot; residential conversion uses range from about $225 to $400 per square foot; and commercial uses range from about $100 to about $425 per square foot. The lower end of the commercial range includes two sales that sold as vacant for future renovation and they also occurred several years ago, which are skewing the commercial range downward a bit.

This analysis indicates a consistent overlapping range from about $200 to about $400 per square foot, regardless of end use or building type for this market. The point of this analysis is to establish a basis for comp selection.

The subject property is being utilized as an office but is built out consistent with a residential use; however, there are numerous plausible uses of the building. The comparable sales selected are of residential conversion properties that have a commercial component and of commercial properties that were purchased for restaurant use.

The sales selected are also largely supported by the established range shown above for two & three-bedroom residential properties ranging from 1,000 to 1,5000 square feet. A

supplemental grouping of residential sales is included as an addendum to further support the value conclusion if the property were purchased for residential use.

**Quantitative Analysis**

The comparable properties were analyzed utilizing a quantitative analysis. This technique is a mathematical process whereby the appraiser identifies elements of difference between the comparable property and the subject property and quantifies market reaction to these differences through the application of an adjustment procedure. A positive adjustment is made to the comparable property for qualities viewed as being inferior as compared to the subject property; conversely, a negative adjustment is made to the comparable property for qualities viewed as being superior as compared to the subject property. The adjustments made are based upon paired data analysis or other techniques such as regression analysis, trend analysis or the appraiser's judgment. The sales shown are located in the subject's market or similar markets and are believed to be similar to the subject property based upon physical and economic characteristics.

| | Subject | Sale 1 | Sale 2 | Sale 3 | Sale 4 | Sale 5 | Sale 6 |
|---|---|---|---|---|---|---|---|
| **Address** | 1009 Clearview Avenue | 1106 Chester Ave | 1100 Douglas Avenue | 112 S 11th Street | 307 N 16th Street | 212 S 11th Street | 1313 Woodland Street |
| **City** | Nashville | Nashville | Nashville | Nashville | Nashville | Nashville | Nashville |
| | | | | | | | |
| **Sales Date** | n/a | PENDING | 7/31/2018 | 6/29/2018 | 5/14/2018 | 4/20/2018 | 3/9/2018 |
| **Sales Price** | n/a | $385,000 | $420,000 | $1,700,000 | $885,000 | $640,000 | $1,350,000 |
| **Unadjusted Price / SF** | n/a | $281 | $307 | $424 | $230 | $397 | $330 |
| **Adjusted Price** | n/a | $385,000 | $420,000 | $1,700,000 | $885,000 | $640,000 | $1,350,000 |
| **Property Rights** | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple |
| | | | | | | | |
| **Site Size (acres)** | 0.09 | 0.22 | 0.11 | 0.19 | 0.17 | 0.22 | 0.13 |
| **Site Size (SF)** | 3,920 | 9,583 | 4,792 | 8,276 | 7,405 | 9,583 | 5,663 |
| **Zoning** | Commercial | Commercial | Mixed Use | Mixed Use | Commercial | Mixed Use | Mixed Use |
| **Topography** | Slightly Sloping | Level | Level | Level | Level | Level | Level |
| **Utilities** | All Available | All Available | All Available | All Available | All Available | All Available | All Available |
| | | | | | | | |
| **Year Built** | 1923 | 1930 | 1910 | 1968 | 1960 | 2003 | 1900 |
| **Gross Building Size** | 1,392 | 1,370 | 1,370 | 4,007 | 3,852 | 1,614 | 4,088 |
| **Condition** | Average | Good | Good | Good | Average | Good | Good |
| **Adjustments** | | | | | | | |
| **Adjusted Price / SF** | n/a | $281 | $307 | $424 | $230 | $397 | $330 |
| **Market Conditions** | Average | 0% | 0% | 0% | 0% | 0% | 0% |
| **Adj. for Market Conditions** | n/a | $281 | $307 | $424 | $230 | $397 | $330 |
| **Physical Adjustments** | | | | | | | |
| **Location** | Average | 20% | 20% | | 20% | | 10% |
| **Land Value** | Average | | | -10% | | -10% | |
| **Physical Characteristics** | Average | | | | 15% | | |
| **Age / Condition** | Average | -15% | -15% | -15% | | -15% | -15% |
| **Economic Characteristics** | Average | | | | | | |
| **Use / Zoning** | Average | | | | | | |
| **Non-Realty Items** | None | | | | | | |
| **Net Physical Adjustments** | | **5%** | **5%** | **-25%** | **35%** | **-25%** | **-5%** |
| **Indicated Value** | | **$295** | **$322** | **$318** | **$310** | **$297** | **$314** |

| **Unadjusted Values** | | | **Adjusted Values** | |
|---|---|---|---|---|
| Low Value | $230 | | Low Value | $295 |
| High Value | $424 | | High Value | $322 |
| Mean Value | $328 | | Mean Value | $309 |

The analysis indicated a price per square foot ranging from $295 to $322 with a calculated mean of $309.

- Sale 1 represents a pending sale in the market that has a similar range of potential uses to the subject property. It is included as a recent representation of the purchase of a residential structure for a commercial use. Sale 1 is adjusted upward for inferior location. A downward adjustment is applied for superior physical characteristics based upon condition of the property.
- Sale 2 represents a recent sale in the market that has a similar range of potential uses to the subject property. It is included as a recent representation of the purchase of a residential structure for a commercial use. Sale 2 is adjusted upward for inferior location. A downward adjustment is applied for superior physical characteristics based upon condition of the property.
- Sale 3 represents a commercial building that was purchased in the market by an owner occupant for restaurant use. A land value adjustment is applied for physical land size in comparison to the subject property. A downward adjustment is applied for superior physical characteristics based upon condition of the property.
- Sale 4 represents a commercial building that was purchased in the market with similar future uses to the subject property. The end use is not known. An upward adjustment is applied for inferior location. A physical adjustment is applied for inferior physical characteristics at the time of sale.
- Sale 5 represents the purchase of a residential conversion property that has a similar range of potential uses to the subject property. It is included as a recent representation of the purchase of a residential structure for a commercial use. This property was purchased for a live-work use, with the front being utilized as an office building. This sale is adjusted downward for land size in comparison to the subject property. A downward adjustment is applied for superior physical characteristics based upon condition of the property.
- Sale 6 represents a commercial building that was purchased in the market by an investor looking to re-lease the space. owner occupant for restaurant use. A land value adjustment is applied for physical land size in comparison to the subject property. An upward adjustment is applied for location. A downward adjustment is applied for superior physical characteristics based upon condition of the property.

The bracketed range from the adjustment process is about $295 to about $322 per square foot. Most reliance is placed on the lower end of the range, based upon physical characteristics of the building. In the appraiser's judgment, a concluded value of $295 per square foot is considered reasonable for the subject property based on the quantitative analysis.

The estimate of value as shown by the Sales Comparison Approach is:

| Sales Comparison Approach Conclusion | | | | |
|---|---|---|---|---|
| **Price / SF** | | **Building Size** | | **Value** |
| $295 | X | 1,392 | = | $410,640 |

**$410,000**
**FOUR HUNDRED TEN THOUSAND DOLLARS**

**FINAL OPINION OF VALUE**

The indicated value, applicable to the subject property as of December 4, 2018 is:

| | |
|---|---|
| **Sales Comparison Approach** | **$410,000** |

**Sales Comparison Approach**

A separate valuation analysis has been performed on properties located at 1007, 1009 and 1011 Clearview Avenue if all parcels are vacant and viewed collectively. The conclusion of that analysis is a land value of $90 per square foot, which suggests the land value for the subject parcel as vacant could be up to $352,836. The reported value above of $410,000 for 1009 Clearview as improved is higher than the reported land value. It is important to note that there is no clear permission to demolish this structure based upon historic restrictions and neighborhood overlays. It is also important to note that the individual parcel in question only has 40 linear feet of road frontage (width), which would limit the potential uses of the subject site if vacant. In conclusion, the value of the subject as improved is given most reliance.

**FINAL OPINION OF VALUE**

After an analysis of the market, it is the appraiser's opinion that the market value of the subject property located at 1009 Clearview Avenue in Nashville, Tennessee as of December 4, 2018 is:

**$410,000**
**FOUR HUNDRED TEN THOUSAND DOLLARS**

**CERTIFICATION**

I certify that, 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 unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved;
- I have no bias with respect to the property that is the subject of this report 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 upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan;
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice;
- this report is written in compliance with Title XI of FIRREA and any implementing regulations;
- Taylor Vandever & Corey Ross made a personal inspection of the property that is the subject of this report;
- no one provided significant professional assistance to the persons signing this report;
- I am performing this assignment in conjunction with separate appraisals of each parcel individually with consideration given to the improvements, as well as providing an underlying land value of the parcels collectively. I have not performed any other valuation services or any other services on the subject property within the last three years prior to acceptance of this assignment.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I Taylor Vandever, have completed the Standards and Ethics Education Requirements for Designated Members of the Appraisal Institute.
- As of the date of this report, I Taylor Vandever, have completed the continuing education program for Designated Members of the Appraisal Institute.

Taylor Vandever, MAI
Certified General Appraiser
CG-4643

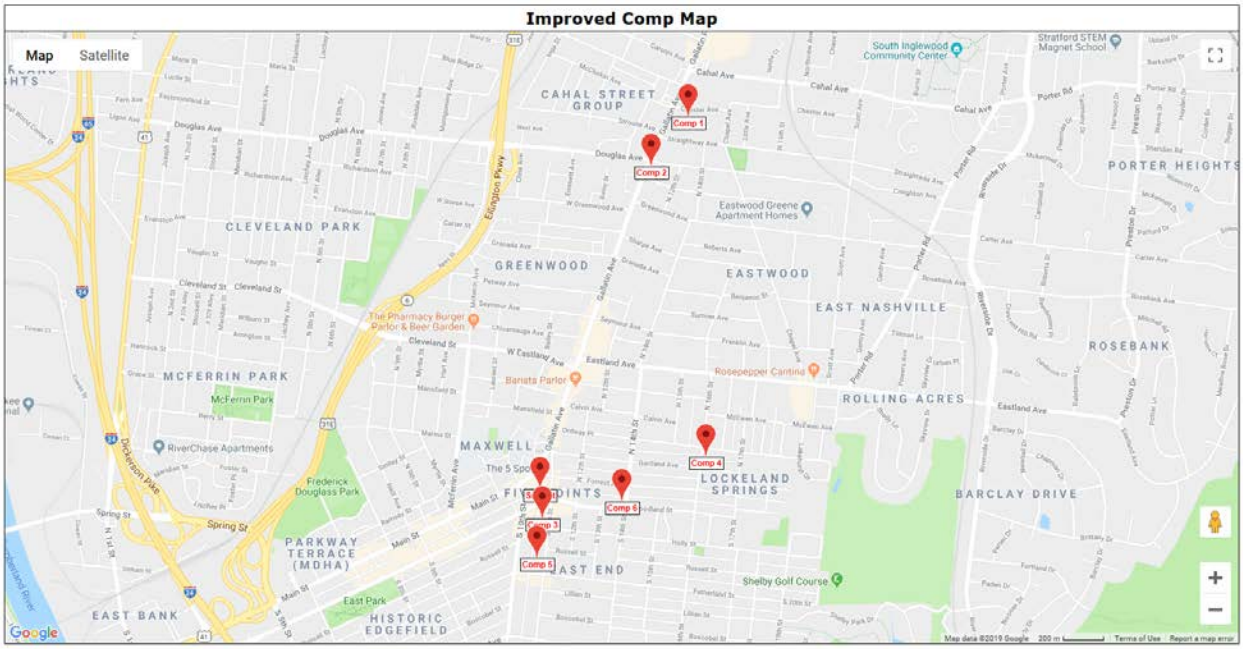
# ADDENDA

**SUBJECT PHOTOGRAPHS**

## Comparable Sales Data

**IMPROVED SALES SUMMARY TABLE**

| No. | Location | Sale Date | Price | Building Size (SF) | Price/ SF |
|---|---|---|---|---|---|
| 1. | 1106 Chester Ave | 01/15/2019 | $385,000 | 1,370 | $281.02 |
| 2. | 1100 Douglas Avenue | 07/31/2018 | $420,000 | 1,370 | $306.57 |
| 3. | 112 S 11th Street | 06/29/2018 | $1,700,000 | 4,007 | $424.26 |
| 4. | 307 N 16th Street | 05/14/2018 | $885,000 | 3,852 | $229.75 |
| 5. | 212 S 11th Street | 04/20/2018 | $640,000 | 1,614 | $396.53 |
| 6. | 1313 Woodland Street | 03/09/2018 | $1,350,000 | 4,088 | $330.23 |



**Pending Improved Sale No. 1**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2877 |
| **Property Type** | Commercial, Office - Residential Conversion |
| **Property Name** | Residential Mixed Use |
| **Address** | 1106 Chester Ave, Nashville, Davidson County, Tennessee 37206 |
| **Location** | Nashville |
| **Tax ID** | 083-13-0-010.00 |
| **Longitude, Latitude** | W-86.750660, N36.174860 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | Daniel Strimer |
| **Grantee** | Undisclosed |
| **Closing Date** | January 15, 2019 |
| **Deed Book/Page** | 201804200037572 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | MLS |
| **Verification** | MLS 1897609, Other sources: Public Record, Confirmed by Taylor Vandever |
| **Contract Price** | $385,000 |
| **Cash Equivalent** | $385,000 |
| **Adjusted Price** | $385,000 |

**Land Data**

| | |
|---|---|
| **Land Size** | 0.220 Acres or 9,583 SF |

**Pending Improved Sale No. 1 (Cont.)**

| | |
|---|---|
| **Front Footage** | 50 ft Total Frontage: 50 ft Chester Avenue; |
| **Zoning** | CL - Comercial Limited, Commercial |
| **Topography** | Level |
| **Utilities** | All Available |
| **Dimensions** | 50 x 206 |
| **Shape** | Rectangular |
| **Flood Info** | X |
| **Depth** | 206 |

**General Physical Data**

| | |
|---|---|
| **Building Name** | Residential |
| **Building Type** | Single Tenant |
| **Gross SF** | 1,370 |
| **Construction Type** | Class D |
| **Roof Type** | Shingle |
| **Foundation** | Crawl |
| **Stories** | 1 |
| **Year Built** | 1930 |
| **Condition** | Average |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross SF** | $281.02 Actual or $281.02 Adjusted |
| **Floor Area Ratio** | 0.14 |
| **Land to Building Ratio** | 7:1 |

**Remarks**

This transaction represents the LISTING of a residential building that has a mixed use zoning. The listing indicates that the property would be good for STR, office, retail or restaurant use. The property does not have frontage or visibility along Main street, so a retail use is not likely. The property has been renovated and is in good condition. The seller's agent indicates that the buyer is a local investor that has multiple similar holdings. She says he may retain this property for an office or coffee shop. She said she also has a backup offer at $390,000.

**Improved Sale No. 2**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2878 |
| **Property Type** | Commercial, Office - Residential Conversion |
| **Property Name** | Residential Mixed Use |
| **Address** | 1100 Douglas Avenue, Nashville, Davidson County, Tennessee 37206 |
| **Location** | Nashville |
| **Tax ID** | 072-13-0-422.00 |
| **Longitude, Latitude** | W-86.744320, N36.192370 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | Houdini Holdings |
| **Grantee** | John P Lynch & Doralee Trustees |
| **Sale Date** | July 31, 2018 |
| **Deed Book/Page** | 201808010074909 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | MLS 267 DOM |
| **Sale History** | $320,000 07/15/2016 |
| **Verification** | MLS 1724774, Other sources: Public Record, Confirmed by Taylor Vandever |
| **Sale Price** | $420,000 |

**Improved Sale No. 2 (Cont.)**

| | |
|---|---|
| **Cash Equivalent** | $420,000 |
| **Adjusted Price** | $420,000 |

**Land Data**

| | |
|---|---|
| **Land Size** | 0.110 Acres or 4,792 SF |
| **Front Footage** | 140 ft Total Frontage: 78 ft Gallatin Avenue; 62 ft Douglas Avenue; |
| **Zoning** | MUG-A, Mixed Use |
| **Topography** | Level |
| **Utilities** | All Available |
| **Dimensions** | 62 x 88 |
| **Shape** | Mostly Rectangular |
| **Flood Info** | X |
| **Depth** | 88 |

**General Physical Data**

| | |
|---|---|
| **Building Name** | Residential |
| **Building Type** | Single Tenant |
| **Gross SF** | 1,370 |
| **Construction Type** | Class D |
| **Roof Type** | Shingle |
| **Foundation** | Crawl |
| **Stories** | 2 |
| **Year Built** | 1910 Renovated |
| **Condition** | Average |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross SF** | $306.57 Actual or $306.57 Adjusted |
| **Floor Area Ratio** | 0.29 |
| **Land to Building Ratio** | 3.5:1 |

**Remarks**

This transaction represents the purchase of a residential building that has a mixed use zoning. This property has good visibility and frontage along Gallatin Avenue and Douglas Avenue at the corner. The property has been renovated and is in good condition. The property was marketed as a live-work opportunity. It has 5 parking places on site. The property was originally listed at $499,000.

**Improved Sale No. 3**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2875 |
| **Property Type** | Commercial, Restaurant |
| **Property Name** | Beyond the Edge |
| **Address** | 112 S 11th Street, Nashville, Davidson County, Tennessee 37206 |
| **Location** | Nashville |
| **Tax ID** | 083-09-0-222.00 |
| **Longitude, Latitude** | W-86.750350, N36.176630 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | David G. Knoble |
| **Grantee** | Matthew D. Chrette |
| **Sale Date** | June 29, 2018 |
| **Deed Book/Page** | 201807050065099 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | Arm's Length |
| **Verification** | Other sources: ReliabeThird Party, Public Records, Confirmed by Taylor Vandever |
| **Sale Price** | $1,700,000 |
| **Cash Equivalent** | $1,700,000 |
| **Adjusted Price** | $1,700,000 |

**Land Data**

| | |
|---|---|
| **Land Size** | 0.190 Acres or 8,276 SF |
| **Front Footage** | 50 ft Total Frontage: 50 ft South 11th Street; |
| **Zoning** | MUL, Mixed Use |
| **Topography** | Level |

**Improved Sale No. 3 (Cont.)**

| | |
|---|---|
| **Utilities** | All Available |
| **Dimensions** | 50 x 167 |
| **Shape** | Rectangular |
| **Flood Info** | X |
| **Depth** | 167 |

**General Physical Data**

| | |
|---|---|
| **Building Name** | Restaurant |
| **Building Type** | Single Tenant |
| **Gross SF** | 4,007 |
| | |
| **Construction Type** | Concrete Block/Brick |
| **Roof Type** | Dimensional Shingle |
| **Foundation** | Concrete Slab |
| **Stories** | One |
| **Year Built** | 1968 |
| **Condition** | Average |
| | |
| **Tenants** | 1 |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross SF** | $424.26 Actual or $424.26 Adjusted |
| **Floor Area Ratio** | 0.48 |
| **Land to Building Ratio** | 2.07:1 |

**Remarks**

This transaction represents the purchase of a building that is being repurposed for a restaurant use in the East Nashville market. This sales cnotract does not include FF&E, as the buyer is the current tenant and already owns the FF&E. This property has not been exposed to the open market; however, is viewed as a reasonable representation of market value.

**Improved Sale No. 4**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2872 |
| **Property Type** | Commercial, Restaurant |
| **Property Name** | 307 N 16th Street |
| **Address** | 307 N 16th Street, Nashville, Davidson County, Tennessee 37206 |
| **Location** | Nashville |
| **Tax ID** | 083-10-0-130.00 |
| **Longitude, Latitude** | W-86.741260, N36.179380 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | William H. Bernstein |
| **Grantee** | Stuart Speyer |
| **Sale Date** | May 14, 2018 |
| **Deed Book/Page** | 201812100119913 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | Arm's Length |
| **Verification** | MLS 1932424, Other sources: Public Records, Confirmed by Taylor Vandever |
| **Sale Price** | $885,000 |
| **Cash Equivalent** | $885,000 |
| **Adjusted Price** | $885,000 |

**Land Data**

| | |
|---|---|
| **Land Size** | 0.170 Acres or 7,405 SF |
| **Front Footage** | 61 ft Total Frontage: 61 ft N 16th; |

**Improved Sale No. 4 (Cont.)**

| | |
|---|---|
| **Zoning** | CS, Commercial |
| **Topography** | Level |
| **Utilities** | All Available |
| **Dimensions** | 61 x 121 |
| **Shape** | Rectangular |
| **Flood Info** | X |
| **Depth** | 121 |

**General Physical Data**

| | |
|---|---|
| **Building Name** | Retail |
| **Building Type** | Single Tenant |
| **Gross SF** | 3,852 |
| | |
| **Construction Type** | Brick |
| **Roof Type** | Flat |
| **Foundation** | Slab |
| **Stories** | 2 |
| **Year Built** | 1960 |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross SF** | $229.75 Actual or $229.75 Adjusted |
| **Floor Area Ratio** | 0.52 |
| **Land to Building Ratio** | 1.92:1 |

**Remarks**

This transaction includes the purchase of a commercially zoned property in the East Nashville property. This parcel is positioned near the corner of N 16th and Ordway.

**Improved Sale No. 5**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2876 |
| **Property Type** | Commercial, Office - Residential Conversion |
| **Property Name** | Residential Mixed Use |
| **Address** | 212 S 11th Street, Nashville, Davidson County, Tennessee 37206 |
| **Location** | Nashville |
| **Tax ID** | 083-13-0-010.00 |
| **Longitude, Latitude** | W-86.750660, N36.174860 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | Spartan Land Investments |
| **Grantee** | Built Capital LLC |
| **Sale Date** | April 20, 2018 |
| **Deed Book/Page** | 201804200037572 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | Arm's Length |
| **Mortgagee** | Pinnacle Bank |
| **Original Mortgage** | $512,000 |
| **Sale History** | $520,000 07/24/2018 |
| **Verification** | Whitney Neil; 615-974-6443, January 15, 2019; MLS 1897609, Other sources: Public Record, Confirmed by Taylor Vandever |
| **Sale Price** | $640,000 |

**Improved Sale No. 5 (Cont.)**

| | |
|---|---|
| **Cash Equivalent** | $640,000 |
| **Adjusted Price** | $640,000 |

**Land Data**

| | |
|---|---|
| **Land Size** | 0.220 Acres or 9,583 SF |
| **Front Footage** | 50 ft Total Frontage: 50 ft South 11th Street; |
| **Zoning** | MUL, Mixed Use |
| **Topography** | Level |
| **Utilities** | All Available |
| **Dimensions** | 50 x 187 |
| **Shape** | Rectangular |
| **Flood Info** | X |
| **Depth** | 187 |

**General Physical Data**

| | |
|---|---|
| **Building Name** | Residential |
| **Building Type** | Single Tenant |
| **Gross SF** | 1,614 |
| **Construction Type** | Class D |
| **Roof Type** | Shingle |
| **Foundation** | Crawl |
| **Stories** | 1 |
| **Year Built** | 2003 |
| **Condition** | Average |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross SF** | $396.53 Actual or $396.53 Adjusted |
| **Floor Area Ratio** | 0.17 |
| **Land to Building Ratio** | 5.94:1 |

**Remarks**

This transaction represents the purchase of a residential building that has a mixed use zoning. The zoning in place allows for office, residential, STR, and more uses. As of the date of sale, it was being utilized as an office. The property was renovated as part of the Property Brothers tv show and is in good condition. The buyer's agent indicated that the buyer purchased the property for a live/work purpose and is using the rear for his home and the front for his office. Future plans would include adding useable square footage in the present attic.

**Improved Sale No. 6**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2849 |
| **Property Type** | Commercial, Restaurant |
| **Property Name** | 1313 Woodland Street |
| **Address** | 1313 Woodland Street, Nashville, Davidson County, Tennessee 37206 |
| **Location** | Nashville |
| **Tax ID** | 083-09-0-158.00 |
| **Longitude, Latitude** | W-86.745940, N36.177380 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | CFC Properties, LLC |
| **Grantee** | Homesteady Properties, LLC |
| **Sale Date** | March 09, 2018 |
| **Deed Book/Page** | 201803130023750 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | Arm's Length |
| **Verification** | Agent, Other sources: Knowledgeable Third Party, Public Records, Confirmed by Charlie Tumbleston |
| **Sale Price** | $1,350,000 |
| **Cash Equivalent** | $1,350,000 |
| **Adjusted Price** | $1,350,000 |

**Land Data**

| | |
|---|---|
| **Land Size** | 0.130 Acres or 5,663 SF |
| **Front Footage** | 167 ft Total Frontage: 50 ft Woodland Street; 117 ft N 14th Street; |
| **Zoning** | MUL, Mixed Use |

**Improved Sale No. 6 (Cont.)**

| | |
|---|---|
| **Topography** | Level |
| **Utilities** | All Available |
| **Dimensions** | 50 x 117 |
| **Shape** | Rectangular |
| **Flood Info** | X |
| **Depth** | 117 |

**General Physical Data**

| | |
|---|---|
| **Building Name** | Restaurant |
| **Building Type** | Single Tenant |
| **Gross SF** | 4,088 |
| | |
| **Construction Type** | C |
| **Roof Type** | Flat |
| **Foundation** | Slab |
| **Stories** | 2 |
| **Year Built** | 1900 |
| **Condition** | Average |
| | |
| **Tenants** | 1 |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross SF** | $330.23 |
| **Floor Area Ratio** | 0.72 |
| **Land to Building Ratio** | 1.39:1 |

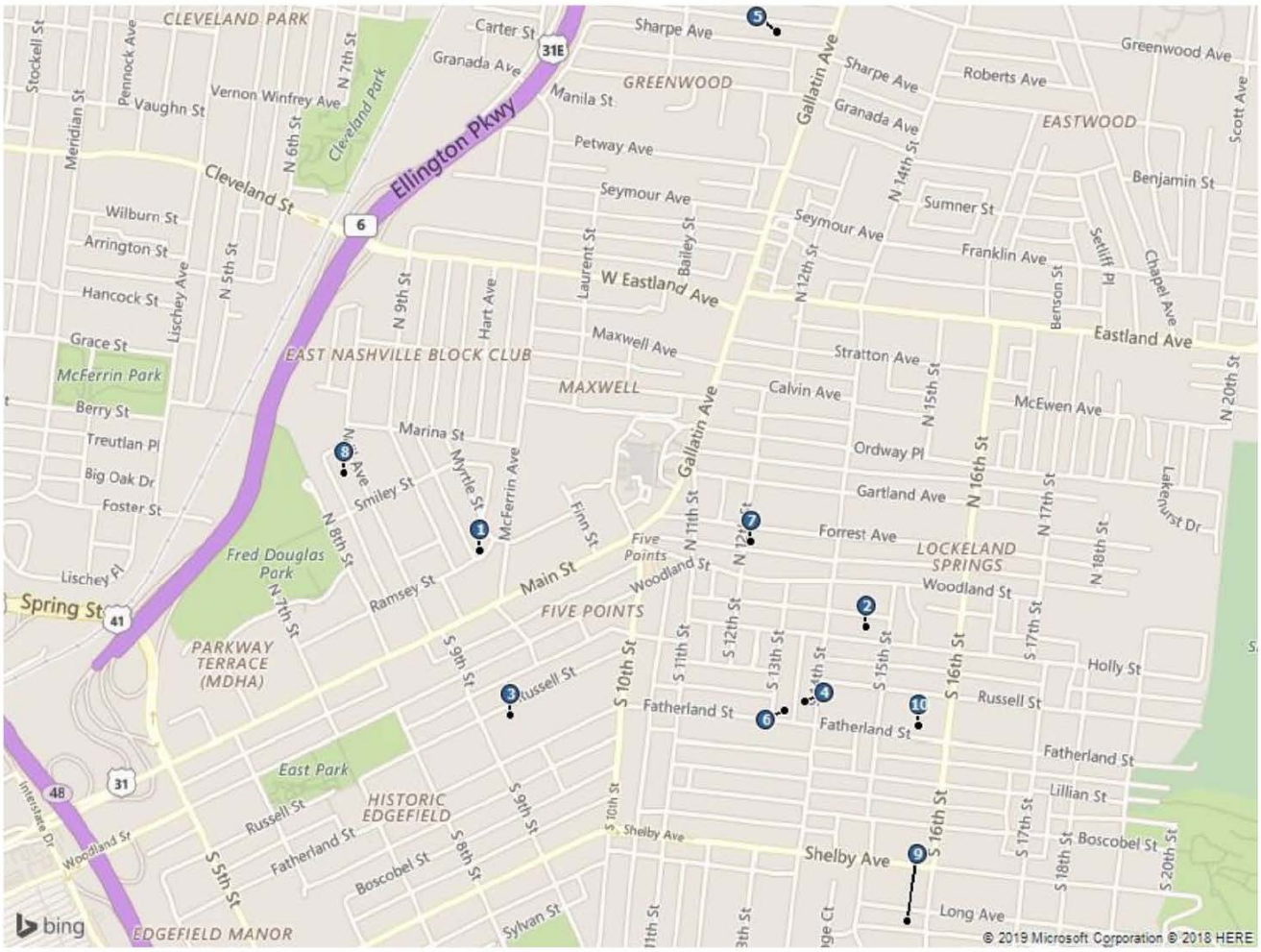
**Remarks**

This transaction represents the purchase of a former restaurant facility which was owner occupied. The property was vacant at the time of sale. Prior to the sale, the building was renovated to the studs in 2007 and a new roof was installed in 2016. The new owner has renovated the space and plans to re-lease the building. There was no FF&E transferred in the sale.

**Supplemental Residential Sales**

Closed 10 Properties Found

| | SqFt | BR | FB | HB | LP/SF | List Price | SP/SF | Sales Price | Year | DOM |
|---|---|---|---|---|---|---|---|---|---|---|
| MIN | 1035 | 2 | 1 | 0 | $256.34 | $315,000 | $246.43 | $258,000 | 1910 | 1 |
| AVERAGE | 1343 | 2 | 2 | 0 | $289.21 | $387,560 | $279.24 | $375,739 | 1949 | 33 |
| MEDIAN | 1397 | 2 | 2 | 0 | $292.23 | $389,950 | $274.17 | $382,450 | 1943 | 13 |
| MAX | 1471 | 3 | 2 | 1 | $328.42 | $456,500 | $328.42 | $456,500 | 1991 | 122 |



**TheCRVGroup.com**
**607 Hill Street**
**Lebanon, TN 37087**
**615-449-8099**

January 15, 2019

Mr. Matthew Spicher
Matthew Spicher
1011 Clearview Avenue
Nashville, TN 37206

RE: Appraisal of
Restaurant Building
1011 Clearview Avenue
Nashville, Tennessee 37206

Dear Mr. Spicher:

Per your request, I have developed an appraisal on the above referenced property. The purpose of the appraisal is for an opinion of the as-is market value of the fee simple interest of the subject property as of December 4, 2018. I personally inspected the property and considered market factors pertinent to the opinion of value.

An appraisal of the subject property has been requested by the client. The results and conclusions of this appraisal assignment have been reported in an Appraisal Report. The reporting of all information contained within this report conforms to USPAP Standards Rule 2 and more specifically Standards Rule 2 – 2(a). This appraisal report is strictly for use by the client. The level of reporting contained in this report is consistent with the minimum reporting requirements as required by USPAP Standards Rule 2 – 2 (a).

The reported value is subject to the Contingent and Limiting Conditions located within this report. The intended use of this report is for asset valuation for partnership decisions and may not be used for any other function. Based on an analysis of the market, it is my opinion that the market value of the subject property as of December 4, 2018 is:

**$470,000**
**FOUR HUNDRED SEVENTY THOUSAND DOLLARS**

The appraisal procedure and this appraisal report conform to the current requirements prescribed by the ***Uniform Standards of Professional Appraisal Practice*** of the Appraisal Standards Board of the Appraisal Foundation. I have both the knowledge and experience to complete the appraisal competently. I appreciate this opportunity of being of service to you. If my office can be of further assistance, please do not hesitate to contact us.

Respectfully submitted,

Taylor Vandever, MAI
Certified General Appraiser
CG-4643

**CONTINGENT AND LIMITING CONDITIONS**

The conclusions reached in this appraisal are subject to the following assumptions and limiting conditions.

1. The legal description furnished is assumed to be correct, as are the property lines pointed out to the appraiser.
2. All liens and encumbrances have been disregarded and the property was appraised as though free and clear and under proper management. Title to the property is assumed to be good and marketable and invested in the owner of record.
3. Sketches in this report are included to assist the reader in visualizing the property. I have made no survey of the property and assume no responsibility for such matters.
4. This report incorporates information assembled from various sources, all of which are believed to be reliable. However, an impractical and uneconomic expenditure of time would be required to furnish unimpeachable verification in all instances.
5. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any function other than the previously stated intended use.
6. Your appraiser is not required to give testimony or appear in court with reference to the property under appraisal unless arrangements have been previously made.
7. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal and are invalid if used separately.
8. Neither all nor any part of the contents of this report (especially any analyses, opinions, or conclusions as to value, the identity of the appraiser, or any national organization with which we are connected) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without prior written consent and approval.
9. The date of value, to which the analyses, conclusions, and opinions expressed in this report, is set forth in the letter of transmittal. The appraiser assumes no responsibility for economic or physical factors occurring at some later date that may affect the analyses, conclusions, and opinions herein stated.
10. No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.
11. Except as specifically stated, data relative to size and shape taken from sources considered reliable and no encroachment of real property improvements is assumed to exist.
12. This appraisal report is not to be considered an environmental assessment of the property. We are not experts in the field of environmental hazards and are not qualified to detect the existence of potentially hazardous material that may or may not be present on or near the property. The reported value is predicated on the assumption that there were no environmental problems. Should there be a problem, which

requires clean up, the reported value will be affected in direct proportion to the cost to cure.

13. It does not appear that that the subject property is located in a Special Flood Hazard Area. However, we make no guarantee regarding this determination since we are not surveyors.
14. The projections included in this report are utilized to assist in the valuation process and are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser.
15. All hypothetical conditions and / or extraordinary assumptions that might affect the estimate of value conclusions for this assignment are outlined in the Scope of Work section of this report. The concluded value given in this report is predicated on these assumptions and conditions as stated.

Taylor Vandever, MAI
Certified General Appraiser
CG-4643

**DEFINITION OF MARKET VALUE**

Value has been defined as "the relationship between a thing desired and a potential purchaser." It is the estimated equivalent of a commodity or service. Utility and scarcity are the prime requisites of value, and both must be present before value exists. Their presence alone, however, does not create value; in addition, there must be a need or desire, "demand", on the part of the individual to possess the object, and purchasing power, that is, the ability to participate in the market in order to satisfy needs and desires.

The purpose of the appraisal assignment was for an opinion of the “as-is” market value of the described property. Market value is defined as:

> The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
>
> 1. buyer and seller are typically motivated;
> 2. both parties are well informed and well advised, and each acting in what he considers his own best interest;
> 3. a reasonable time is allowed for exposure in the open market;
> 4. payment is made in terms of cash and U.S. dollars or in terms of financial arrangements comparable thereto;
> 5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
>
> **The Dictionary of Real Estate Appraisal* (4th ed.). (2002). Chicago, IL: Appraisal Institute. According to: Federal Register 34696, August 24, 1990. C.F.R. Part 34.42(g). Amended June 7, 1994.

**IDENTIFICATION OF SUBJECT PROPERTY**

| | |
|---|---|
| Property Name: | Treehouse Restaurant |
| Property Address: | 1011 Clearview Avenue |
| City, State, Zip Code: | Nashville, Tennessee 37206 |
| Property Tax Identification Number: | Tax Map 083-09-0, Parcel 138.00 |
| Current Use of Property: | Restaurant Building |

**SALES HISTORY OF PROPERTY**

Current Owner of Record: Norman K. Spicher

| Subject Sales / Transfers | Prior Sale |
|---|---|
| Date of Sale / Transfer | February 26, 1988 |
| Sale / Transfer Price | $22,000 |
| Deed Book / Page | Deed Book 7484, Page 86 |

| | |
|---|---|
| Is the subject property listed for sale? | Yes (Collective with other Parcels) |
| List Amount | $3,100,000 |
| List Source | Realtracs |
| Listing Agent | Andrea S. Ladd (Related Party) |
| Is the subject property currently under contract or option? | No |
| Listing and or Contract Analysis: | None |

**ASSIGNMENT PARAMETERS**

| | |
|---|---|
| Client / Intended User: | Matthew Spicher |
| Intended Use of Appraisal Is For: | Asset Valuation for Partnership Decisions |
| Real Property Interest Appraised: | Fee Simple Interest |
| Value Reported: | Market Value |
| Effective Date of Value: | December 4, 2018 |
| Date of Report: | January 15, 2019 |

## EXPOSURE TIME

A reasonable exposure time for a property is defined in USPAP as the "estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market." A reasonable exposure time for the subject property is estimated to be about 6 months .

## MARKETING TIME

The reasonable marketing time for a property is an opinion of the amount of time it might take to sell a real property interest at the concluded market value during the period immediately after the effective date of an appraisal. A reasonable marketing time for the subject property is estimated at 6 months.

## SCOPE OF WORK

| | | | | | | |
|---|---|---|---|---|---|---|
| **Extent of Inspection:** | X | Interior & Exterior | | Exterior Only | | None |
| | | | | | | |
| **Data Sources Used:** | X | Subscription Services | X | Public Records | X | Appraiser's Files |
| | | | | | | |
| **Building Area Measured?** | X | Yes | | No | | N/A |
| | | | | | | |
| **Approaches to Value Developed:** | | Cost Approach | X | Sales Comparison | | Income Apporach |

## REASONS FOR EXCLUDING AN APPROACH TO VALUE

In the valuation of the subject property, only the Sales Comparison Approach is concluded as being necessary to produce a credible report. The subject property is an improved property that is occupied by a restaurant that is operated by an ownership entity in the property. The Cost Approach is not applicable, as the improvements are old and estimating depreciation levels would be very subjective. The Income Approach is not applicable due to the size and scope of the property. This property could be viewed as an investment property for a small scale or local investor; however, properties of this scope are typically not viewed by an investor through typical commercial valuation techniques, such as the Direct Capitalization technique. The appeal to an investor often comes from the ability to generate positive cash flow with consideration typically given to mortgage terms. Neither the Cost Approach, nor Sales Comparison Approach are applicable.

## ADDITIONAL SCOPE OF WORK COMMENTS

In the appraisal of the subject property, the appraiser completed the following steps an analysis:

1. Identified the subject property to be appraised, the client of the appraisal, purpose of the appraisal, the intended use of the appraisal, and the rights to be appraised.

2. Based on the client's needs and objectives, identified the scope of work and valuation approach required to produce credible results for the intended use.
3. Identified regional, city, neighborhood, and subject data relevant to the appraisal and the scope of work.
4. Gathered the comparable data deemed to be the most applicable, within the context of the scope of work and the valuation approach to be employed.
5. Analyzed the data to arrive at conclusions of highest and best use and value indications via the valuation approach employed herein.
6. Reconciled the results of this analysis to arrive at a final value conclusion.
7. Prepared this written report in order to communicate the results of the appraisal process to the client.

**EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS**

The use of an extraordinary assumption and / or a hypothetical condition might affect the assignment results. The appraiser reserves the right to alter the valuation conclusions if the use of these appraisal conditions has an impact on the final estimate of value.

**Extraordinary Assumptions Made**

- None

**Hypothetical Conditions Made**

- None

**MARKET AREA DESCRIPTION**

Market Area Location: East Nashville / Five Points

The subject neighborhood is roughly bounded by Eastland Avenue to the north, Shelby Avenue to the south, Ellington Parkway to the west and Shelby Park Golf Course to the east. The characteristics and factors affecting the marketability of the neighborhood are as follows:

| Characteristics of Subject's Market | | | | | | |
|---|---|---|---|---|---|---|
| **Location:** | X | Urban | | Suburban | | Rural |
| **Built Up:** | X | Over 75% | | 25-75% | | Under 75% |
| **Development:** | X | Increasing | | Stable | | Declining |
| **Value Trend:** | X | Increasing | | Stable | | Declining |
| **Vacancy Trend:** | | Increasing | | Stable | X | Declining |
| **Changes in Land Use:** | | Unlikely | | Likely | X | Taking Place |

| Marketability Factors | Exc. | Good | Avg. | Fair | Poor |
|---|---|---|---|---|---|
| **Employment Stability:** | | X | | | |
| **Convenience to Employment:** | | X | | | |
| **Convenience to Shopping:** | | X | | | |
| **Adequacy of Public Transportation:** | | | X | | |
| **Recreational Facilities:** | | X | | | |
| **Adequacy of Utilities:** | | | X | | |
| **Police and Fire Protection:** | | | X | | |
| **Appeal to Broad Market:** | | X | | | |

## LAND ANALYSIS

In the land analysis, an appraiser studies the characteristics and surroundings of the land that contribute to or detract from its value. The appraiser must be cognizant of the market standards in the area of the subject property.

**Characteristics of the Subject Site:**

| | |
|---|---|
| Size | 0.09 Acres or 3,920 SF |
| Available Utilities: | |
| Electricity | Public |
| Water | Public |
| Sewer | Public |
| Gas | Public |

**Taxes and Zoning**

| | |
|---|---|
| Tax Year Analyzed: | 2017 |
| Assessment Rate | 40% |
| Taxes Due for 2017 | $3,568.94 |

| | |
|---|---|
| **Zoning Classification** | CS - Commercial Services |
| Overlay | MDHA-FP - Five Points Redevelopment District |
| Overlay | OV-NHC – Neighborhood Conservation Overlay |
| Overlay | OV-UZO – Urban Zoning Overlay |
| Present Use of Site: | Legally Conforming |

**Flood Hazard Information**

| | |
|---|---|
| Flood Panel | 47037C0242H |
| Panel Date | April 5, 2017 |
| Flood Zone | X |
| Located in Flood Zone | No |

**Comments:** The subject parcel is a 0.09 tract of land. The shape is generally rectangular with frontage of about 40 linear feet and depth of approximately 112 feet. The topography is slightly sloping from Clearview Avenue to the rear of the parcel. Access is gained via driveway entrance along Clearview Avenue as well as alley access along the rear of the parcel. Parking is available in driveway, as well as open surface parking along the street or paid public lots in close proximity.

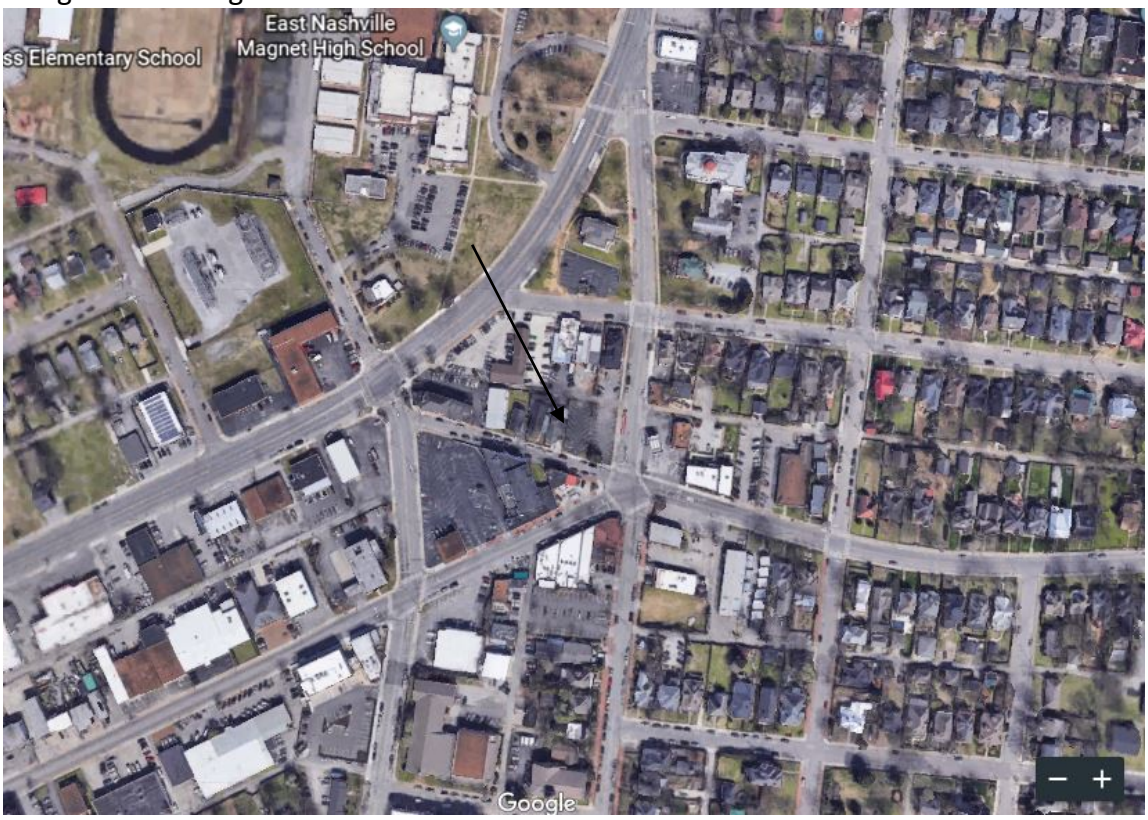
The parcels are identified as being within the Five Points area, which is a high demand and high traffic area of East Nashville. There are multiple retail, shopping, restaurant, office and residential properties in close proximity to the subject property.

Zoning Map

Five Points Development District

Aerial Map

Google Earth Image



# National Flood Hazard Layer FIRMette

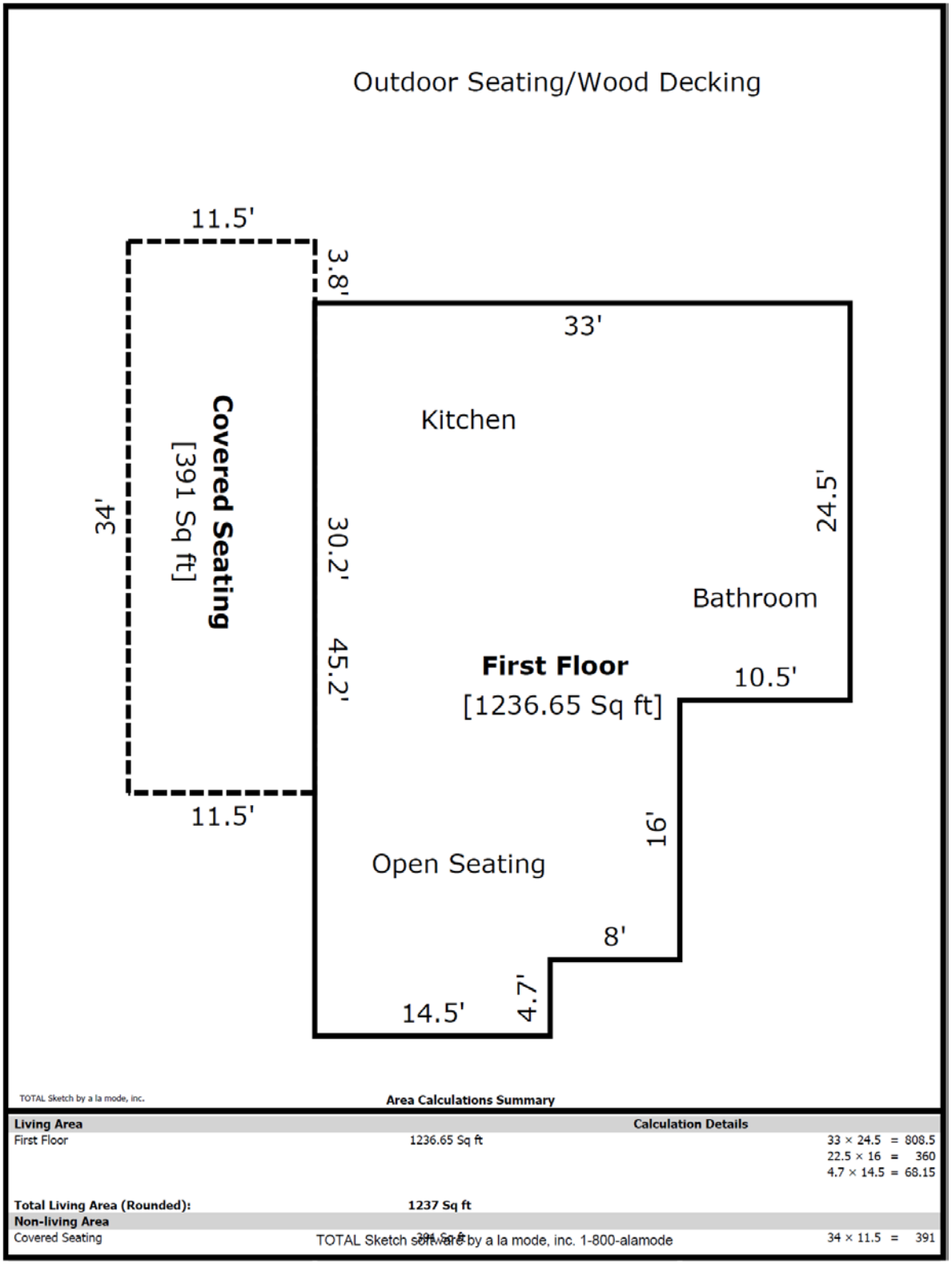
## DESCRIPTION OF IMPROVEMENTS

The characteristics and features of the subject property's improvements can be measured only in relation to the relevant market. The general descriptions of the improvements are analyzed in relation to the market standards in which the subject property competes.

| | |
|---|---|
| **General Description of Buildings:** | |
| Number of Buildings | 1 |
| Number of Stories | 1 |
| Stage of Construction | Existing |
| Gross Improvement Size | 1,237 SF |
| **Foundation:** | |
| Foundation | Concrete Slab |
| **Exterior Description:** | |
| Exterior Walls | Wood Studs with Wood Siding |
| Roof Structure and Covering | Wood Truss / Asphalt Shingle |

**Comments:** The 0.09 acre tract of land is improved with one, 1-story building. The building was originally constructed in 1923 and has since been updated and has been well maintained. The total square footage of heated and cooled space is 1,237 square feet. The square footage includes a recent bathroom addition. The layout includes open seating, bar area, male and female restroom, kitchen and storage area, typical for a small-scale restaurant. The finishes are viewed as typical for this market with good appeal. There is covered exterior seating with space heaters that provide additional seating (weather permitting). There is also a "treehouse" area that adds potential seating, bar area and appeal to the restaurant. It is largely consistent with an extended wooden deck. The exterior of the improvements are in average condition for their age. No consideration is given to FF&E.

**Building Sketch**



## HIGHEST AND BEST USE ANALYSIS

In estimating market value, an appraiser identifies the most profitable, competitive use to which a property can be put. The end result is a highest and best use analysis. The *Dictionary of Real Estate Appraisal*, published by The Appraisal Institute, defines highest and best use as:

1. The reasonable and probable use that supports the highest present value of vacant land or improved property, as defined, as of the data of the appraisal.

2. The reasonably probable and legal use of land or sites as though vacant, found to be physically possible, appropriately supported, financially feasible, and that results in the highest present land value.

3. The most profitable use.

The subject property is currently zoned CS - Commercial Services. A thorough examination of the East Nashville market has been performed as it pertains to commercial land value and also contributory value of improvements. An observation is made that there is significant overlap in improved value for all commercial properties to include residential, live/work, residential conversion, office, commercial and restaurant uses. This leads to a conclusion that the highest and best use of the property is general commercial development that complies with present zoning restrictions. After consideration of all aspects of highest and best use, the concluded findings are:

**The highest and best of subject as vacant:**

- **Current Use** **Restaurant Building**
- **Most Likely Use** **Commercial Development**
- **Most Likely User** **Developer**
- **Timing** **Within 12 Months**

**The highest and best of subject as improved:**

- **Most Likely Use** **Continued Restaurant Use**
- **Most Likely User** **Owner Occupant**
- **Timing** **Immediate**

## SALES COMPARISON APPROACH

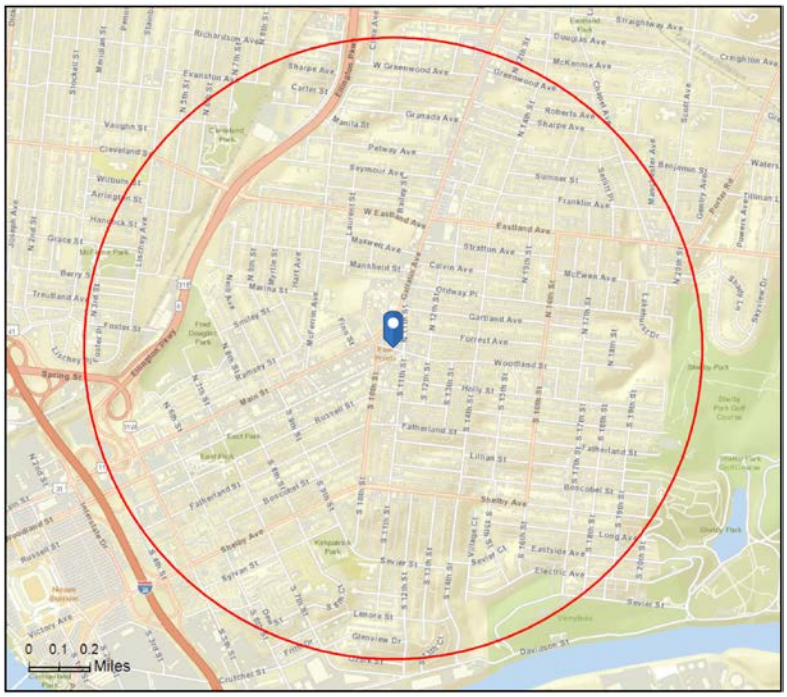
The sales comparison approach utilizes the sales of similar properties as the basis for an indication of market value. Direct comparisons are made between them on an item-by-item basis as to property rights transferred, financial concessions, conditions of sale, location differences, time of sale, and physical characteristics. Adjustments are made to the sale price of the comparative properties to arrive at an indication of what the properties would have sold had they been essentially the same as the subject property. These adjusted sales prices are reconciled into an indication of market value.

Carefully verified and analyzed market data is good evidence of market value, as it tends to represent the actions and reactions of typical buyers, sellers, users, and investors. The sales comparison approach, like the cost approach, is based on the principle of substitution. The principle of substitution implies that a prudent person will not pay more to buy a property than it would cost to buy a comparable substitute property of equal utility and desirability.

The properties shown on the following page represent sales transactions that have occurred in the subject market or similar markets and are used in the determination of valuation conclusions based upon market transactions. Sales older than 24 months may be used in the absence of recent, similar sales transactions.

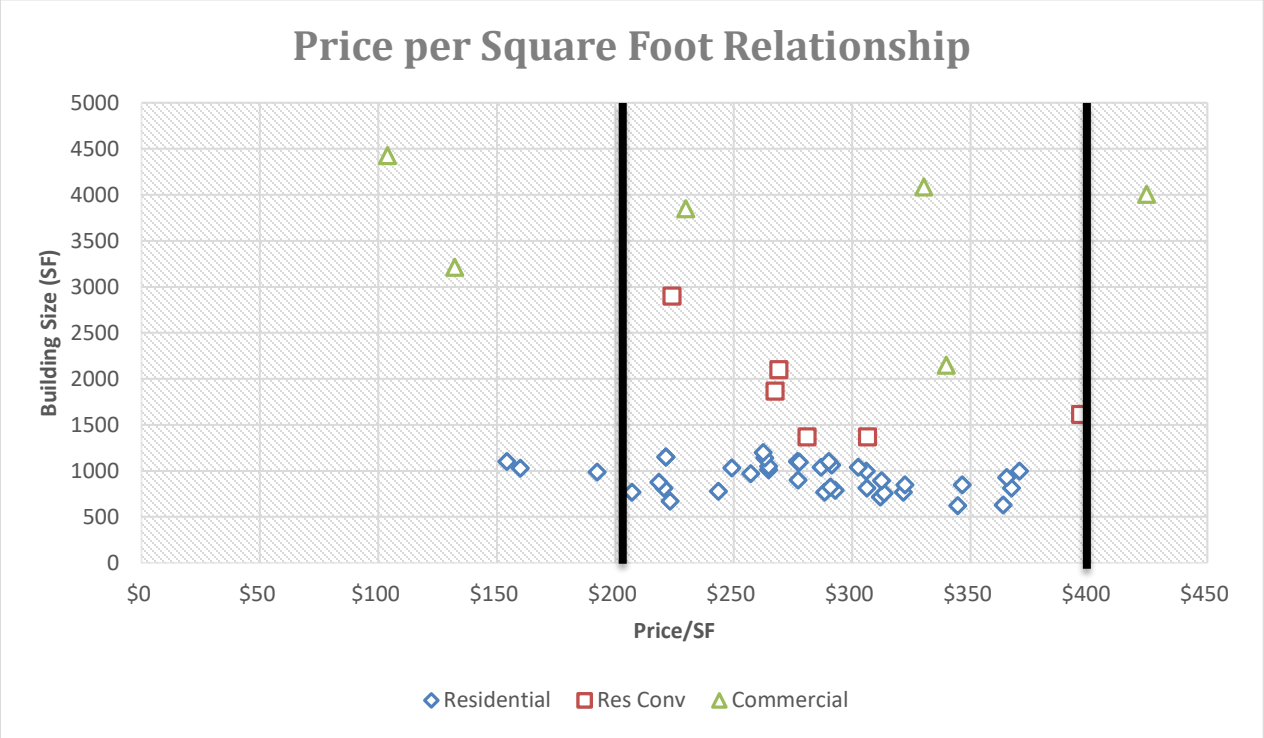
### Market Analysis

The first analysis performed is of the East Nashville market, with a specific focus on properties surrounding the Five Points area within a reasonable proximity. A 1-mile radius is shown below.



Thorough research was performed on property sales for a residential, residential conversion or commercial use, as these are all plausible uses of the subject property as improved and within the zoning guidelines.

The graph below shows three property types: Residential, Residential Conversion and Commercial uses that occurred within the subject market.




The sales data above shows that residential uses range from about $150 to about $375 per square foot; residential conversion uses range from about $225 to $400 per square foot; and commercial uses range from about $100 to about $425 per square foot. The lower end of the commercial range includes two sales that sold as vacant for future renovation and they also occurred several years ago, which are skewing the commercial range downward a bit.

This analysis indicates a consistent overlapping range from about $200 to about $400 per square foot, regardless of end use or building type for this market. The point of this analysis is to establish a basis for comp selection. The subject property is being utilized as a restaurant and is built out as such; however, there are numerous plausible uses of the building. The comparable sales selected are of residential conversion properties that have a commercial component and of commercial properties that were purchased for restaurant use.

**Quantitative Analysis**

The comparable properties were analyzed utilizing a quantitative analysis. This technique

is a mathematical process whereby the appraiser identifies elements of difference between the comparable property and the subject property and quantifies market reaction to these differences through the application of an adjustment procedure. A positive adjustment is made to the comparable property for qualities viewed as being inferior as compared to the subject property; conversely, a negative adjustment is made to the comparable property for qualities viewed as being superior as compared to the subject property. The adjustments made are based upon paired data analysis or other techniques such as regression analysis, trend analysis or the appraiser's judgment. The sales shown are located in the subject's market or similar markets and are believed to be similar to the subject property based upon physical and economic characteristics.

| | Subject | Sale 1 | Sale 2 | Sale 3 | Sale 4 | Sale 5 | Sale 6 |
|---|---|---|---|---|---|---|---|
| **Address** | 1011 Clearview Avenue | 1106 Chester Ave | 1100 Douglas Avenue | 112 S 11th Street | 307 N 16th Street | 212 S 11th Street | 1313 Woodland Street |
| **City** | Nashville | Nashville | Nashville | Nashville | Nashville | Nashville | Nashville |
| | | | | | | | |
| **Sales Date** | n/a | PENDING | 7/31/2018 | 6/29/2018 | 5/14/2018 | 4/20/2018 | 3/9/2018 |
| **Sales Price** | n/a | $385,000 | $420,000 | $1,700,000 | $885,000 | $640,000 | $1,350,000 |
| **Unadjusted Price / SF** | n/a | $281 | $307 | $424 | $230 | $397 | $330 |
| **Adjusted Price** | n/a | $385,000 | $420,000 | $1,700,000 | $885,000 | $640,000 | $1,350,000 |
| **Property Rights** | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple |
| | | | | | | | |
| **Site Size (acres)** | 0.09 | 0.22 | 0.11 | 0.19 | 0.17 | 0.22 | 0.13 |
| **Site Size (SF)** | 3,920 | 9,583 | 4,792 | 8,276 | 7,405 | 9,583 | 5,663 |
| **Zoning** | Commercial | Commercial | Mixed Use | Mixed Use | Commercial | Mixed Use | Mixed Use |
| **Topography** | Slightly Sloping | Level | Level | Level | Level | Level | Level |
| **Utilities** | All Available | All Available | All Available | All Available | All Available | All Available | All Available |
| | | | | | | | |
| **Year Built** | 1923 | 1930 | 1910 | 1968 | 1960 | 2003 | 1900 |
| **Gross Building Size** | 1,237 | 1,370 | 1,370 | 4,007 | 3,852 | 1,614 | 4,088 |
| **Condition** | Good | Good | Good | Good | Average | Good | Good |
| **Adjustments** | | | | | | | |
| **Adjusted Price / SF** | n/a | $281 | $307 | $424 | $230 | $397 | $330 |
| **Market Conditions** | Average | 0% | 0% | 0% | 0% | 0% | 0% |
| **Adj. for Market Conditions** | n/a | $281 | $307 | $424 | $230 | $397 | $330 |
| **Physical Adjustments** | | | | | | | |
| **Location** | Average | 20% | 20% | | 20% | | |
| **Land Value** | Average | | | -10% | | -10% | |
| **Physical Characteristics** | Average | | | | 15% | | |
| **Age / Condition** | Average | | | | | | |
| **Economic Characteristics** | Average | | | | | | |
| **Use / Zoning** | Average | | | | | | |
| **Non-Realty Items** | None | | | | | | |
| **Net Physical Adjustments** | | **20%** | **20%** | **-10%** | **35%** | **-10%** | **0%** |
| **Indicated Value** | | **$337** | **$368** | **$382** | **$310** | **$357** | **$330** |

| Unadjusted Values | | | Adjusted Values | |
|---|---|---|---|---|
| Low Value | $230 | | Low Value | $310 |
| High Value | $424 | | High Value | $382 |
| Mean Value | $328 | | Mean Value | $347 |

The analysis indicated a price per square foot ranging from $310 to $382 with a calculated mean of $347.

- Sale 1 represents a pending sale in the market that has a similar range of potential uses to the subject property. It is included as a recent representation of the purchase of a residential structure for a commercial use. Sale 1 is adjusted upward for inferior location.
- Sale 2 represents a recent sale in the market that has a similar range of potential uses to the subject property. It is included as a recent representation of the purchase of a residential structure for a commercial use. Sale 2 is adjusted upward for inferior location.
- Sale 3 represents a commercial building that was purchased in the market by an owner occupant for restaurant use. A land value adjustment is applied for physical land size in comparison to the subject property.
- Sale 4 represents a commercial building that was purchased in the market with similar future uses to the subject property. The end use is not known. An upward adjustment is applied for inferior location. A physical adjustment is applied for inferior physical characteristics at the time of sale.
- Sale 5 represents the purchase of a residential conversion property that has a similar range of potential uses to the subject property. It is included as a recent representation of the purchase of a residential structure for a commercial use. This property was purchased for a live-work use, with the front being utilized as an office building. This sale is adjusted downward for land size in comparison to the subject property.
- Sale 6 represents a commercial building that was purchased in the market by an investor looking to re-lease the space. owner occupant for restaurant use. A land value adjustment is applied for physical land size in comparison to the subject property. An upward adjustment is applied for location.

The bracketed range from the adjustment process is about $310 to about $382 per square foot. Most reliance is placed on the upper end of the range, based upon location and physical characteristics of the building. In the appraiser's judgment, a concluded value of $380 per square foot is considered reasonable for the subject property based on the quantitative analysis.

The estimate of value as shown by the Sales Comparison Approach is:

| Sales Comparison Approach Conclusion | | | | |
|---|---|---|---|---|
| **Price / SF** | | **Building Size** | | **Value** |
| $380 | X | 1,237 | = | $470,060 |

**$470,000**
**FOUR HUNDRED SEVENTY THOUSAND DOLLARS**

## FINAL OPINION OF VALUE

The indicated value, applicable to the subject property as of December 4, 2018 is:

| | |
|---|---|
| **Sales Comparison Approach** | **$470,000** |

### Sales Comparison Approach

The sales comparison approach yields a reliable indication of value when sales are recent and reasonably similar to the property being appraised. The sales comparison approach shows the market reaction of buyers and sellers in an active market and often times this approach to value is key in appraisal development; therefore, this approach to value is given consideration toward the final estimate of value.

## FINAL OPINION OF VALUE

After an analysis of the market, it is the appraiser's opinion that the market value of the subject property located at 1011 Clearview Avenue in Nashville, Tennessee as of December 4, 2018 is:

**$470,000**
**FOUR HUNDRED SEVENTY THOUSAND DOLLARS**

**CERTIFICATION**

I certify that, 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 unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved;
- I have no bias with respect to the property that is the subject of this report 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 upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan;
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice;
- this report is written in compliance with Title XI of FIRREA and any implementing regulations;
- Taylor Vandever & Corey Ross made a personal inspection of the property that is the subject of this report;
- no one provided significant professional assistance to the persons signing this report;
- I am performing this assignment in conjunction with separate appraisals of each parcel individually with consideration given to the improvements, as well as providing value of the underlying land of three parcels if viewed collectively. I have not performed any other valuation services or any other services on the subject property within the last three years prior to acceptance of this assignment.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I Taylor Vandever, have completed the Standards and Ethics Education Requirements for Designated Members of the Appraisal Institute.
- As of the date of this report, I Taylor Vandever, have completed the continuing education program for Designated Members of the Appraisal Institute.

Taylor Vandever, MAI
Certified General Appraiser
CG-4643

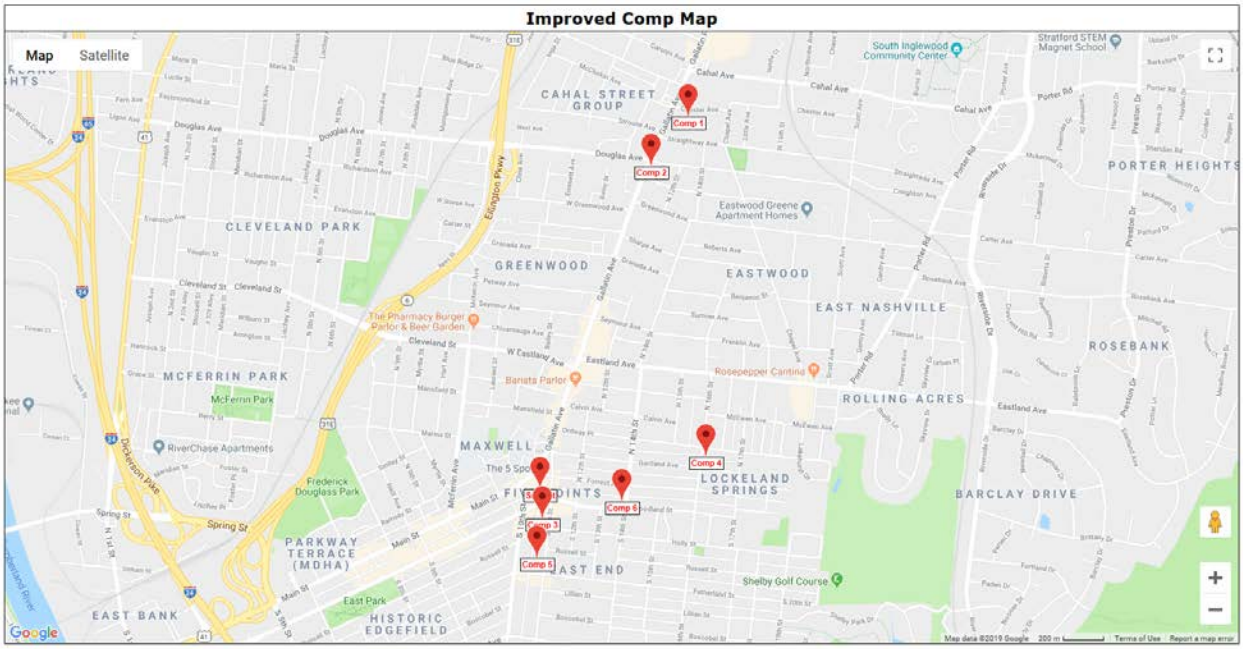
# ADDENDA

**SUBJECT PHOTOGRAPHS**

## Comparable Sales Data

**IMPROVED SALES SUMMARY TABLE**

| No. | Location | Sale Date | Price | Building Size (SF) | Price/ SF |
|---|---|---|---|---|---|
| 1. | 1106 Chester Ave | 01/15/2019 | $385,000 | 1,370 | $281.02 |
| 2. | 1100 Douglas Avenue | 07/31/2018 | $420,000 | 1,370 | $306.57 |
| 3. | 112 S 11th Street | 06/29/2018 | $1,700,000 | 4,007 | $424.26 |
| 4. | 307 N 16th Street | 05/14/2018 | $885,000 | 3,852 | $229.75 |
| 5. | 212 S 11th Street | 04/20/2018 | $640,000 | 1,614 | $396.53 |
| 6. | 1313 Woodland Street | 03/09/2018 | $1,350,000 | 4,088 | $330.23 |



**Pending Improved Sale No. 1**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2877 |
| **Property Type** | Commercial, Office - Residential Conversion |
| **Property Name** | Residential Mixed Use |
| **Address** | 1106 Chester Ave, Nashville, Davidson County, Tennessee 37206 |
| **Location** | Nashville |
| **Tax ID** | 083-13-0-010.00 |
| **Longitude, Latitude** | W-86.750660, N36.174860 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | Daniel Strimer |
| **Grantee** | Undisclosed |
| **Closing Date** | January 15, 2019 |
| **Deed Book/Page** | 201804200037572 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | MLS |
| **Verification** | MLS 1897609, Other sources: Public Record, Confirmed by Taylor Vandever |
| **Contract Price** | $385,000 |
| **Cash Equivalent** | $385,000 |
| **Adjusted Price** | $385,000 |

**Land Data**

| | |
|---|---|
| **Land Size** | 0.220 Acres or 9,583 SF |

**Pending Improved Sale No. 1 (Cont.)**

| | |
|---|---|
| **Front Footage** | 50 ft Total Frontage: 50 ft Chester Avenue; |
| **Zoning** | CL - Comercial Limited, Commercial |
| **Topography** | Level |
| **Utilities** | All Available |
| **Dimensions** | 50 x 206 |
| **Shape** | Rectangular |
| **Flood Info** | X |
| **Depth** | 206 |

**General Physical Data**

| | |
|---|---|
| **Building Name** | Residential |
| **Building Type** | Single Tenant |
| **Gross SF** | 1,370 |
| **Construction Type** | Class D |
| **Roof Type** | Shingle |
| **Foundation** | Crawl |
| **Stories** | 1 |
| **Year Built** | 1930 |
| **Condition** | Average |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross SF** | $281.02 Actual or $281.02 Adjusted |
| **Floor Area Ratio** | 0.14 |
| **Land to Building Ratio** | 7:1 |

**Remarks**

This transaction represents the LISTING of a residential building that has a mixed use zoning. The listing indicates that the property would be good for STR, office, retail or restaurant use. The property does not have frontage or visibility along Main street, so a retail use is not likely. The property has been renovated and is in good condition. The seller's agent indicates that the buyer is a local investor that has multiple similar holdings. She says he may retain this property for an office or coffee shop. She said she also has a backup offer at $390,000.

**Improved Sale No. 2**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2878 |
| **Property Type** | Commercial, Office - Residential Conversion |
| **Property Name** | Residential Mixed Use |
| **Address** | 1100 Douglas Avenue, Nashville, Davidson County, Tennessee 37206 |
| **Location** | Nashville |
| **Tax ID** | 072-13-0-422.00 |
| **Longitude, Latitude** | W-86.744320, N36.192370 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | Houdini Holdings |
| **Grantee** | John P Lynch & Doralee Trustees |
| **Sale Date** | July 31, 2018 |
| **Deed Book/Page** | 201808010074909 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | MLS 267 DOM |
| **Sale History** | $320,000 07/15/2016 |
| **Verification** | MLS 1724774, Other sources: Public Record, Confirmed by Taylor Vandever |
| **Sale Price** | $420,000 |

**Improved Sale No. 2 (Cont.)**

| | |
|---|---|
| **Cash Equivalent** | $420,000 |
| **Adjusted Price** | $420,000 |

**Land Data**

| | |
|---|---|
| **Land Size** | 0.110 Acres or 4,792 SF |
| **Front Footage** | 140 ft Total Frontage: 78 ft Gallatin Avenue; 62 ft Douglas Avenue; |
| **Zoning** | MUG-A, Mixed Use |
| **Topography** | Level |
| **Utilities** | All Available |
| **Dimensions** | 62 x 88 |
| **Shape** | Mostly Rectangular |
| **Flood Info** | X |
| **Depth** | 88 |

**General Physical Data**

| | |
|---|---|
| **Building Name** | Residential |
| **Building Type** | Single Tenant |
| **Gross SF** | 1,370 |
| **Construction Type** | Class D |
| **Roof Type** | Shingle |
| **Foundation** | Crawl |
| **Stories** | 2 |
| **Year Built** | 1910 Renovated |
| **Condition** | Average |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross SF** | $306.57 Actual or $306.57 Adjusted |
| **Floor Area Ratio** | 0.29 |
| **Land to Building Ratio** | 3.5:1 |

**Remarks**

This transaction represents the purchase of a residential building that has a mixed use zoning. This property has good visibility and frontage along Gallatin Avenue and Douglas Avenue at the corner. The property has been renovated and is in good condition. The property was marketed as a live-work opportunity. It has 5 parking places on site. The property was originally listed at $499,000.

**Improved Sale No. 3**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2875 |
| **Property Type** | Commercial, Restaurant |
| **Property Name** | Beyond the Edge |
| **Address** | 112 S 11th Street, Nashville, Davidson County, Tennessee 37206 |
| **Location** | Nashville |
| **Tax ID** | 083-09-0-222.00 |
| **Longitude, Latitude** | W-86.750350, N36.176630 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | David G. Knoble |
| **Grantee** | Matthew D. Chrette |
| **Sale Date** | June 29, 2018 |
| **Deed Book/Page** | 201807050065099 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | Arm's Length |
| **Verification** | Other sources: ReliabeThird Party, Public Records, Confirmed by Taylor Vandever |
| **Sale Price** | $1,700,000 |
| **Cash Equivalent** | $1,700,000 |
| **Adjusted Price** | $1,700,000 |

**Land Data**

| | |
|---|---|
| **Land Size** | 0.190 Acres or 8,276 SF |
| **Front Footage** | 50 ft Total Frontage: 50 ft South 11th Street; |
| **Zoning** | MUL, Mixed Use |
| **Topography** | Level |

**Improved Sale No. 3 (Cont.)**

| | |
|---|---|
| **Utilities** | All Available |
| **Dimensions** | 50 x 167 |
| **Shape** | Rectangular |
| **Flood Info** | X |
| **Depth** | 167 |

**General Physical Data**

| | |
|---|---|
| **Building Name** | Restaurant |
| **Building Type** | Single Tenant |
| **Gross SF** | 4,007 |
| | |
| **Construction Type** | Concrete Block/Brick |
| **Roof Type** | Dimensional Shingle |
| **Foundation** | Concrete Slab |
| **Stories** | One |
| **Year Built** | 1968 |
| **Condition** | Average |
| | |
| **Tenants** | 1 |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross SF** | $424.26 Actual or $424.26 Adjusted |
| **Floor Area Ratio** | 0.48 |
| **Land to Building Ratio** | 2.07:1 |

**Remarks**

This transaction represents the purchase of a building that is being repurposed for a restaurant use in the East Nashville market. This sales cnotract does not include FF&E, as the buyer is the current tenant and already owns the FF&E. This property has not been exposed to the open market; however, is viewed as a reasonable representation of market value.

**Improved Sale No. 4**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2872 |
| **Property Type** | Commercial, Restaurant |
| **Property Name** | 307 N 16th Street |
| **Address** | 307 N 16th Street, Nashville, Davidson County, Tennessee 37206 |
| **Location** | Nashville |
| **Tax ID** | 083-10-0-130.00 |
| **Longitude, Latitude** | W-86.741260, N36.179380 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | William H. Bernstein |
| **Grantee** | Stuart Speyer |
| **Sale Date** | May 14, 2018 |
| **Deed Book/Page** | 201812100119913 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | Arm's Length |
| **Verification** | MLS 1932424, Other sources: Public Records, Confirmed by Taylor Vandever |
| **Sale Price** | $885,000 |
| **Cash Equivalent** | $885,000 |
| **Adjusted Price** | $885,000 |

**Land Data**

| | |
|---|---|
| **Land Size** | 0.170 Acres or 7,405 SF |
| **Front Footage** | 61 ft Total Frontage: 61 ft N 16th; |

**Improved Sale No. 4 (Cont.)**

| | |
|---|---|
| **Zoning** | CS, Commercial |
| **Topography** | Level |
| **Utilities** | All Available |
| **Dimensions** | 61 x 121 |
| **Shape** | Rectangular |
| **Flood Info** | X |
| **Depth** | 121 |

**General Physical Data**

| | |
|---|---|
| **Building Name** | Retail |
| **Building Type** | Single Tenant |
| **Gross SF** | 3,852 |
| | |
| **Construction Type** | Brick |
| **Roof Type** | Flat |
| **Foundation** | Slab |
| **Stories** | 2 |
| **Year Built** | 1960 |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross SF** | $229.75 Actual or $229.75 Adjusted |
| **Floor Area Ratio** | 0.52 |
| **Land to Building Ratio** | 1.92:1 |

**Remarks**

This transaction includes the purchase of a commercially zoned property in the East Nashville property. This parcel is positioned near the corner of N 16th and Ordway.

**Improved Sale No. 5**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2876 |
| **Property Type** | Commercial, Office - Residential Conversion |
| **Property Name** | Residential Mixed Use |
| **Address** | 212 S 11th Street, Nashville, Davidson County, Tennessee 37206 |
| **Location** | Nashville |
| **Tax ID** | 083-13-0-010.00 |
| **Longitude, Latitude** | W-86.750660, N36.174860 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | Spartan Land Investments |
| **Grantee** | Built Capital LLC |
| **Sale Date** | April 20, 2018 |
| **Deed Book/Page** | 201804200037572 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | Arm's Length |
| **Mortgagee** | Pinnacle Bank |
| **Original Mortgage** | $512,000 |
| **Sale History** | $520,000 07/24/2018 |
| **Verification** | Whitney Neil; 615-974-6443, January 15, 2019; MLS 1897609, Other sources: Public Record, Confirmed by Taylor Vandever |
| **Sale Price** | $640,000 |

**Improved Sale No. 5 (Cont.)**

| | |
|---|---|
| **Cash Equivalent** | $640,000 |
| **Adjusted Price** | $640,000 |

**Land Data**

| | |
|---|---|
| **Land Size** | 0.220 Acres or 9,583 SF |
| **Front Footage** | 50 ft Total Frontage: 50 ft South 11th Street; |
| **Zoning** | MUL, Mixed Use |
| **Topography** | Level |
| **Utilities** | All Available |
| **Dimensions** | 50 x 187 |
| **Shape** | Rectangular |
| **Flood Info** | X |
| **Depth** | 187 |

**General Physical Data**

| | |
|---|---|
| **Building Name** | Residential |
| **Building Type** | Single Tenant |
| **Gross SF** | 1,614 |
| **Construction Type** | Class D |
| **Roof Type** | Shingle |
| **Foundation** | Crawl |
| **Stories** | 1 |
| **Year Built** | 2003 |
| **Condition** | Average |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross SF** | $396.53 Actual or $396.53 Adjusted |
| **Floor Area Ratio** | 0.17 |
| **Land to Building Ratio** | 5.94:1 |

**Remarks**

This transaction represents the purchase of a residential building that has a mixed use zoning. The zoning in place allows for office, residential, STR, and more uses. As of the date of sale, it was being utilized as an office. The property was renovated as part of the Property Brothers tv show and is in good condition. The buyer's agent indicated that the buyer purchased the property for a live/work purpose and is using the rear for his home and the front for his office. Future plans would include adding useable square footage in the present attic.

**Improved Sale No. 6**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2849 |
| **Property Type** | Commercial, Restaurant |
| **Property Name** | 1313 Woodland Street |
| **Address** | 1313 Woodland Street, Nashville, Davidson County, Tennessee 37206 |
| **Location** | Nashville |
| **Tax ID** | 083-09-0-158.00 |
| **Longitude, Latitude** | W-86.745940, N36.177380 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | CFC Properties, LLC |
| **Grantee** | Homesteady Properties, LLC |
| **Sale Date** | March 09, 2018 |
| **Deed Book/Page** | 201803130023750 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | Arm's Length |
| **Verification** | Agent, Other sources: Knowledgeable Third Party, Public Records, Confirmed by Charlie Tumbleston |
| **Sale Price** | $1,350,000 |
| **Cash Equivalent** | $1,350,000 |
| **Adjusted Price** | $1,350,000 |

**Land Data**

| | |
|---|---|
| **Land Size** | 0.130 Acres or 5,663 SF |
| **Front Footage** | 167 ft Total Frontage: 50 ft Woodland Street; 117 ft N 14th Street; |
| **Zoning** | MUL, Mixed Use |

**Improved Sale No. 6 (Cont.)**

| | |
|---|---|
| **Topography** | Level |
| **Utilities** | All Available |
| **Dimensions** | 50 x 117 |
| **Shape** | Rectangular |
| **Flood Info** | X |
| **Depth** | 117 |

**General Physical Data**

| | |
|---|---|
| **Building Name** | Restaurant |
| **Building Type** | Single Tenant |
| **Gross SF** | 4,088 |
| | |
| **Construction Type** | C |
| **Roof Type** | Flat |
| **Foundation** | Slab |
| **Stories** | 2 |
| **Year Built** | 1900 |
| **Condition** | Average |
| | |
| **Tenants** | 1 |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross SF** | $330.23 |
| **Floor Area Ratio** | 0.72 |
| **Land to Building Ratio** | 1.39:1 |

**Remarks**

This transaction represents the purchase of a former restaurant facility which was owner occupied. The property was vacant at the time of sale. Prior to the sale, the building was renovated to the studs in 2007 and a new roof was installed in 2016. The new owner has renovated the space and plans to re-lease the building. There was no FF&E transferred in the sale.

**TheCRVGroup.com**
**607 Hill Street**
**Lebanon, TN 37087**
**615-449-8099**

January 14, 2019

Mr. Matthew Spicher
Matthew Spicher
1011 Clearview Avenue
Nashville, TN 37206

RE: Appraisal of
Commercial Land
1007, 1009 & 1011 Clearview Avenue
Nashville, Tennessee 37206

Dear Mr. Spicher:

Per your request, I have developed an appraisal on the above referenced property. The purpose of the appraisal is for an opinion of the as-is market value of the fee simple interest of the subject property as of November 12, 2018. I personally inspected the property and considered market factors pertinent to the opinion of value.

An appraisal of the subject property has been requested by the client. The results and conclusions of this appraisal assignment have been reported in an Appraisal Report. The reporting of all information contained within this report conforms to USPAP Standards Rule 2 and more specifically Standards Rule 2 – 2(a). This appraisal report is strictly for use by the client. The level of reporting contained in this report is consistent with the minimum reporting requirements as required by USPAP Standards Rule 2 – 2 (a).

The reported value is subject to the Contingent and Limiting Conditions located within this report. The intended use of this report is for asset valuation for partnership decisions and may not be used for any other function. Based on an analysis of the market, it is my opinion that the market value of the subject property as of November 12, 2018 is:

**$1,060,000**
**ONE MILLION SIXTY THOUSAND DOLLARS**
*****This value is subject to a Hypothetical Condition as shown on Page 6 of this report.**

The appraisal procedure and this appraisal report conform to the current requirements prescribed by the ***Uniform Standards of Professional Appraisal Practice*** of the Appraisal Standards Board of the Appraisal Foundation. I have both the knowledge and experience to complete the appraisal competently. I appreciate this opportunity of being of service to you. If my office can be of further assistance, please do not hesitate to contact us.

Respectfully submitted,

Taylor Vandever, MAI
Certified General Appraiser
CG-4643

**CONTINGENT AND LIMITING CONDITIONS**

The conclusions reached in this appraisal are subject to the following assumptions and limiting conditions.

1. The legal description furnished is assumed to be correct, as are the property lines pointed out to the appraiser.
2. All liens and encumbrances have been disregarded and the property was appraised as though free and clear and under proper management. Title to the property is assumed to be good and marketable and invested in the owner of record.
3. Sketches in this report are included to assist the reader in visualizing the property. I have made no survey of the property and assume no responsibility for such matters.
4. This report incorporates information assembled from various sources, all of which are believed to be reliable. However, an impractical and uneconomic expenditure of time would be required to furnish unimpeachable verification in all instances.
5. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any function other than the previously stated intended use.
6. Your appraiser is not required to give testimony or appear in court with reference to the property under appraisal unless arrangements have been previously made.
7. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal and are invalid if used separately.
8. Neither all nor any part of the contents of this report (especially any analyses, opinions, or conclusions as to value, the identity of the appraiser, or any national organization with which we are connected) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without prior written consent and approval.
9. The date of value, to which the analyses, conclusions, and opinions expressed in this report, is set forth in the letter of transmittal. The appraiser assumes no responsibility for economic or physical factors occurring at some later date that may affect the analyses, conclusions, and opinions herein stated.
10. No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.
11. Except as specifically stated, data relative to size and shape taken from sources considered reliable and no encroachment of real property improvements is assumed to exist.
12. This appraisal report is not to be considered an environmental assessment of the property. We are not experts in the field of environmental hazards and are not qualified to detect the existence of potentially hazardous material that may or may not be present on or near the property. The reported value is predicated on the assumption that there were no environmental problems. Should there be a problem, which

requires clean up, the reported value will be affected in direct proportion to the cost to cure.

13. It does not appear that that the subject property is located in a Special Flood Hazard Area. However, we make no guarantee regarding this determination since we are not surveyors.
14. The projections included in this report are utilized to assist in the valuation process and are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser.
15. All hypothetical conditions and / or extraordinary assumptions that might affect the estimate of value conclusions for this assignment are outlined in the Scope of Work section of this report. The concluded value given in this report is predicated on these assumptions and conditions as stated.

Taylor Vandever, MAI
Certified General Appraiser
CG-4643

**DEFINITION OF MARKET VALUE**

Value has been defined as "the relationship between a thing desired and a potential purchaser." It is the estimated equivalent of a commodity or service. Utility and scarcity are the prime requisites of value, and both must be present before value exists. Their presence alone, however, does not create value; in addition, there must be a need or desire, "demand", on the part of the individual to possess the object, and purchasing power, that is, the ability to participate in the market in order to satisfy needs and desires.

The purpose of the appraisal assignment was for an opinion of the “as-is” market value of the described property. Market value is defined as:

> The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
>
> 1. buyer and seller are typically motivated;
> 2. both parties are well informed and well advised, and each acting in what he considers his own best interest;
> 3. a reasonable time is allowed for exposure in the open market;
> 4. payment is made in terms of cash and U.S. dollars or in terms of financial arrangements comparable thereto;
> 5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
>
> **The Dictionary of Real Estate Appraisal* (4th ed.). (2002). Chicago, IL: Appraisal Institute. According to: Federal Register 34696, August 24, 1990. C.F.R. Part 34.42(g). Amended June 7, 1994.

## IDENTIFICATION OF SUBJECT PROPERTY

| | |
|---|---|
| Property Name: | Clearview Avenue Commercial Land |
| Property Address: | 1007, 1009 & 1011 Clearview Avenue |
| City, State, Zip Code: | Nashville, Tennessee 37206 |
| Property Tax Identification Number: | Tax Map 083-09-0; Parcels 136.00, 137.00, 138.00 |
| Current Use of Property: | Commercial Land |

**Property Identification**

| Address | Tax ID | Current Owner | Instrument Number | Acres |
|---|---|---|---|---|
| 1007 Clearview Avenue | 083-09-0-136.00 | David Spicher & Matthew K & P Tillis | 200910190096539 | 0.09 |
| 1009 Clearview Avenue | 083-09-0-137.00 | Norman K. Spicher | 201308020080937 | 0.09 |
| 1011 Clearview Avenue | 083-09-0-138.00 | Norman K. Spicher | 7484/86 | 0.09 |
| | | | | 0.27 |

## SALES HISTORY OF PROPERTY

Current Owner of Record: Norman K. Spicher; Matthew K. Spicher; P Tillis

**Sales History**

| Address | Tax ID | Previous Owner | Sale Date | Sales Price |
|---|---|---|---|---|
| 1007 Clearview Avenue | 083-09-0-136.00 | Willie and WC Lyons | 10/13/2009 | $175,000 |
| 1009 Clearview Avenue | 083-09-0-137.00 | Norman Spicher & Andrea Ladd | 6/27/2013 | Undisclosed |
| 1011 Clearview Avenue | 083-09-0-138.00 | Robert T. Amos | 2/26/1988 | $22,000 |

| | |
|---|---|
| Is the subject property listed for sale? | Yes |
| List Amount | $3,100,000 |
| List Source | Realtracs |
| Listing Agent | Andrea S. Ladd (Related Party) |
| Is the subject property currently under contract or option? | No |
| Listing and or Contract Analysis: | None |

## ASSIGNMENT PARAMETERS

| | |
|---|---|
| Client / Intended User: | Matthew Spicher |
| Intended Use of Appraisal is for: | Asset Valuation for Partnership Decisions |
| Real Property Interest Appraised: | Fee Simple Interest |
| Value Reported: | Market Value |
| Effective Date of Value: | November 12, 2018 |
| Date of Report: | January 14, 2019 |

## EXPOSURE TIME

A reasonable exposure time for a property is defined in USPAP as the "estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market." A reasonable exposure time for the subject property is estimated to be about 6 months .

## MARKETING TIME

The reasonable marketing time for a property is an opinion of the amount of time it might take to sell a real property interest at the concluded market value during the period immediately after the effective date of an appraisal. A reasonable marketing time for the subject property is estimated at 6 months.

## SCOPE OF WORK

| | | | | | | |
|---|---|---|---|---|---|---|
| **Extent of Inspection:** | | Interior & Exterior | X | Exterior Only | | None |
| | | | | | | |
| **Data Sources Used:** | X | Subscription Services | X | Public Records | X | Appraiser's Files |
| | | | | | | |
| **Building Area Measured?** | | Yes | X | No | | N/A |
| | | | | | | |
| **Approaches to Value Developed:** | | Cost Approach | X | Sales Comparison | | Income Apporach |

## REASONS FOR EXCLUDING AN APPROACH TO VALUE

In the valuation of the subject property, only the Sales Comparison Approach is deemed as being necessary to produce a credible report. The subject property is being valued as vacant commercial land, with no contributory value given to the improvements.

## ADDITIONAL SCOPE OF WORK COMMENTS

In the appraisal of the subject property, the appraiser completed the following steps an analysis:

1. Identified the subject property to be appraised, the client of the appraisal, purpose of the appraisal, the intended use of the appraisal, and the rights to be appraised.
2. Based on the client's needs and objectives, identified the scope of work and valuation approach required to produce credible results for the intended use.
3. Identified regional, city, neighborhood, and subject data relevant to the appraisal and the scope of work.
4. Gathered the comparable data deemed to be the most applicable, within the context of the scope of work and the valuation approach to be employed.

5. Analyzed the data to arrive at conclusions of highest and best use and value indications via the valuation approach employed herein.
6. Reconciled the results of this analysis to arrive at a final value conclusion.
7. Prepared this written report in order to communicate the results of the appraisal process to the client.

**EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS**

The use of an extraordinary assumption and / or a hypothetical condition might affect the assignment results. The appraiser reserves the right to alter the valuation conclusions if the use of these appraisal conditions has an impact on the final estimate of value.

**Extraordinary Assumptions Made**

- None

**Hypothetical Conditions Made**

- A Hypothetical Condition is used that the subject property is presently vacant commercial land. As of the effective date of the appraisal, the subject property is improved with 3 buildings that are governed by various historical districts. It is currently unclear whether or not each individual building can be demolished, due to governmental and historical regulation; therefore, a hypothetical condition exists.

**MARKET AREA DESCRIPTION**

Market Area Location: East Nashville / Five Points

The subject neighborhood is roughly bounded by Eastland Avenue to the north, Shelby Avenue to the south, Ellington Parkway to the west and Shelby Park Golf Course to the east. The characteristics and factors affecting the marketability of the neighborhood are as follows:

| Characteristics of Subject's Market | | | | | | |
|---|---|---|---|---|---|---|
| **Location:** | X | Urban | | Suburban | | Rural |
| **Built Up:** | X | Over 75% | | 25-75% | | Under 75% |
| **Development:** | X | Increasing | | Stable | | Declining |
| **Value Trend:** | X | Increasing | | Stable | | Declining |
| **Vacancy Trend:** | | Increasing | | Stable | X | Declining |
| **Changes in Land Use:** | | Unlikely | | Likely | X | Taking Place |

| Marketability Factors | Exc. | Good | Avg. | Fair | Poor |
|---|---|---|---|---|---|
| **Employment Stability:** | | X | | | |
| **Convenience to Employment:** | | X | | | |
| **Convenience to Shopping:** | | X | | | |
| **Adequacy of Public Transportation:** | | | X | | |
| **Recreational Facilities:** | | X | | | |
| **Adequacy of Utilities:** | | | X | | |
| **Police and Fire Protection:** | | | X | | |
| **Appeal to Broad Market:** | | X | | | |

## LAND ANALYSIS

In the land analysis, an appraiser studies the characteristics and surroundings of the land that contribute to or detract from its value. The appraiser must be cognizant of the market standards in the area of the subject property.

**Characteristics of the Subject Site:**

| | |
|---|---|
| Size | 0.27 Acres or 11,761 SF |
| Available Utilities: | |
| Electricity | Public |
| Water | Public |
| Sewer | Public |
| Gas | Public |

**Taxes and Zoning**

| | |
|---|---|
| Tax Year Analyzed: | 2017 |
| Assessment Rate | 25% and 40% |
| Taxes Due for 2017 | $7,138.03 |

**Tax Analysis**

| Tax ID | Total Tax Appraisal | Total Assmnt | Assmnt Rate | RE Taxes |
|---|---|---|---|---|
| 083-09-0-136.00 | $220,500 | $55,125 | 25% | $1,739.19 |
| 083-09-0-137.00 | $232,000 | $58,000 | 25% | $1,829.90 |
| 083-09-0-138.00 | $282,800 | $113,120 | 40% | $3,568.94 |
| | | | | $7,138.03 |

| | |
|---|---|
| **Zoning Classification** | CS - Commercial Services |
| Overlay | MDHA-FP - Five Points Redevelopment |
| Overlay | OV-NHC – Neighborhood Conservation |
| Overlay | OV-UZO – Urban Zoning Overlay |
| Present Use of Site: | Legally Conforming |

**Flood Hazard Information**

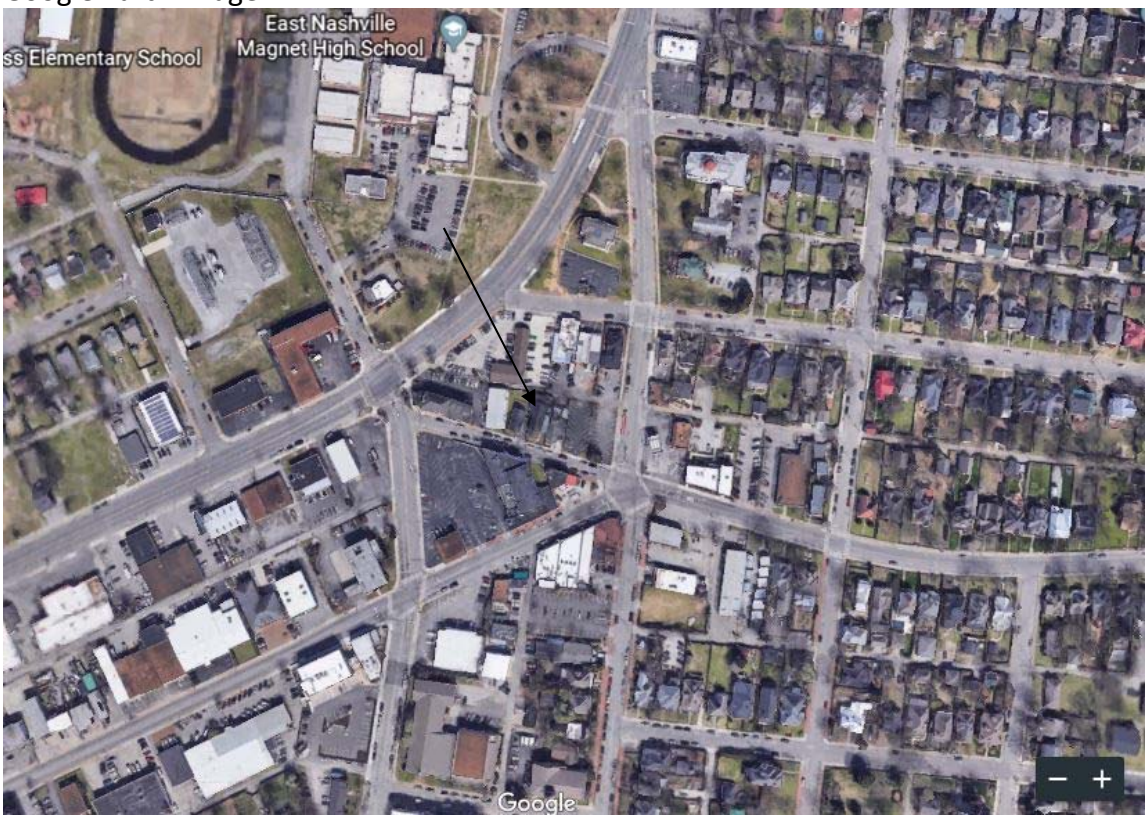
| | |
|---|---|
| Flood Panel | 47037C0242H |
| Panel Date | April 5, 2017 |
| Flood Zone | X |
| Located in Flood Zone | No |

Zoning Map

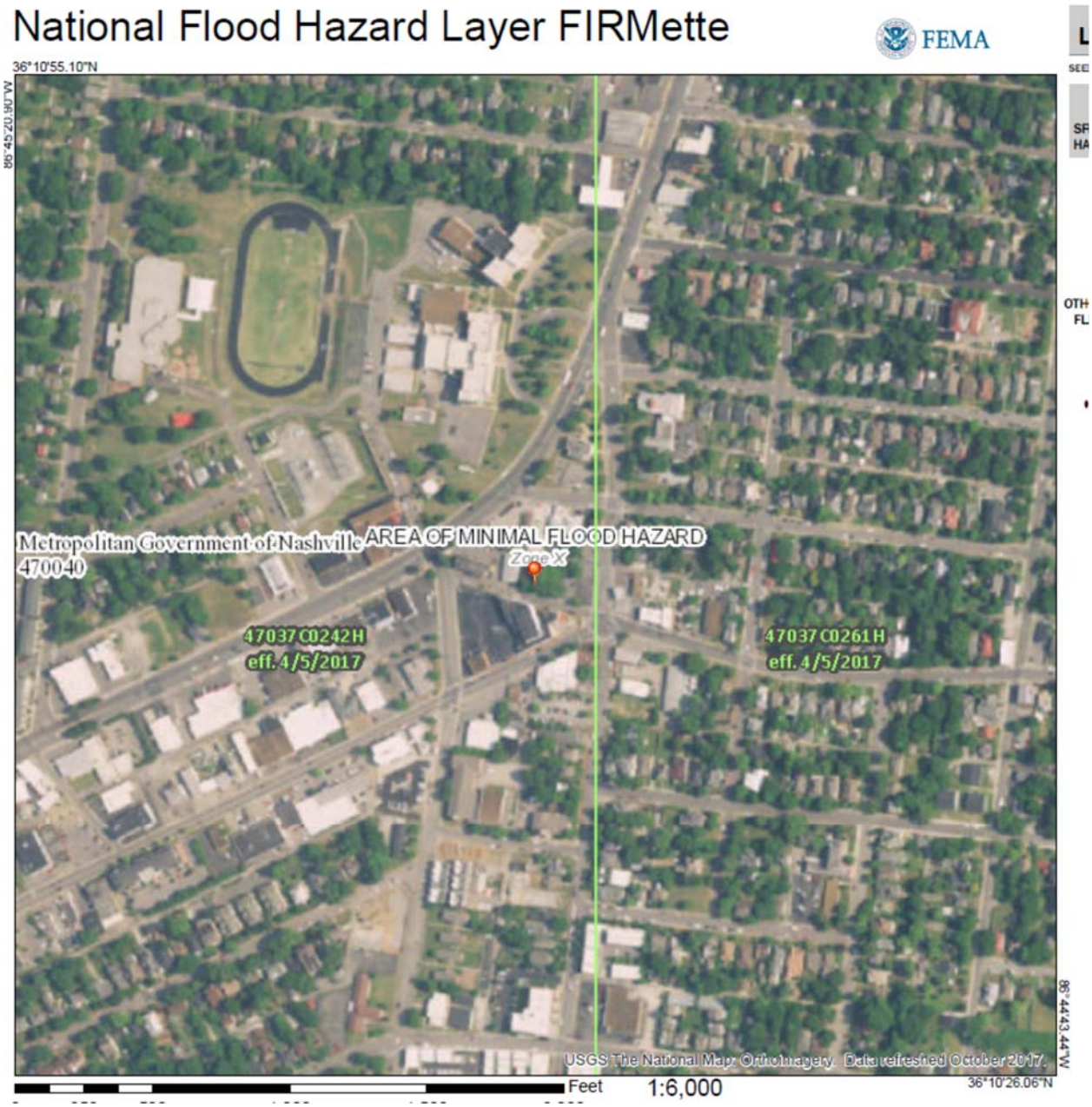
Five Points Development District

Aerial Map

Google Earth Image



FEMA Flood Map



**Land Comments**

The subject property includes 3 parcels of land that are positioned contiguous to each other. They total to 0.27 acres or about 11,761 square feet in size. The shape is generally rectangular with frontage of about 120 linear feet and depth of approximately 100 feet. The topography is somewhat sloping from Clearview Avenue to the rear of each parcel. Access is gained via driveway entrance along Clearview Avenue as well as alley access along the rear of the parcel. Parking is available in each driveway, as well as open surface parking along the street or paid public lots in close proximity.

The parcels are identified as being within the Five Points area, which is a high demand and high traffic area of East Nashville. There are multiple retail, shopping, restaurant, office and residential properties in close proximity to the subject property.

## DESCRIPTION OF IMPROVEMENTS

The characteristics and features of the subject property's improvements can be measured only in relation to the relevant market. The general descriptions of the improvements are analyzed in relation to the market standards in which the subject property competes.

### General Description of Buildings:

**Comments:** As mentioned previously, the subject is appraised as though vacant for the purposes of this assignment. There are however, three separate buildings on the parcels that are being used as a residential rental unit, owner occupied office, and owner-occupied restaurant. These uses are not given consideration in this value opinion.

## HIGHEST AND BEST USE ANALYSIS

In estimating market value, an appraiser identifies the most profitable, competitive use to which a property can be put. The end result is a highest and best use analysis. The *Dictionary of Real Estate Appraisal*, published by The Appraisal Institute, defines highest and best use as:

1. The reasonable and probable use that supports the highest present value of vacant land or improved property, as defined, as of the data of the appraisal.

2. The reasonably probable and legal use of land or sites as though vacant, found to be physically possible, appropriately supported, financially feasible, and that results in the highest present land value.

3. The most profitable use.

The subject property is currently zoned CS - Commercial Services. A thorough examination of the East Nashville market has been performed as it pertains to commercial land value and also contributory value of improvements. An observation is made that there is significant overlap in improved value for all commercial properties to include residential, live/work, residential conversion, office, commercial and restaurant uses. This leads to a conclusion that the highest and best use of the property is general commercial development that complies with present zoning restrictions. After consideration of all aspects of highest and best use, the concluded findings are:

**The highest and best of subject site:**

- **Current Use** **Commercial Land**
- **Most Likely Use** **Commercial Development**
- **Most Likely User** **Developer**
- **Timing** **Within 12 Months**

**SITE VALUATION**

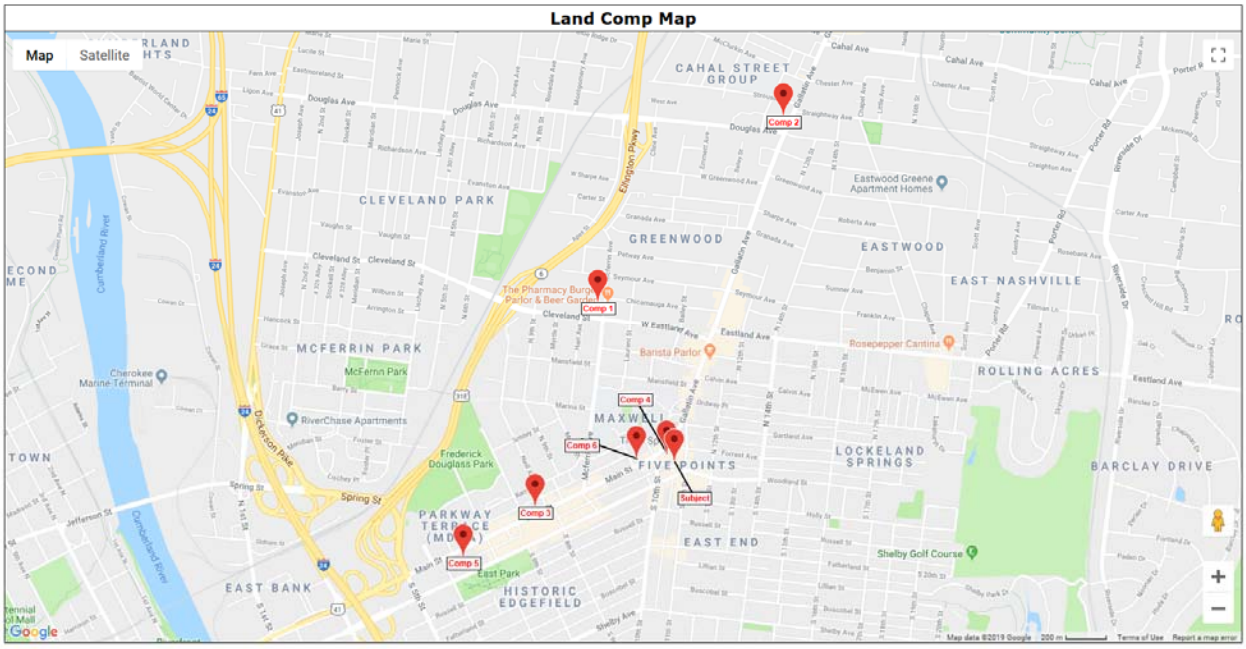
Land is appraised as though vacant and available for development to its highest and best use and the value of improvements is based on their actual contribution to the land. In appraisal practice there are several methods of valuing land. ♦ The sales comparison method is a method in which the subject site is compared with sales of similar sites. To make comparisons it is necessary to have a common denominator and unit prices must be developed. ♦ The abstractive method calls for a distribution of the value between land and buildings by abstracting, from the sale price, the value of the buildings. The allocation method is very similar to the abstractive method. ♦ The anticipated use, or development method, is used for undeveloped land suitable for subdivision. An indication of the value of the undeveloped land is arrived at through a procedure of discounting net income into an indicated value.

In developing an opinion of the value of the subject site, the sales comparison approach was used. A thorough search was made of the subject market for vacant site sales similar to the subject site. The sales shown are located in the subject's market or in similar markets as compared to the subject property. Sales older than 24 months may be used in the absence of recent, similar sales transactions.

The comparable properties were analyzed utilizing a quantitative analysis. This technique is a mathematical process whereby the appraiser identifies elements of difference between the comparable property and the subject property and quantifies market reaction to these differences through the application of an adjustment procedure. A positive adjustment is made to the comparable property for qualities viewed as being inferior as compared to the subject property; conversely, a negative adjustment is made to the comparable property for qualities viewed as being superior as compared to the subject property. The adjustments made are based upon paired data analysis or other techniques such as regression analysis, trend analysis or the appraiser's judgment. The sales shown are located in the subject's market or similar markets and are believed to be similar to the subject property based upon physical and economic characteristics.

**COMPARABLE LAND SALES SUMMARY TABLE**

| No. | Location | Sale Date | Price | Size in SF | Price/ SF |
|---|---|---|---|---|---|
| 1. | 924 McFerrin Avenue | 01/15/2019 | $895,000 | 8,276 | $108.14 |
| 2. | 1308 Gallatin Avenue | 07/26/2018 | $210,000 | 8,276 | $25.37 |
| 3. | 809-813 Main Street | 05/09/2017 | $1,800,000 | 27,878 | $64.57 |
| 4. | 1012 Main & 1004 Forest Avenue | 05/08/2017 | $2,675,000 | 27,443 | $97.48 |
| 5. | 606 Main Street | 02/03/2017 | $1,500,000 | 16,553 | $90.62 |
| 6. | 969 & 975 Main Street & 107 Finn Street | 09/23/2016 | $4,195,000 | 48,352 | $86.76 |



**Land Listing No. 1**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2886 |
| **Property Type** | Commercial, Commercial |
| **Property Name** | East Nashville Commercial Land |
| **Address** | 924 McFerrin Avenue, Nashville, Davidson County, Tennessee 37206 |
| **Location** | East Nashville |
| **Tax ID** | 082-08-0-106.00 |
| **Longitude, Latitude** | W-86.754744, N36.185103 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | David Paul Carlson |
| **Grantee** | 525 Grp LLC |
| **Survey Date** | January 15, 2019 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | 115 DOM |
| **Verification** | Jenny Newman; 615-708-5182, January 15, 2019; MLS 1971580, Other sources: Public Record, Confirmed by Taylor Vandever |
| **Listing Price** | $895,000 |
| **Cash Equivalent** | $895,000 |
| **Adjusted Price** | $895,000 |

**Land Listing No. 1 (Cont.)**

**Land Data**

| | |
|---|---|
| **Zoning** | MUN-A, Mixed Use |
| **Topography** | Nearly Level |
| **Utilities** | All Present |
| **Dimensions** | 50 x 150 |
| **Shape** | Rectangular |
| **Flood Info** | Zone X Minimal |
| **Depth** | 150 |

**Land Size Information**

| | |
|---|---|
| **Gross Land Size** | 0.190 Acres or 8,276 SF |
| **Front Footage** | 50 ft Total Frontage: 50 ft McFerrin; |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross Acre** | $4,710,526 |
| **Sale Price/Gross SF** | $108.14 |
| **Sale Price/Front Foot** | $17,900 |

**Remarks**

This transaction represents the LISTING of commercial land in the East Nashville Market with frontage along McFerrin Avenue. The listing indicates the ability to construct a 4-story building. There are improvements that have been renovated on the property; however, it doesn't appear that they add value over the underlying land value. This property is located in close proximity to shopping and eating establishments. The agent indicates that the property may be listed too high at this time.

**Land Sale No. 2**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2885 |
| **Property Type** | Commercial, Commercial |
| **Property Name** | East Nashville Commercial Land |
| **Address** | 1308 Gallatin Avenue, Nashville, Davidson County, Tennessee 37206 |
| **Location** | East Nashville |
| **Tax ID** | 072-13-0-377.00 |
| **Longitude, Latitude** | W-86.744441, N36.193431 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | Echo Construction LLC |
| **Grantee** | 525 Grp LLC |
| **Sale Date** | July 26, 2018 |
| **Deed Book/Page** | 20180727007368 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | Arm's Length132 DOM |
| **Financing** | $136,500 Pinnacle Bank |
| **Sale History** | $145,000 04/25/2014 |
| **Verification** | Therese Winnington (Agent); 615-545-8700, January 15, 2019; MLS 1904684, Other sources: Public Record, Confirmed by Taylor Vandever |

**Land Sale No. 2 (Cont.)**

| | |
|---|---|
| **Sale Price** | $210,000 |
| **Cash Equivalent** | $210,000 |
| **Adjusted Price** | $210,000 |

**Land Data**

| | |
|---|---|
| **Zoning** | CS - Commercial Services, Commercial Services |
| **Topography** | Nearly Level |
| **Utilities** | All Present |
| **Dimensions** | 50 x 170 |
| **Shape** | Rectangular |
| **Flood Info** | Zone X Minimal |
| **Depth** | 170 |

**Land Size Information**

| | |
|---|---|
| **Gross Land Size** | 0.190 Acres or 8,276 SF |
| **Front Footage** | 50 ft Total Frontage: 50 ft Gallatin Ave; |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross Acre** | $1,105,263 |
| **Sale Price/Gross SF** | $25.37 |
| **Sale Price/Front Foot** | $4,200 |

**Remarks**

This transaction represents the purchase of commercial land in the East Nashville Market with frontage along Main Street. The listing indicates the ability to construct a multi-story building. A plan for a two-story office building had been previously drawn. The buyer and seller's agent indicated that the plan is to construct a law office. Potential buyers indicated that lack of available parking plans did not allow a retail use to be reasonable.

**Land Sale No. 3**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2347 |
| **Property Type** | Lodging, Hotel/Motel |
| **Property Name** | Fieldhouse Jones Boutique Hotel |
| **Address** | 809-813 Main Street, Nashville, Davidson County, Tennessee 37206 |
| **Location** | East Nashville |
| **Tax ID** | 082-12-0-028.00; 29.00; 30.00 |
| **Longitude, Latitude** | W-86.758218, N36.175929 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | 813M LLC |
| **Grantee** | Lyla Tov Hospitality Holdings LLC |
| **Sale Date** | May 09, 2017 |
| **Deed Book/Page** | 201705110046721 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | Arm's Length |
| **Sale History** | 03/06/2017 $353,000 |
| **Verification** | Nashville Post, Other sources: Public Records; Deed |
| | |
| **Sale Price** | $1,800,000 |
| **Cash Equivalent** | $1,800,000 |
| **Adjusted Price** | $1,800,000 |

**Land Data**

| | |
|---|---|
| **Zoning** | MUG-A, Mixed Use |
| **Topography** | Mostly Level |
| **Utilities** | All Available |

**Land Sale No. 3 (Cont.)**

| | |
|---|---|
| **Dimensions** | 170 x 160 |
| **Shape** | Rectangular |
| **Flood Info** | Zone X Minimal |
| **Depth** | 160 |

**Land Size Information**

| | |
|---|---|
| **Gross Land Size** | 0.640 Acres or 27,878 SF |
| **Planned Units** | 100 |
| **Front Footage** | 170 ft Total Frontage: 170 ft Main Street; |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross Acre** | $2,812,540 Actual or $2,812,540 Adjusted |
| **Sale Price/Gross SF** | $64.57 Actual or $64.57 Adjusted |
| **Sale Price/Planned Unit** | $18,000 Actual or $18,000 Adjusted |
| **Sale Price/Front Foot** | $10,588 Actual or $10,588 Adjusted |

**Remarks**

This transaction includes the purchase of 3 contiguous parcels for assemblage into a site for a boutique hotel. The proposed hotel is a 100-room boutique hotel that will be called Fieldhouse Jones. This hotel is projected to provide room space for the newly leased WeWork building on Woodland Street.

**Land Sale No. 4**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2138 |
| **Property Type** | Mixed Use, Mixed Use |
| **Property Name** | Former Car Lot; Five Points Redevelopment Site |
| **Address** | 1012 Main & 1004 Forest Avenue, Nashville, Davidson County, Tennessee 37206 |
| **Location** | Gallatin Pike |
| **Tax ID** | 083-09-0-131,132 |
| **Longitude, Latitude** | W-86.750930, N36.178322 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | Stephen D Elkins |
| **Grantee** | Sunny Meadows LP |
| **Sale Date** | May 08, 2017 |
| **Deed Book/Page** | 201705100046572 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | Arm's Length |
| **Verification** | Public Records, Other sources: Tennessean; 3rd party; , Confirmed by Taylor Vandever |
| | |
| **Sale Price** | $2,675,000 |
| **Cash Equivalent** | $2,675,000 |
| **Adjusted Price** | $2,675,000 |

**Land Sale No. 4 (Cont.)**

**Land Data**

| | |
|---|---|
| **Zoning** | Multi-Zone, Multi-Zone |
| **Topography** | Level |
| **Utilities** | All Present |
| **Shape** | Irregular |
| **Flood Info** | Zone X Minimal |
| **Depth** | 150 |

**Land Size Information**

| | |
|---|---|
| **Gross Land Size** | 0.630 Acres or 27,443 SF |
| **Front Footage** | 312 ft Total Frontage: 200 ft Main Street; 112 ft Forest Avenue; |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross Acre** | $4,246,032 Actual or $4,246,032 Adjusted |
| **Sale Price/Gross SF** | $97.48 Actual or $97.48 Adjusted |
| **Sale Price/Front Foot** | $8,574 Actual or $8,574 Adjusted |

**Remarks**

This transaction represents the purchase of a former car lot on the corner of Main Street and Forest Avenue in East Nashville. A Nashville real estate investor/developer, James Matthews, purchased the 0.63-acre site in an area that's expected to experience growth from the plans to make Gallatin Pike/Main Street the city's first light-rail corridor. Plans were submitted for a 5-story building that included ground level retail and upper for residential. Underground structured parking is also part of the proposed plan. The building will be demolished.

**Land Sale No. 5**

**Property Identification**

| | |
|---|---|
| **Record ID** | 1979 |
| **Property Type** | Mixed Use, Mixed Use |
| **Property Name** | 606 Main Street |
| **Address** | 606 Main Street, Nashville, Davidson County, Tennessee 37206 |
| **Location** | East Nashville |
| **Tax ID** | 082-16-0-424.00 |
| **Longitude, Latitude** | W-86.762206, N36.173663 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | Mohammad Anwar |
| **Grantee** | Ayesh Salah |
| **Sale Date** | February 03, 2017 |
| **Deed Book/Page** | 201702090013553 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | Arm's Length |
| **Verification** | Tennessean; Public Records, Confirmed by Jeremy Hunley |
| | |
| **Sale Price** | $1,500,000 |
| **Cash Equivalent** | $1,500,000 |
| **Adjusted Price** | $1,500,000 |

**Land Data**

| | |
|---|---|
| **Zoning** | MUG-A, Commercial |
| **Topography** | Mostly Level |

**Land Sale No. 5 (Cont.)**

| | |
|---|---|
| **Utilities** | All Present |
| **Dimensions** | 105/158 |
| **Shape** | Rectangular |
| **Flood Info** | Zone X Minimal |

**Land Size Information**

| | |
|---|---|
| **Gross Land Size** | 0.380 Acres or 16,553 SF |
| **Front Footage** | 105 ft Total Frontage: 105 ft Main Street; |
| **Actual/Planned Building SF** | 13,392 |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross Acre** | $3,947,368 Actual or $3,947,368 Adjusted |
| **Sale Price/Gross SF** | $90.62 Actual or $90.62 Adjusted |
| **Sale Price/Front Foot** | $14,286 Actual or $14,286 Adjusted |
| **Sale Price/Planned Bldg. SF** | $112.01 Actual or $112.01 Adjusted |

**Remarks**

This transaction represents the purchase of 0.38 acres in the East Nashville market that also has a 13,392 SF warehouse building on the property. It is believed that the developer will lease the vacant warehouse building as an interim-use. However, the commercially zoned site has the potential to be redeveloped as a condo, hotel, shopping center, or apartments. Ayesh also owns a pair of 0.18-acre properties (616 and 618 Main) that are adjacent to the property and appears to be assembling the three parcels. Those two properties were acquired on August 29, 2013 for $325,000.

**Land Sale No. 6**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2002 |
| **Property Type** | Retail, Multi Tenant Retail |
| **Property Name** | Hunters Custom Automotive |
| **Address** | 969 & 975 Main Street & 107 Finn Street, Nashville, Davidson County, Tennessee 37206 |
| **Location** | East Nashville |
| **Tax ID** | 082-12-0-278,083-09-0-005,082-12-0-281 |
| **Longitude, Latitude** | W-86.752584, N36.178066 |
| **MSA** | Nashville |
| **Market Type** | Urban |

**Sale Data**

| | |
|---|---|
| **Grantor** | John L & Linda F Freund |
| **Grantee** | Hunters Campus LLC |
| **Sale Date** | September 23, 2016 |
| **Deed Book/Page** | 201609270101884 |
| **Property Rights** | Fee Simple |
| **Verification** | Public Records, Other sources: Tennessean, Confirmed by Jeremy Hunley |
| | |
| **Sale Price** | $4,195,000 |
| **Cash Equivalent** | $4,195,000 |
| **Adjusted Price** | $4,195,000 |

**Land Sale No. 6 (Cont.)**

**Land Data**

| | |
|---|---|
| **Zoning** | Multi-Zone, Mixed Use |
| **Shape** | Slightly Irregular |
| **Flood Info** | Zone X Minimal |
| **Depth** | 140 |

**Land Size Information**

| | |
|---|---|
| **Gross Land Size** | 1.110 Acres or 48,352 SF |
| **Planned Units** | 9 |
| **Front Footage** | 450 ft Total Frontage: 310 ft Main Street; 140 ft Finn Street; |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross Acre** | $3,779,279 Actual or $3,779,279 Adjusted |
| **Sale Price/Gross SF** | $86.76 Actual or $86.76 Adjusted |
| **Sale Price/Planned Unit** | $466,111 Actual or $466,111 Adjusted |
| **Sale Price/Front Foot** | $9,322 Actual or $9,322 Adjusted |

**Remarks**

This transaction represents the purchase of 1.1 acres in the Five Points area. Restaurant group Fresh Hospitality purchased the property and plans to include space for up to nine tenants. Plans include outdoor and covered patios, a covered deck, a dog walk, outdoor dining and a bocci ball court. A location of the Hugh-Baby's BBQ & Burger Shop along with a Biscuit Love, a Grilled Cheeserie, a 55 South and Laura Wilson's Citizen Kitchens have been cited among food concepts planned for the East Nashville property, along with other retail. Under Fresh Hospitality's plans, the two buildings on the former Hunters Custom Automotive campus would be connected and parking would be pushed to the back except for the corner of Main and 10th where there will be Americans with Disability Act-compliant parking spaces.

| | Subject | Sale 1 | Sale 2 | Sale 3 | Sale 4 | Sale 5 | Sale 6 |
|---|---|---|---|---|---|---|---|
| Address | 1007, 1009 & 1011 Clearview Avenue | 924 McFerrin Avenue | 1308 Gallatin Avenue | 809-813 Main Street | 1012 Main & 1004 Forest Avenue | 606 Main Street | 969 & 975 Main Street & 107 Finn |
| **City** | Nashville | Nashville | Nashville | Nashville | Nashville | Nashville | Nashville |
| **Sales Date** | n/a | LISTING | 7/26/2018 | 5/9/2017 | 5/8/2017 | 2/3/2017 | 9/23/2016 |
| **Sales Price** | n/a | $895,000 | $210,000 | $1,800,000 | $2,675,000 | $1,500,000 | $4,195,000 |
| **Adj. Sales Price** | n/a | $895,000 | $210,000 | $1,800,000 | $2,675,000 | $1,500,000 | $4,195,000 |
| **Property Interest** | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple |
| **Gross Acreage** | 0.27 | 0.19 | 0.19 | 0.64 | 0.63 | 0.38 | 1.11 |
| **Gross s.f.** | 11,761 | 8,276 | 8,276 | 27,878 | 27,443 | 16,553 | 48,352 |
| **Frontage** | 120 | 50 | 50 | 170 | 200 | 105 | 310 |
| **Depth** | 103 | 150 | 170 | 160 | 150 | | 140 |
| **Topography** | Sloping | Nearly Level | Nearly Level | Mostly Level | Level | Mostly Level | Mostly Level |
| **Utilities** | All Present | All Present | All Present | All Available | All Present | All Present | All Present |
| **Zoning Class** | Commercial | Mixed Use | ommercial Service | Mixed Use | Multi-Zone | Commercial | Mixed Use |
| **Price per s.f.** | | $108.14 | $25.37 | $64.57 | $97.47 | $90.62 | $86.76 |
| **Adjustments** | | | | | | | |
| **Market Conditions** | n/a | -15.00% | 0.00% | 10.00% | 10.00% | 10.00% | 15.00% |
| **Adjusted Price per s.f.** | n/a | $91.92 | $25.37 | $71.02 | $107.22 | $99.68 | $99.77 |
| **Location** | | | 25% | 10% | -5% | | |
| **Physical Char.** | | | 10% | | -10% | -10% | -10% |
| **Economic Char.** | | | | | | | |
| **Utilities** | | | | | | | |
| **Impvmnt Considered** | | | | | | | |
| **Net Adjustment** | | **0.00%** | **35.00%** | **10.00%** | **-15.00%** | **-10.00%** | **-10.00%** |
| **Indicated Value (s.f.)** | | **$91.92** | **$34.26** | **$78.13** | **$91.14** | **$89.71** | **$89.80** |

| Price / SF Indicators | | |
|---|---|---|
| | **Unadjusted Values** | **Adjusted Values** |
| Min Value | $25.37 | $34.26 |
| Max Value | $108.14 | $91.92 |
| Mean Value | $78.82 | $79.16 |
| Median Value | $88.69 | $89.75 |
| Standard Deviation | $27.29 | $20.61 |

**Comparable Sale Comments**

- Sale 1 is a Listing in the market that has a relatively similar location to the Five Points market near Pharmacy Burger and Mas Tacos. This sale is adjusted downward for being acknowledged to being overpriced. The property is relatively similar for other characteristics. Some reliance is placed on this listing.
- Sale 2 is included as a smaller land sale in the East Nashville market. This sale has frontage along Gallatin Avenue; however, is in an inferior area of East Nashville. The property was also limited by lack of parking for retail uses. The sale establishes the low end of the range, but it not given much weight is forming a final opinion of value.
- Sale 3 is adjusted upward for market conditions based upon time of sale. It is also adjusted upward for inferior location in comparison to the subject.
- Sale 4 is adjusted upward for market conditions based upon time of sale. This property is located adjacent to the subject property, but with visibility and frontage along Gallatin Avenue; therefore, a downward adjustment is applied for location. A physical adjustment is also applied for larger size, with likely more plausible uses of the site in comparison to the subject. Most reliance is placed in this sale, based upon proximity to the subject property.
- Sale 5 is adjusted upward for market conditions based upon time of sale. It is adjusted downward for physical characteristics due to the presence of a large building that provides interim value during a short holding period to the buyer.
- Sale 6 is adjusted upward for market conditions based upon time of sale. It is adjusted downward for physical characteristics due to the presence of a large building that provides interim value during a short holding period to the buyer.

The bracketed range of the subject property based on the Quantitative Analysis indicates a price per square foot ranging from $34.26 to $91.92. Most reliance is placed on Sale 4, with consideration given to the range of about $78 to $91 per square foot. After an analysis of the market, a concluded value of $90.00 per square foot is considered reasonable for the subject property.

**11,761 SF X $90.00 = $1,058,508**

The estimate of value for the subject property via the Sales Comparison Approach is:

**$1,060,000**
**ONE MILLION SIXTY THOUSAND DOLLARS**

## FINAL OPINION OF VALUE

The indicated value, applicable to the subject property as of November 12, 2018 is:

| | |
|---|---|
| **Sales Comparison Approach** | **$1,060,000** |

### Sales Comparison Approach

The sales comparison approach yields a reliable indication of value when sales are recent and reasonably similar to the property being appraised. The sales comparison approach shows the market reaction of buyers and sellers in an active market and often times this approach to value is key in appraisal development; therefore, this approach to value is given consideration toward the final estimate of value.

## FINAL OPINION OF VALUE

After an analysis of the market, it is the appraiser's opinion that the market value of the subject property located at 1007, 1009 & 1011 Clearview Avenue in Nashville, Tennessee as of November 12, 2018 is:

**$1,060,000**
**ONE MILLION SIXTY THOUSAND DOLLARS**

**CERTIFICATION**

I certify that, 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 unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved;
- I have no bias with respect to the property that is the subject of this report 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 upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan;
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice;
- this report is written in compliance with Title XI of FIRREA and any implementing regulations;
- Taylor Vandever & Corey Ross made a personal inspection of the property that is the subject of this report;
- no one provided significant professional assistance to the persons signing this report;
- I am performing this assignment in conjunction with separate appraisals of each parcel individually with consideration given to the improvements. I have not performed any other valuation services or any other services on the subject property within the last three years prior to acceptance of this assignment.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I Taylor Vandever, have completed the Standards and Ethics Education Requirements for Designated Members of the Appraisal Institute.
- As of the date of this report, I Taylor Vandever, have completed the continuing education program for Designated Members of the Appraisal Institute.

Taylor Vandever, MAI
Certified General Appraiser
CG-4643

# ADDENDA

**SUBJECT PHOTOGRAPHS**

1007 Clearview

1009 Clearview

1011 Clearview

**Street Views**

## PROPERTIES: 1007 CLEARVIEW, 1009 CLEARVIEW, 1011 CLEARVIEW AVE

THE PROPERTIES PURCHASED IN 1988 & 1995 AND 1007 LATER TO MAKE A COMPLETE REAL ESTATE PACKAGE. IT WAS A REINVESTMENT FROM OUR FARM WE SOLD IN WILLIAMSON COUNTY AND PLANNED ON SELLING THESE PROPERTIES WHEN WE RETIRED. WE ARE NOW AT THE AGES OF 80 AND 74 AND ON LIMITED INCOME OF SOCIAL SECURITY AND MONEY RECEIVED MONTHLY ON OUR RENTAL INCOME WHICH IS LOW BECAUSE OF SQUARE FOOTAGE. WE HAVE NO MONEY LEFT FOR REPAIRS TO PROPERTIES.

NORMAN SPICHER AT AGE 80 IS NOW HAVING MEMORY LOSS AND PAULA HAS QUIT HER PART TIME JOB TO BE HOME WITH NORMAN. WE ARE GOING TO MOVE CLOSE TO OUR DAUGHTER IN FRANKLIN,TN TO GET HELP IN OUR AGING PROCESS AND ANY FUTURE HELP WE NEED. THE SALE OF OUR PROPERTIES WILL BE USED FOR COST OF LIVING EXPENSES IN THE FUTURE OF OUR CARE. WE MOVED OUT OF THE NASHVILLE AREA BECAUSE OF RISING EXPENSES ON TAXES, INSURANCE AND THE NOISE AT 5 POINTS

WE BOUGHT THESE PROPERTIES FROM THE SALE OF OUR PROPERTY IN WILLIAMSON CO. IN 1998 AND SOON MOVED INTO THEM. WE LIVED IN 1011 TILL RESTAURANT OPENED 5 YEARS AGO. THE PROPERTIES ON CLEARVIEW WERE IN SLOW DETERIOATION BECAUSE OF LACK OF MONEY FOR REPAIRS. OUR CHILDREN SUGGESTED WE RENT 1011 TO THEM FOR RESTAURANT AND THEY WOULD BRING IT UP TO CODES AND RESTORE. AT THAT TIME 1011 WENT THROUGH YOUR GUIDELINES FOR UPGRADE AND COST $600,000 TO REMODEL COMPLETELY. AS YOU CAN SEE THE APPRAISAL RECENTLY DONE DOES NOT EVEN COME UP TO THAT AMOUNT INVESTED.

THE PROPERTY AT 1009 HAS REMAINED AS A RESIDENT AND 1\2 COMMERCIAL USE RENTAL TO THE FIDDLE REPAIR SHOP FROM 2010-2015. IN 2015 THE TREEHOUSE RESTAURANT RENTED THE ½ COMMERCIAL SPACE IN THE FRONT FOR OFFICE AND STORAGE OVERFLOW SPACE FROM RESTAURANT.

WE ARE NOW AT A POINT OF SELLING THESE PROPERTIES FOR RETIREMENT. WE CANNOT MAKE A PROFIT LIKE WE SHOULD BE ABLE TO FOR COMMERCIAL. THE PROPERTIES DO NOT BRING ENOUGH INCOME BECAUSE OF SQUARE FOOTAGE IN ALL THREE. IF AN INVESTOR BOUGHT PROPERTIES AS IS THE CANNOT RENT THEM OUT FOR THE AMOUNT THEY PAY FOR HEM. EVERYONE LOOKING TO BUY SAY THEY NEED TO BE TORN DOWN FOR THE LAND USE IN A COMMERCIAL AREA. THAT LEAVES US WITH THE DELIMA OF HOW WE SELL THESE PROPERTIES FOR THE BEST USE AND BENEFIT OF OUR HEIRS INHERITANCE AND LIVING OUR LIVES TO THE END. WE ARE IN A BAD SPOT BECAUSE OF THE HISTORICAL OVERLAY .

THESE PROPERTIES WERE ROW HOUSE RENTAL PROPERTIES OWNED BY THE AMOS'S FAMILY AND USED FOR LOW INCOME RENTALS BUILT IN THE 1920'S. WE BOUGHT AND LIVED THERE SINCE 1998. SADLY THE DUMPSTERS BRING RATS AND VARMINTS CONSTANTLY. IT IS HARD TO SERVE ON PATIOS OF THE TREEHOUSE BECAUSE RAT OR A POSSUM RUNS OVER YOUR FOOT, OR A FLY FROM DUMPSTERS (5) IN ALLEY MAKE YOUR MEAL NOT GREAT. IT IS TIME PROGRESS TAKES OVER. THE HOUSES ARE NOW NOT UP TO THE NEIGHBORHOOD USE ANY LONGER WITH COMMERCIAL BUILDINGS ALL AROUND THE 5 POINTS AREA. EVERY THING ELSE IS BRICK AND MORTOR WE ARE THE ONLY ONES WITH WOOD EXTERIORS.

WE ARE ASKING FOR HISTORICAL AND ZONING TO ALLOW US TO SELL AND THE NEW OWNERS TEARING DOWN AND REBUILD A NEW COMMERCIAL USE BUILDINGS WITH A

RESTAURANT BEING THE CORNER STONE OF THE USE. WE LOVE HISTORICAL BUT THESE HOUSES ARE NOT THE QUALITY AND NEVER WERE. A TIME WARP HAS CAUGHT UP TO US AND WE NEED TO SELL BUT OUR HANDS ARE TIED TO THE HISTORICAL OVERLAY AND ZONING. WE OWE MORE THAN WE CAN SELL THEM FOR.

WE ARE PRESENTING THE REQUIRED PAPER WORK AND INFORMATION FOR YOU TO EXAMINE. WE FEEL WE ARE BEING DISCRIMINATED AGAINST BECAUSE OF OTHER VENTURES IN THE AREA AND WHAT 5 POINTS DESERVES IN QUALITY AND USE. NASHVILLE HAS DEVELOPED FAST AND DEVELOPERS ARE HEADED INTO EAST NASHVILLE WITH QUALITY. THANK YOU FOR THE CONSIDERATION OF WHAT WE ARE ASKING BEFORE THE OWNER'S PASS.

NORMAN SPICHER Norman K Spicher

PAULA SPICHER Paula Spicher

DATE 3/1/2019

BUDGET FOR SPICHER:

| PROPERTY: | RENTS |
|---|---|
| 1009 CLEARVIEW PER MONTH COLLECT RENT | $1500 RENT |
| ($1400 INSURANCE $1830 TAXES | $ 270 TAX/INSUR |
| ( $400 UTILITIES PD BY RENTER) | $ 400 UTILITY |
| TOTAL PER MO. | + $2170 |

(PAY OUT $1700 PAYMENT) PER MO.

| | |
|---|---|
| TAXES, INSURANCE, UTILITIES | $2370 |
| | - $ 200 LOSSS |

| | |
|---|---|
| 1011 CLEARVIEW COLLECT PER MO. | $1300 |
| TOTAL PER MO. | $1300 |

(PAY OUT $1300 PAYMENT PER MO. TO REGIONS)

(TAXES AND INSURANCE $430 INCLUDED IN PAYMENT)

(2ND MORTGAGE BANCORP SOUTH $200)

| | |
|---|---|
| TOTAL PER MO. | $1500 |
| | - $ 200 LOSS |

BALANCE LEAVING -$400 A MONTH IN RED. THIS LEAVES NO EXTRA INCOME A MONTH FOR RENTALS TO PAY FOR REPAIRS.

**BALANCE OWED ON PROPERTIES:**

| | | |
|---|---|---|
| **1009 CLEARVIEW** | **$230,000** | **PAYMENT $1700 A MO. CENLAR MORT.** |
| **1011 CLEARVIEW** | **$89,000** | **PAYMENT $1300 A MO. REGIONS BANK** |
| | **$40,000** | **PAYMENT $200 A MO. INTEREST ONLY** |
| | | **BANCORPSOUTH BANK** |

PROPERTIES OWNED BY NORMAN AND PAULA SPICHER

**1007 CLEARVIEW $120,000 PAYMENT $1200 A MONTH INCLUDES TAX/INS**

**OWNED BY MATTHEW AND DAVID SPICHER**