

APPRAISAL REPORT OF

**4.942 ACRES
1145 MIDTOWN COMMONS WAY
KNOXVILLE, TENNESSEE 37931
PARCELS 105-057 & 105-058**

PREPARED FOR

**MR. RICK GENTRY
APARTMENT BROKER LLC
A/K/A JRG DEVELOPMENT LLC
23 ALTA TREE COURT
JOHNSON CITY, TN 37604-4600**

PREPARED BY

**CHARLES M. SMITH, MAI
◆ PROPERTY SERVICE GROUP SOUTHEAST, INC.
1129 N. 6TH AVENUE
KNOXVILLE, TENNESSEE 37917-6754**

EFFECTIVE DATE OF APPRAISAL: FEBRUARY 8, 2024

DATE OF REPORT: FEBRUARY 23, 2024

◆ PROPERTY SERVICE GROUP SOUTHEAST

Real Estate Appraisals • Brokerage • Consulting


February 23, 2024


Mr. Rick Gentry
Apartment Broker LLC
a/k/a JRG Development LLC
23 Alta Tree Court
Johnson City, TN 37604-4600



RE: Real Estate Appraisal
4.942 acres
1145 Midtown Commons Way
Knoxville, Tennessee 37931
Parcels 105-057 & 105-058

Dear Mr. Gentry:

At your request, I have made an appraisal of the above described property in order to estimate the market value of the fee simple estate as of the February 8, 2024, date of inspection.

The vacant “” 215,274 S.F. or 4.942 acre subject site fronts 56.02' along the south side of Middlebrook Pike (TN-169) 501' south of Andes Road in Knox County TN, also known as 1145 Midtown Commons Way Knoxville, TN 37931. The subject is Knox County Tax Map 105, Parcels 057 and 058 and as recorded in Instrument #: 202112080046046 in the Knox County Register of Deed's Office (See addenda).

The “” 215,274 S.F. or 4.942 acre subject site is the unrecorded “Speegle and Key Properties Middlebrook Pike” ALTA/NSPS Land Survey prepared by Batson, Himes, Norvell & Poe Number 25357-ALTA dated 08-19-2021.

The “” 215,274 S.F. or 4.942 acre subject site is approved for multi-family residential development as “Middlebrook Commons”, a 120 unit prepared by Silvus Engineering Consultants “” dated 04-10-2022 depicted by Sheets CO.0, C1.1 to C9.1, A1.1 and A1.2.

The following Appraisal Report contains a description of the property, market information, and methods used to estimate value. It has been written to conform to the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation; with the appraisal requirements of Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), revised June 7, 1994, and amendments thereto; and the Interagency Appraisal and Evaluation Guidelines.

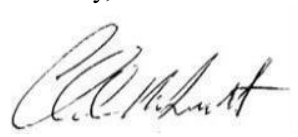
Through this report, the market value of the leased fee estate of the subject property as of the February 8, 2024 inspection date is indicated to be:

TWO MILLION ONE HUNDRED SIXTY THOUSAND DOLLARS
(\$2,160,000)

The reader is referred to the Certification, General Assumptions, and General Limiting Conditions included in the attached report. The appraiser certifies that he has no present or contemplated future interest in the subject.


Thank you for the opportunity to provide this service. Please call if you have any questions.

Sincerely,



Charles M. Smith, MAI
TN Certified General Appraiser #CG-109

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SOUTHERN VIEW MIDTOWN COMMONS WAY (MAP 105 PARCEL 057)



NORTHERN VIEW MIDTOWN COMMONS WAY (MAP 105 PARCEL 057)



SOUTHEASTERN VIEW FROM MIDTOWN COMMONS WAY FROM NEAR NORTHERN BOUNDARY



SOUTHWESTERN VIEW FROM MIDTOWN COMMONS WAY FROM NEAR NORTHERN BOUNDARY



WESTERN VIEW MIDTOWN COMMONS WAY FROM NEAR MIDDLE OF PARCEL 058



NORTHWESTERN VIEW OF SUBJECT REAR WOODED SITE



WESTERN VIEW MIDDLEBROOK PIKE (TN-169) AT MIDTOWN COMMONS WAY





EASTERN VIEW MIDDLEBROOK PIKE (TN-169) AT MIDTOWN COMMONS WAY



SUMMARY OF SALIENT FACTS

Identity of the Property:	4.942 acres 1145 Midtown Commons Way Knoxville, Tennessee 37931 Parcels 105-057 & 105-058 Cracker Barrel
Tax Map Reference:	105 Parcels 057 & 058, Knox County
Property Owner:	JRG Development
Effective Date of Appraisal:	February 8, 2024
USPAP Report Type:	Appraisal Report
Property Rights Appraised:	Fee Simple
Site Area:	215, 274 S.F. or 4.942 acres
Improvement Description:	Vacant, approved for multi-family development 120 units
Zoning:	OB, Office, Medical Office and Related Services
Highest and Best Use "As Vacant":	Multi-family development 120 units
Highest and Best Use "As Improved":	Not Applicable
Indicated Value by Each Applicable Approach:	
Cost Approach:	Not Applicable
Sales Comparison Approach:	\$2,160,000
Income Approach:	Not Applicable
Estimated Fee Simple Market Value "As Is":	\$2,160,000
Exposure/Marketing Time:	6-12 months/6-12 months
Furniture, fixtures & equipment value:	None – real estate only
Intended Use:	Estimate market value
Intended User:	Mr. Rick Gentry Apartment Broker LLC a/k/a JRG Development LLC 23 Alta Tree Court Johnson City, TN 37604-4600

PROPERTY IDENTIFICATION

The vacant “” 215,274 S.F. or 4.942 acre subject site fronts 56.02' along the south side of Middlebrook Pike (TN-169), 501' south of Andes Road in Knox County TN, also known as 1145 Midtown Commons Way Knoxville, TN 37931. The subject is Knox County Tax Map 105, Parcels 057 and 058 and as recorded in Instrument #: 202112080046046 in the Knox County Register of Deed's Office (See addenda).

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PURPOSE, INTENDED USE AND INTENDED USER

The purpose of this appraisal is to estimate the fee simple market value of the subject property as of the February 8, 2024, date of inspection. The intended use is to estimate fair market value for the prospective sale and the intended user is Mr. Rick Gentry, Apartment Broker LLC a/k/a JRG Development LLC. The appraisal is presented in appraisal report format.

DEFINITION OF VALUE

Market Value¹, as used in this report, is defined as follows:

"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 and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- 1) buyer and seller are typically motivated;
- 2) both parties are well informed or well advised, and acting in what they consider their own best interests;

¹ Title XI, Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (“FIRREA”), (Pub. L. No. 101-73, 103 Stat. 183 (1989)), 12 U.S.C. 3310, 3331-3351, and section 5(b) of the Bank Holding Company Act, 12 U.S.C. 1844(b), Part 225, Subpart G: Appraisals; Paragraph 225.62(f).

Uniform Standards of Professional Appraisal Practice, Page 139

Federal Reserve System, 12 CFR Parts 208 and 225, Sec. 225.62

Office of the Comptroller of the Currency (OCC), Title 12 of the Code of Federal Regulation, Part 34, Subpart C-Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); This is also compatible with the FDIC, FRS and NCUA definitions of market value.

- 3) a reasonable time is allowed for exposure in the open market;
- 4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

EXPOSURE AND MARKETING TIME

Exposure Time is defined as follows:

*"The time a property remains on the market. The estimated length of time 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."*²

Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions.

Marketing Time is defined as follows:

*"An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal."*³

Given the current market conditions and the attributes associated with the subject property as described within this analysis, it is the appraiser's opinion the Exposure Time and Marketing Time for the subject are estimated at 5-12 months.

PROPERTY RIGHTS APPRAISED

The property rights appraised in this report are defined as follows:

Fee Simple Estate:

*"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."*⁴

² The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015, Page 83.

³ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015, Page 140.


⁴ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015, Page 90.

SCOPE OF THE APPRAISAL

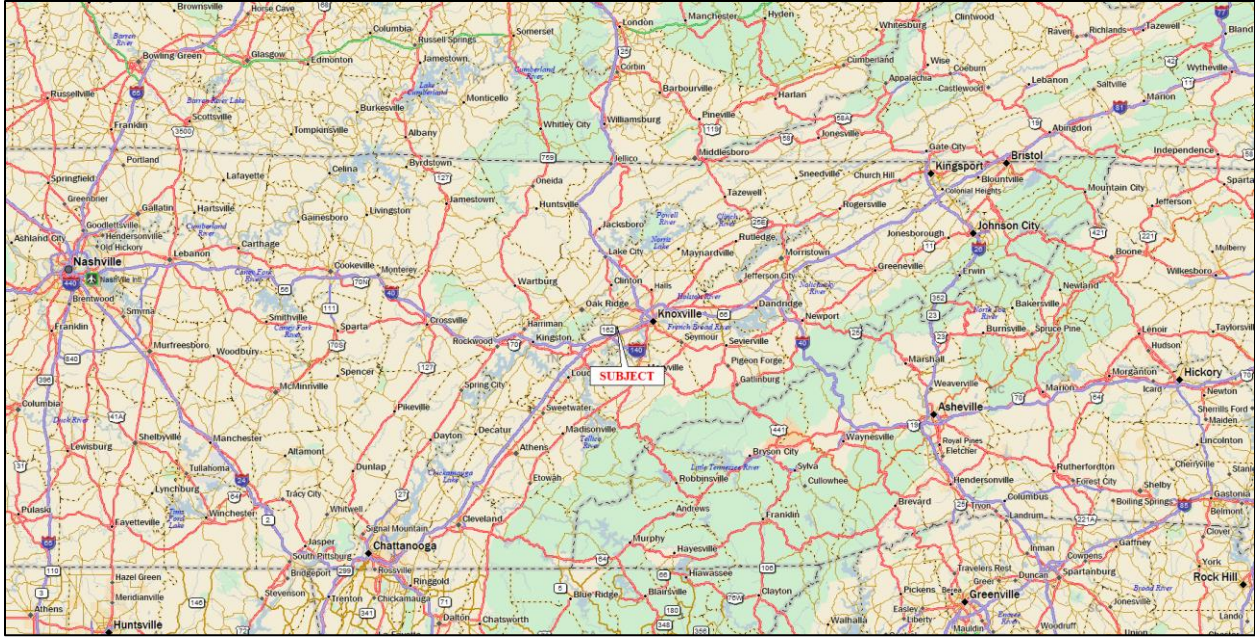
The scope of this real estate appraisal includes the following:

- 1) A physical inspection of the property. For properties with existing improvements, this consists of a walk-thru inspection. I do not warrant the structural integrity of the buildings, but, unless otherwise noted, it is assumed to be of sound construction with all mechanical, plumbing, and electrical systems in working order.
- 2) A search of the public records relative to the subject. This search encompasses, among other things, tax and assessment information, easement, and other private, as well as public, deed restrictions, zoning, history of the property, etc.
- 3) A summary of neighborhood and regional area characteristics, as well as an analysis of supply and demand within the subject's market segment.
- 4) Analysis of physically possible uses, legally permissible uses, and all feasible uses in order to estimate the highest and best use of the subject property.
- 5) Research of public records for comparable sales and listings. Telephone verification, where possible, of all the sales and listings with the buyer, seller, or their representatives. Comparison of the comparable properties to the subject with consideration of such differences as legal encumbrances, financing terms, conditions of sale, market conditions, location, physical characteristics, availability of utilities, zoning, and highest and best use.
- 6) The three recognized approaches to value - Cost, Sales Comparison, and Income - will be developed unless sufficient supporting data is not available, or the nature of this assignment precludes application of any approach.
- 7) The preparation of a narrative appraisal report in compliance with the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation. The appraiser has met the competency provision as required by USPAP and is capable of completing the appraisal assignment competently.

AREA DESCRIPTION

The vacant “” 215,274 S.F. or 4.942 acre subject site fronts 56.02' along the south side of Middlebrook Pike (TN-169) 501' south of Andes Road in Knox County TN also known as 1145 Midtown Commons Way Knoxville, TN 37931.

The subject property is located in Knox County outside the Knoxville city limits. Knoxville is the third largest city in the state and the largest city in East Tennessee. The city is located in the Tennessee Valley between the Cumberland Mountains to the northwest and the Great Smoky Mountains to the southeast.



LOCATION MAP

Population

According to the 2020 Metropolitan Planning Commission information, the Knoxville County population for 2019 was 470,313, which was an 8.8% increase over the 2010 population of 432,226. The population of the Knoxville Metropolitan Statistical Area (MSA), which includes Anderson, Blount, Knox, Loudon, Sevier, and Union counties, was 869,046 in 2019, which was a 10% increase over the 787,919 population in 2010. The MSA has been changed slightly, but the information was presented for the same counties for the sake of continuity. This census information is shown on the following chart.

**KNOXVILLE MSA
POPULATION
BUREAU OF THE CENSUS**

Population	1980	1990	2000	2010	2019
Anderson	67,346	68,250	71,330	75,129	76,978
Blount	77,770	85,969	105,823	123,010	133,088
Knox	319,694	335,749	382,032	432,226	470,313
Loudon	28,533	31,255	39,086	48,556	54,068
Sevier	41,418	51,043	71,170	89,889	98,250
Union	11,707	13,694	17,808	19,109	19,972
MSA Total	546,488	585,960	687,249	787,919	852,669

The city of Knoxville population was 178,874 in 2010, increasing to 187,603 (plus 4%) in 2019. Knoxville has grown more slowly than the surrounding area since it is more built up and much of the new growth has been forced into the outlying areas.

As of February 28, 2013, the U.S. Office of Management and Budget has redefined the Knoxville Metropolitan Statistical Area to include Anderson, Blount, Campbell, Grainger, Knox, Loudon, Morgan, Roane, and Union counties. Statistical information is in the process of being compiled to reflect this recent change.

Transportation

Knoxville is located roughly 20 miles east of the intersection of two major interstate highways - I-40, which runs east to west, and I-75, which runs north to south. Interstate 81, a major north to south system, merges with Interstate 40 about 40 miles east of Downtown Knoxville. Interstate 640 is a half-perimeter connection through east, north, and west Knoxville. The Pellissippi Parkway (Highway 162) is a major route between West Knoxville, Oak Ridge, and Alcoa. The State of Tennessee has extended the parkway from Knox County across the Tennessee River into Blount County. The parkway has drastically altered transportation patterns in West Knox County and Northeast Blount County, and direct access between West Knox County, Oak Ridge and Blount County has now been provided, reducing travel distances considerably. This has substantially increased the demand for land in West Knox County and Northeast Blount County.

The city is served by two major rail systems, the Norfolk Southern Railway Lines, and the CSX Transportation System. There are about 66 trucking lines with terminals in Knox County. Knoxville is the junction of major east to west and north to south Southern Railway System.

About thirteen commercial airlines operating over 120 flights daily serve the Knoxville area from McGhee Tyson Airport located 13 miles from Downtown Knoxville. There are also two private airports and the city-owned Downtown Island Home Airport serving small and privately-owned airplanes.

Education

The Knox County school system includes 50 elementary schools, 16 middle schools, 15 high schools and 10 special schools with a total enrollment of about 56,000. Other students are enrolled in 50 + local private schools including Tennessee School for the Deaf, local Catholic schools, Webb School, and several private Christian schools. The University of Tennessee (UT)

is a public research university with multiple campuses, including the flagship campus in Knoxville. The University of Tennessee, Knoxville (UTK), has a total enrollment of approximately 30,000 students. It has long been a major influence on Knoxville. Other higher learning institutions included Pellissippi State Technical Community College (10,000+ students), Johnson University (1,152 students), and other technical and business schools with about 1,500 students.

Employment

As of December 2023, the total labor force for the Knoxville Metropolitan Statistical Area (MSA) has recovered since recent lows caused by shutdowns due to the coronavirus. The labor force shrunk for a number of years but had stabilized and been increasing until early 2020. It decreased in 2020 due to shutdowns due to the coronavirus. The two largest employment sectors are trade and manufacturing. The total labor force for Knox County has a similar record in that time period. The economy of the Knoxville area is highly diversified with no employment sector dominating the labor force.

UNEMPLOYMENT SUMMARY						
Jurisdiction	2018	2019	2020	2021	2022	Dec-23
Knox County	2.9%	2.9%	5.9%	3.4%	2.9%	2.8%
Knox MSA	3.3%	3.2%	6.1%	3.5%	3.1%	2.8%
Tennessee	3.5%	3.4%	7.4%	4.3%	3.4%	3.4%
United States	3.9%	3.7%	8.1%	3.7%	3.6%	3.5%

The job outlook improved from 2012 through early 2020. Tennessee unemployment rose significantly in April 2020 due to the coronavirus, but has come down significantly since that time, as shown in the graph above. It is expected to continue to decline gradually.

Commerce & Major Employers

There are two regional shopping malls in the Knoxville area, West Town, and Knoxville Center (formerly East Towne Mall) in Knoxville. Knoxville Center is now closed and has been demolished for construction of an Amazon delivery center.

Initially opening in July 1984 as East Towne Mall, a 964,000 S.F. regional retail mall anchored by Dillard’s, JC Penney, Proffitt’s (subsequently Belk), Service Merchandise, RUSH Fitness (subsequently Gold’s Gym), Sears and Regal Cinemas, the mall closed January 31, 2020.

Knoxville News Sentinel on September 27, 2020 reported real estate development company

Hillwood Enterprises filed a [rezoning](#) request for the 78 acre mall site with the intention of demolishing the mall and replacing it with two (2) building 390,000 S.F. [e-commerce fulfillment center](#) for an unnamed consumer goods enterprise. Amazon has built the buildings but is not operating out of them yet.

The major development in retail and business growth over the past fifteen years has been the Turkey Creek project in West Knoxville along Interstate 40/75 between Lovell Road and Campbell Station Road. West Knoxville long led the county in residential and commercial growth, but much of this growth has shifted to the Halls and Powell areas in recent years, due largely to the better availability of land for development.

Manufacturing is a significant component of Knoxville's economy. The region is home to a variety of manufacturing industries, including automotive parts, machinery, chemicals, and plastics. Major companies like Denso Manufacturing, Regal Beloit, and Pilot Flying J have operations in the area, providing employment opportunities and contributing to the local economy. Knoxville boasts a robust healthcare sector, with several hospitals, medical centers, and healthcare providers serving the community. The University of Tennessee Medical Center, Covenant Health, and Tennova Healthcare are among the prominent healthcare institutions in the area. The healthcare industry not only provides essential services but also supports job creation and economic stability.

Knoxville is experiencing growth in technology-driven industries. The region has witnessed the emergence of technology startups, entrepreneurial ecosystems, and innovation centers. The presence of Oak Ridge National Laboratory, located nearby, further fosters technological advancements and collaboration between academia, industry, and government.

- University of Tennessee: The University of Tennessee, Knoxville is one of the largest employers in the region, providing employment opportunities in education, research, administration, and support services.
- Covenant Health: Covenant Health is a comprehensive healthcare system operating multiple hospitals, medical centers, and clinics throughout East Tennessee.
- Oak Ridge National Laboratory (ORNL): Although located just outside Knoxville, ORNL is a major employer in the region. It is the largest science and energy national laboratory

in the United States and focuses on research and development in areas such as energy, materials science, and computing.

- Knox County Schools: The Knox County Schools district employs a significant number of teachers, administrators, and support staff across its various schools.
- Tennessee Valley Authority (TVA): TVA, headquartered in Knoxville, is a federally owned corporation that provides electricity and manages the Tennessee River system. It employs a substantial workforce in energy generation, transmission, and other related fields.
- Pilot Flying J: Pilot Flying J is a major player in the truck stop and travel center industry. With its headquarters in Knoxville, it employs a significant number of people in various roles such as management, operations, logistics, and customer service.
- Denso Manufacturing: Denso Manufacturing is a leading automotive components manufacturer with a large facility in Maryville, near Knoxville. It provides employment opportunities in manufacturing, engineering, and technical roles.
- Clayton Homes: Clayton Homes, a Berkshire Hathaway company, is a prominent manufacturer of manufactured and modular homes. Its headquarters is located in Maryville, but it employs a considerable number of people in Knoxville.
- Regal Entertainment Group: Regal Entertainment Group, now part of Cineworld Group, operates movie theaters nationwide. It has its corporate headquarters in Knoxville and employs staff in various corporate functions.
- East Tennessee Children's Hospital: East Tennessee Children's Hospital, located in Knoxville, is a dedicated children's hospital that offers pediatric healthcare services. It provides employment opportunities for healthcare professionals and support staff.

Construction

For the past 40+ years, the western portions of Knoxville and Knox County have experienced increased growth and development due primarily to available land and services. The northern portions of Knox County have experienced the second highest growth and development. Development in East Knox County has lagged due to topography and rocky soils, and

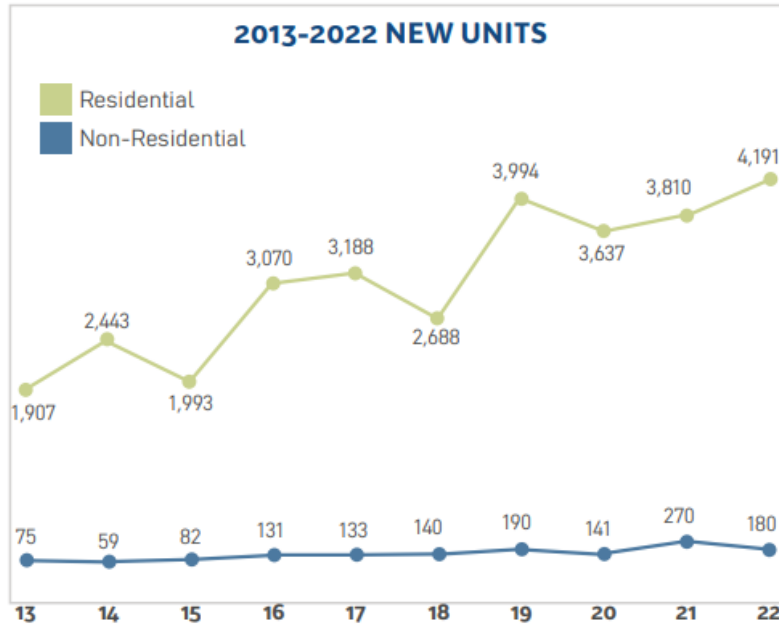
development has been slow south of the Tennessee River due to inferior access to major transportation routes.

The following chart summarizes building permit information since 2000 as provided by MPC.

Year	Single-Family		Multifamily		Condo		Total Residential (Excl. Mobile Homes)		Commercial & Industrial	
	Count	%Δ	Count	%Δ	Count	%Δ	Count	%Δ	Count	%Δ
1990	1,789	-	317	-	416	-	2,522	-	204	-
1991	1,792	0.17%	153	-51.74%	531	27.64%	2,366	-6.19%	186	-8.82%
1992	2,319	29.41%	198	29.41%	378	-28.81%	2,895	22.36%	125	-32.80%
1993	2,203	-5.00%	604	205.05%	395	4.50%	3,202	10.60%	167	33.60%
1994	2,519	14.34%	265	-56.13%	332	-15.95%	3,116	-2.69%	182	8.98%
1995	2,441	-3.10%	421	58.87%	353	6.33%	3,215	3.18%	258	41.76%
1996	2,407	-1.39%	1,070	154.16%	434	22.95%	3,911	21.65%	255	-1.16%
1997	1,932	-19.73%	1,062	-0.75%	407	-6.22%	3,401	-13.04%	247	-3.14%
1998	1,910	-1.14%	652	-38.61%	447	9.83%	3,009	-11.53%	238	-3.64%
1999	2,077	8.74%	493	-24.39%	439	-1.79%	3,009	0.00%	187	-21.43%
2000	1,924	-7.37%	869	76.27%	403	-8.20%	3,196	6.21%	162	-13.37%
2001	2,002	4.05%	386	-55.58%	408	1.24%	2,796	-12.52%	331	104.32%
2002	2,122	5.99%	516	33.68%	478	17.16%	3,116	11.44%	198	-40.18%
2003	2,448	15.36%	387	-25.00%	506	5.86%	3,341	7.22%	211	6.57%
2004	2,494	1.88%	1,092	182.17%	656	29.64%	4,242	26.97%	204	-3.32%
2005	2,514	0.80%	327	-70.05%	836	27.44%	3,675	-13.37%	275	34.80%
2006	2,407	-4.26%	833	154.74%	763	-8.73%	3,998	8.79%	199	-27.64%
2007	1,998	-16.99%	889	6.72%	948	24.25%	3,835	-4.08%	289	45.23%
2008	1,127	-43.59%	613	-31.05%	290	-69.41%	2,030	-47.07%	201	-30.45%
2009	759	-32.65%	516	-15.82%	117	-59.66%	1,392	-31.43%	101	-49.75%
2010	781	2.90%	818	58.53%	80	-31.62%	1,679	20.62%	60	-40.59%
2011	679	-13.06%	133	-83.74%	21	-73.75%	913	-45.62%	62	3.33%
2012	867	27.69%	562	322.56%	72	242.86%	1,501	64.40%	98	58.06%
2013	1,084	25.03%	651	15.84%	90	25.00%	1,825	21.59%	72	-26.53%
2014	1,113	2.68%	1,112	70.81%	125	38.89%	2,443	33.86%	59	-18.06%
2015	1,229	10.42%	525	-52.79%	144	15.20%	1,898	-22.31%	82	38.98%
2016	1,439	17.09%	1,372	161.33%	143	-0.69%	2,954	55.64%	115	40.24%
2017	1,561	8.48%	1,257	-8.38%	267	86.71%	3,085	4.43%	133	15.65%
2018	1,560	-0.06%	859	-31.66%	150	-43.82%	2,569	-16.73%	140	5.26%
2019	1,773	13.65%	1,926	124.21%	162	8.00%	3,994	55.47%	190	35.71%
2020	1,821	2.71%	1,483	-23.00%	217	33.95%	3,637	-8.94%	141	-25.79%
2021	1,859	2.09%	1,550	4.52%	401	84.79%	3,810	4.76%	270	91.49%
2022	1,702	-8.45%	2,170	40.00%	319	-20.45%	4,371	14.72%	180	-33.33%

Residential construction activity increased steadily through the 1990s, and strengthened until 2005, after which it began to fall. The decline was slight for 2005, 2006 and 2007, but the construction market deteriorated rapidly after that, falling to a low of 913 residential permits for 2011. The residential market has improved significantly since that time with a slight dip from 2014 to 2015, but the market strengthened from 2016 through 2018. Residential construction increased significantly in 2019, and was somewhat affected by the Corona Virus in 2020, but construction activity overall remains strong and was accelerating at the end of the year. That acceleration has continued thru 2023.

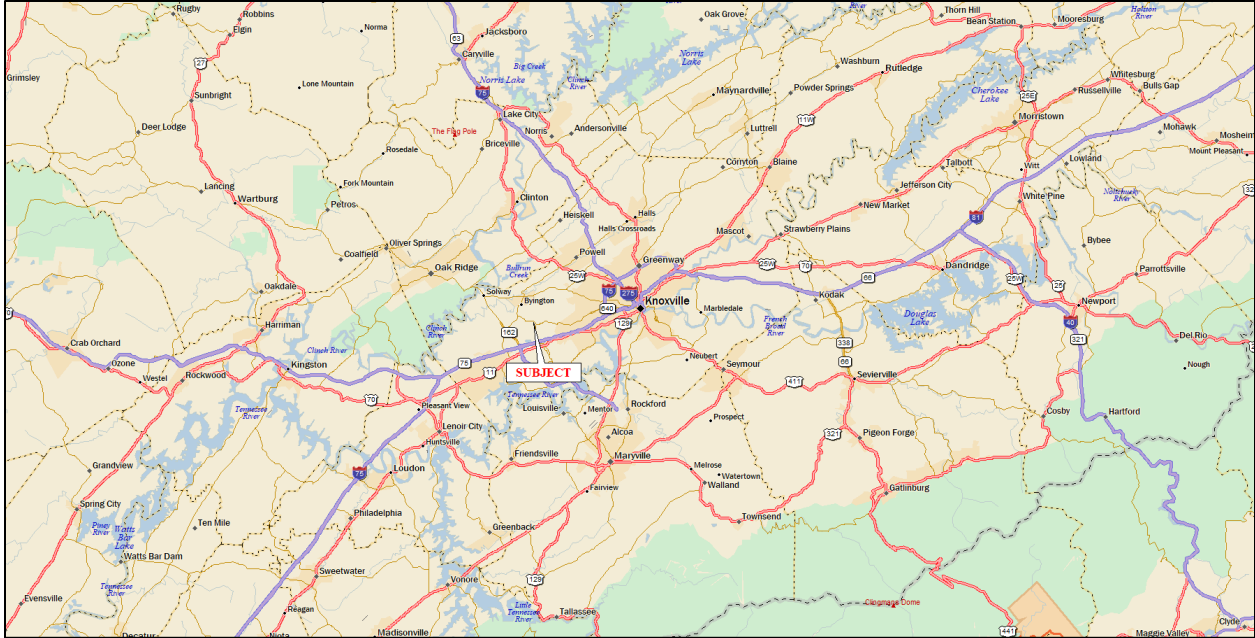
Commercial and industrial permits peaked later in 2007 at 289, then declined drastically. They remained relatively low through 2014 but have improved somewhat since that time with substantive increases in 2015, 2016 and 2019. The local market has done better than the national market over the past ten years and interest rates are near record lows.



The above figures do not exactly match those shown in the preceding chart due to the exclusion of mobile home & institutional information in the first chart.

Conclusion


Historically, the greater Knoxville area has enjoyed a stable economic base with a diversified economy well-positioned for economic growth, resulting in steady, slow economy growth over the past 20+ years. The area’s economic position is bolstered by the presence of major employers, including the University of Tennessee, Covenant Health, and Oak Ridge National Laboratory. Knoxville's strategic location near the Smoky Mountains enhances its appeal as a tourist destination, contributing to the growth of the hospitality sector. The city's economic outlook appears promising, as it continues to attract investment, promote research and development, and cultivate a skilled workforce. Based on the foregoing information, the appraisers conclude that the economy of the subject’s area has historically had stable moderate growth, which is substantially insulated from volatile national economic trends.



AREA MAP

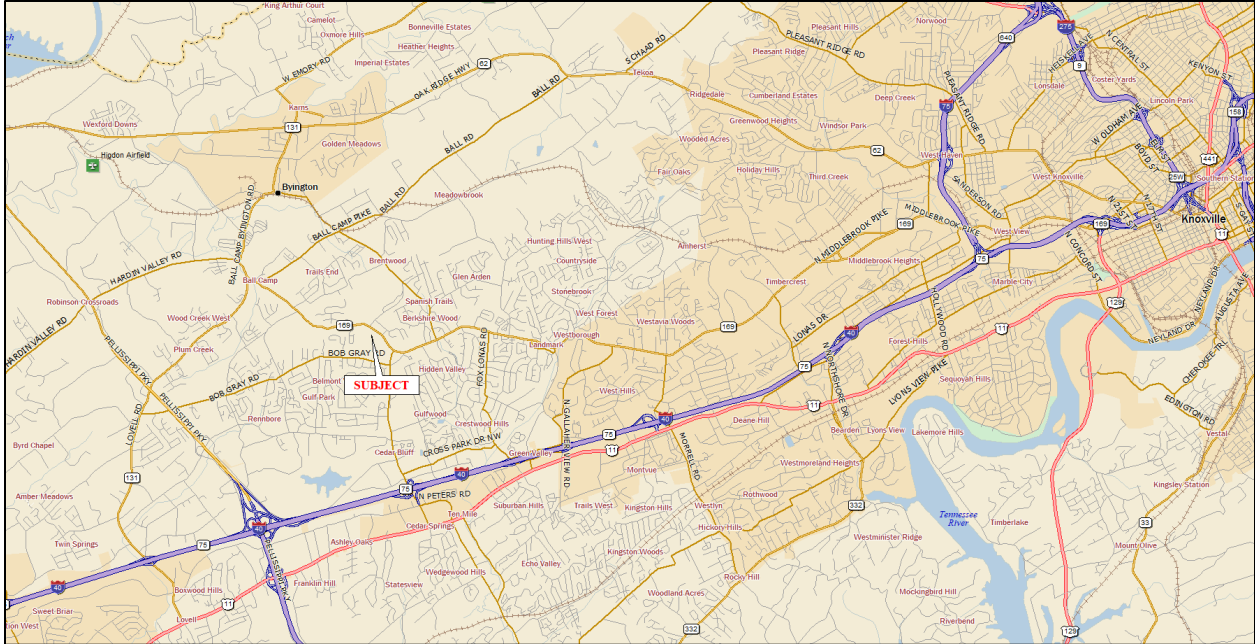
NEIGHBORHOOD DESCRIPTION

A neighborhood may be defined as: "a group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises."⁵ Neighborhoods may be devoted to such uses as residential, commercial, industrial, agricultural, or a mixture of these uses. Analysis of the neighborhood in which a property is located is important due to the fact that the various economic, social, political, and physical forces that affect the neighborhood also directly influence the individual properties within it.

The vacant “” 215,274 S.F. or 4.942 acre subject site fronts 56.02' along the south side of Middlebrook Pike (TN-169), 501' south of Andes Road in Knox County TN, also known as 1145 Midtown Commons Way Knoxville, TN 37931.

The subject property is located on the south side of Middlebrook Pike, just over ¼ mile west of the intersection of Middlebrook Pike and Cedar Bluff Road, approximately 1.5 miles northeast of Interstate 40. The Cedar Bluff area was mostly agricultural and low-density residential in nature until the 1960's when development began in earnest. Heavy development occurred in the 1960's up to about 1970 when the Executive Park project was started.

⁵ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015, Page 156.



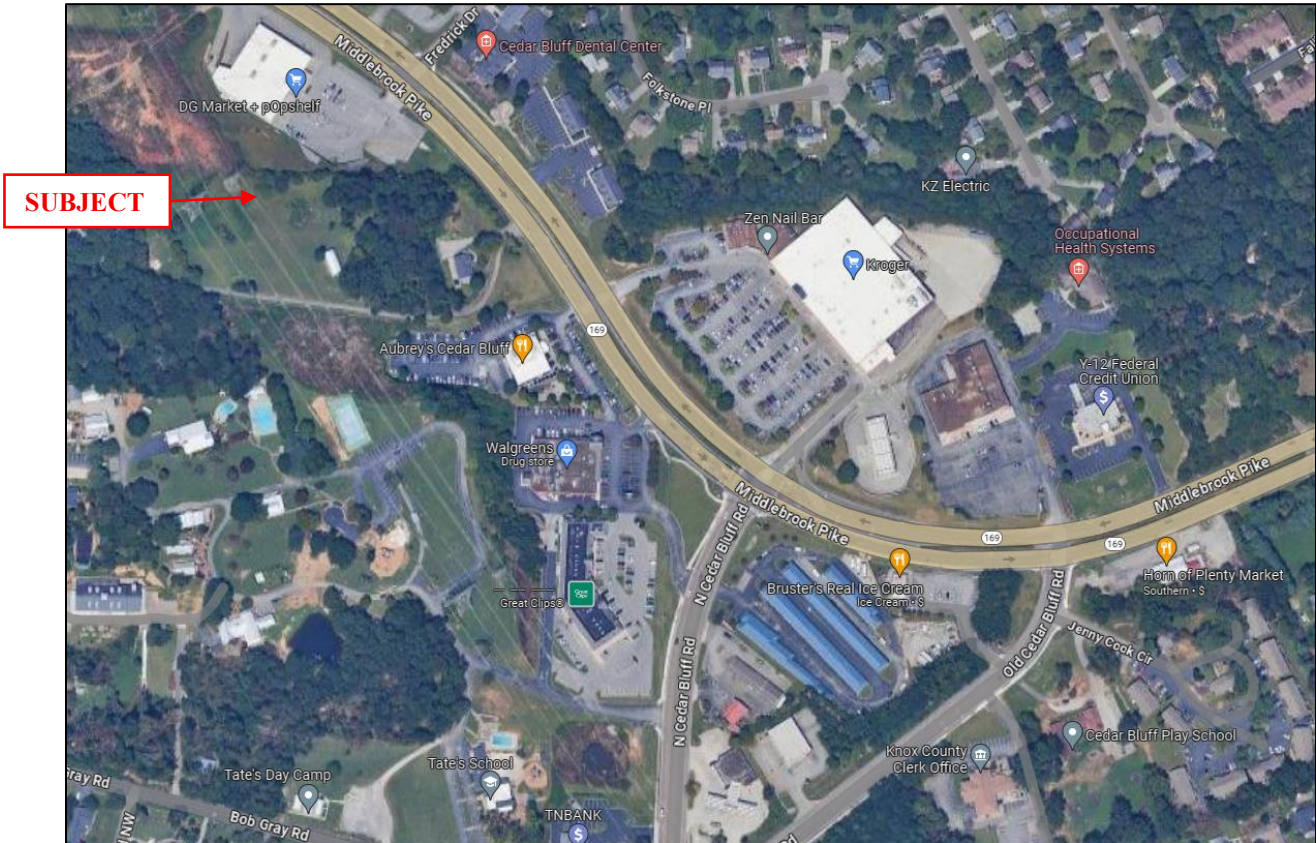
Neighborhood Location Map

Access to the neighborhood is by way of Interstate 40/75 to the Cedar Bluff Road interchange, then north on Cedar Bluff Road or directly off the exit ramp to Park Village Drive. Cedar Bluff Road is a five-lane connector road from Kingston Pike through the interstate to Middlebrook Pike. Old Cedar Bluff Road is a two-lane side road connecting North Cedar Bluff Road and Middlebrook Pike, just east of their intersection. Middlebrook Pike is a four-lane connector from downtown Knoxville to west Knox County to Lovell Road and Hardin Valley.

The neighborhood consists of businesses and offices clustering around North Cedar Bluff Road and each direction along Middlebrook Pike. The properties along North Cedar Bluff Road are mostly high exposure retail, while connector corridors like Cross Park Drive are developed with office parks and freestanding offices. There are mature residential communities surrounding these commercial districts. Uses in the immediate subject area include numerous fast-food restaurants and gas stations/convenience stores to the south of the subject property and Cedar Bluff Elementary School, All Saints Catholic Church, retail uses, and Metropolitan Apartments (formerly Sunchase) to the south of the subject property. The immediate area also includes Parkwest Hospital as well as a cluster of medical office uses around the hospital.

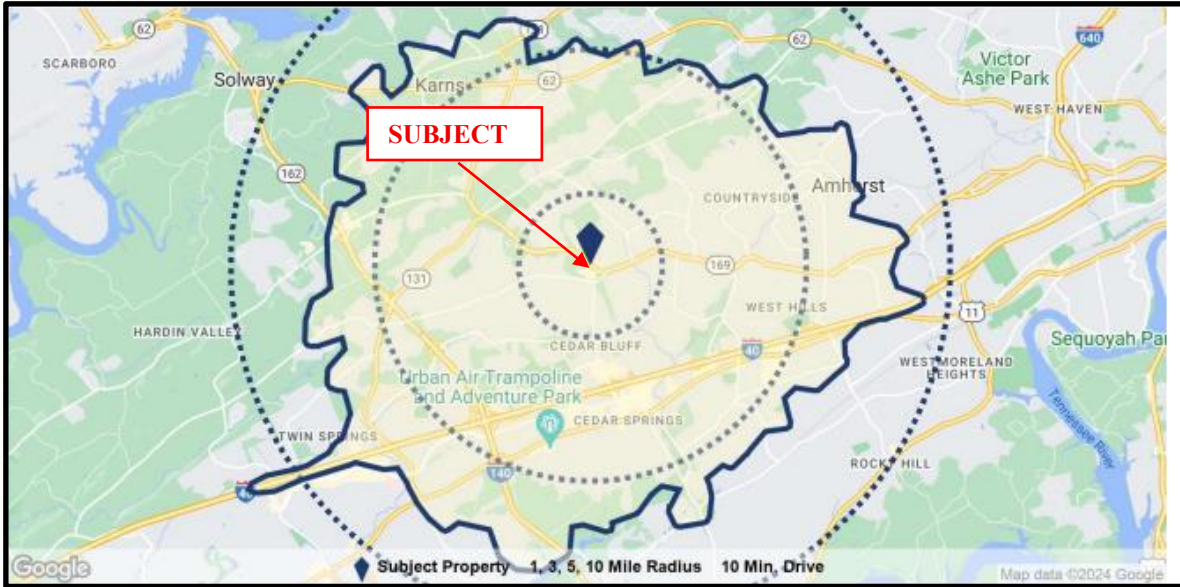
Arterial commercial uses in the immediate subject area around the Middlebrook Pike (TN-169) intersection with N. Cedar Bluff Road is anchored by the Kroger neighborhood commercial center, the CVS/Advance Auto Parts, the Y-12 Federal Credit Union, the Horn of Plenty Market

and restaurant, the Bruster's Real Ice Cream, American Secure Storage – Cedar Bluff, the Tate's Gallery commercial center including Verizon Wireless, Gondolier, Einstein Bros. Bagels, Petro's Café, PostNet, Great Clips, Dutch Girl Cleaners and Avelon Nails, Walgreens, Aubreys restaurant, Middlebrook Plaza office park to include Bailey Insurance, Gama Network Solutions, Cedar Bluff Dental Center and Legacy Health Solutions and the DG Market/PopShelf and West Towne Christian Church adjoining the subject property.



Residential development to the north of this area was very heavy in the 1970's and 1980's. It then slowed since most of the land had been developed. The growth corridor for West Knox County has been most intense along Kingston Pike and Interstate 40/75. Subject is located north of the interstate in one of the more heavily developed areas. Most commercial development in West Knoxville and West Knox County has been along Kingston Pike and the roads that connect it to the interstate. These include Walker Springs Road, Cedar Bluff Road, Lovell Road and Campbell Station Road. Cedar Bluff Road has heavy commercial development from Kingston Pike to Dutchtown Road.

DEMOGRAPHICS



Population	1 Mile	3 Miles	5 Miles	10 Miles	10 Min. Drive
Population	7,267	56,016	133,190	344,306	81,500
5 Yr Growth	3.0%	3.5%	3.8%	3.9%	8.2%
Median Age	40	38	39	38	38
5 Yr Forecast	41	39	40	39	39
White / Black / Hispanic	87% / 6% / 6%	87% / 6% / 7%	88% / 5% / 6%	87% / 6% / 5%	87% / 6% / 7%
5 Yr Forecast	86% / 6% / 6%	87% / 6% / 7%	88% / 5% / 6%	87% / 6% / 5%	87% / 6% / 8%
Employment	1,379	41,693	85,007	207,562	43,946
Buying Power	\$252.7M	\$1.8B	\$4.3B	\$9.9B	\$2.6B
5 Yr Growth	4.8%	5.5%	6.1%	6.2%	11.1%
College Graduates	40.8%	41.9%	43.9%	40.2%	50.6%
Household					
Households	3,139	24,214	56,113	140,920	34,648
5 Yr Growth	3.2%	3.5%	3.8%	3.9%	8.2%
Median Household Income	\$80,506	\$72,544	\$76,887	\$70,114	\$75,149
5 Yr Forecast	\$81,777	\$73,954	\$78,620	\$71,649	\$77,120
Average Household Income	\$90,709	\$89,634	\$96,926	\$93,088	\$95,645
5 Yr Forecast	\$91,678	\$91,292	\$98,498	\$94,619	\$97,452
% High Income (>\$75K)	54%	48%	51%	47%	50%
Housing					
Median Home Value	\$236,680	\$224,545	\$249,363	\$246,791	\$276,976
Median Year Built	1985	1988	1988	1985	1988
Owner / Renter Occupied	69% / 31%	62% / 38%	68% / 32%	66% / 34%	64% / 36%

The most recent and densely developed area has been along the intersection of North Cedar Bluff and Middlebrook Pike, which includes the subject property. This development has included several shopping centers and stand-alone retail buildings. The subject neighborhood along North Cedar Bluff is mostly built-out, and future development will be the remaining buildable land along Middlebrook Pike.

In conclusion, the surrounding neighborhood bears positive influences on the subject property. The subject is removed from more prominent commercial areas in the county, lacking desirable access and exposure. However, this neighborhood is supported in large part by the local population.

WEST KNOXVILLE MULTI-FAMILY SUBMARKET REPORT

Source: [West Knoxville-MultiFamily-Submarket-2024-02-21 \(costar.com\)](https://www.costar.com/research/west-knoxville-multi-family-submarket-2024-02-21)

Overview

West Knoxville Multi-Family

12 Mo Delivered Units	12 Mo Absorption Units	Vacancy Rate	12 Mo Asking Rent Growth
469	384	5.0%	4.0%

Vacancy in the West Knoxville multifamily submarket is 5.0% and has increased by 0.4% over the past 12 months. During this period, 470 units have delivered, and 380 units have been absorbed.

Space rated 3 Star is the most dominant subtype, with 7,109 units in this category. There are 3,800 units of 4 & 5 Star space, and 3,769 units of 1 & 2 Star space.

Rents are around \$1,410/month, which is a 4.0% increase from where they were a year ago. In the

past three years, rents have increased a cumulative 33.0%.

There is nothing currently under construction. There have been 6 sales over the past year, for a total of \$52.4 million.

Over the past three years, there have been 22 sales, which have traded for approximately \$663 million. The market cap rate for West Knoxville is 6.1%, moderately above its trailing three-year average of 5.6%.

KEY INDICATORS

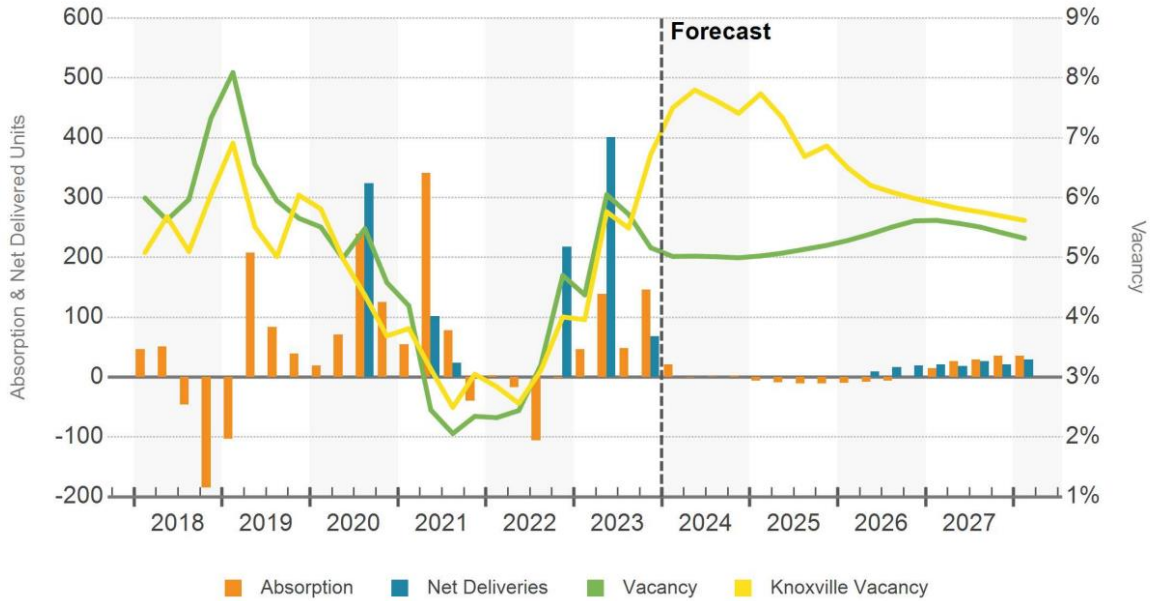
Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	3,800	5.4%	\$1,647	\$1,644	44	0	0
3 Star	7,109	5.7%	\$1,400	\$1,386	(13)	0	0
1 & 2 Star	3,769	3.1%	\$1,167	\$1,164	0	0	0
Submarket	14,678	5.0%	\$1,413	\$1,405	31	0	0

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.4%	6.7%	5.3%	9.5%	2014 Q1	2.1%	2021 Q3
Absorption Units	384	108	63	761	2021 Q2	(283)	2019 Q1
Delivered Units	469	108	69	619	2023 Q3	0	2022 Q3
Demolished Units	0	7	6	169	2016 Q2	0	2023 Q4
Asking Rent Growth (YOY)	4.0%	3.1%	3.2%	19.0%	2022 Q1	-3.0%	2009 Q4
Effective Rent Growth (YOY)	4.1%	3.1%	3.2%	19.6%	2022 Q1	-2.9%	2009 Q4
Sales Volume	\$52.5M	\$71.2M	N/A	\$505.2M	2022 Q3	\$0	2010 Q1

Vacancy

West Knoxville Multi-Family

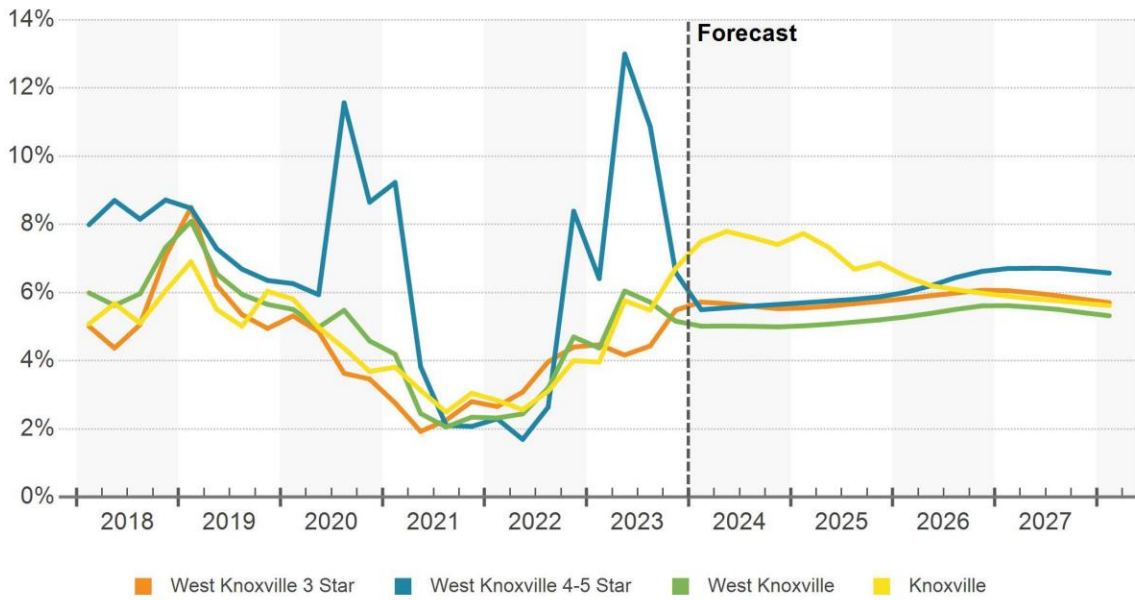
ABSORPTION, NET DELIVERIES & VACANCY



Vacancy

West Knoxville Multi-Family

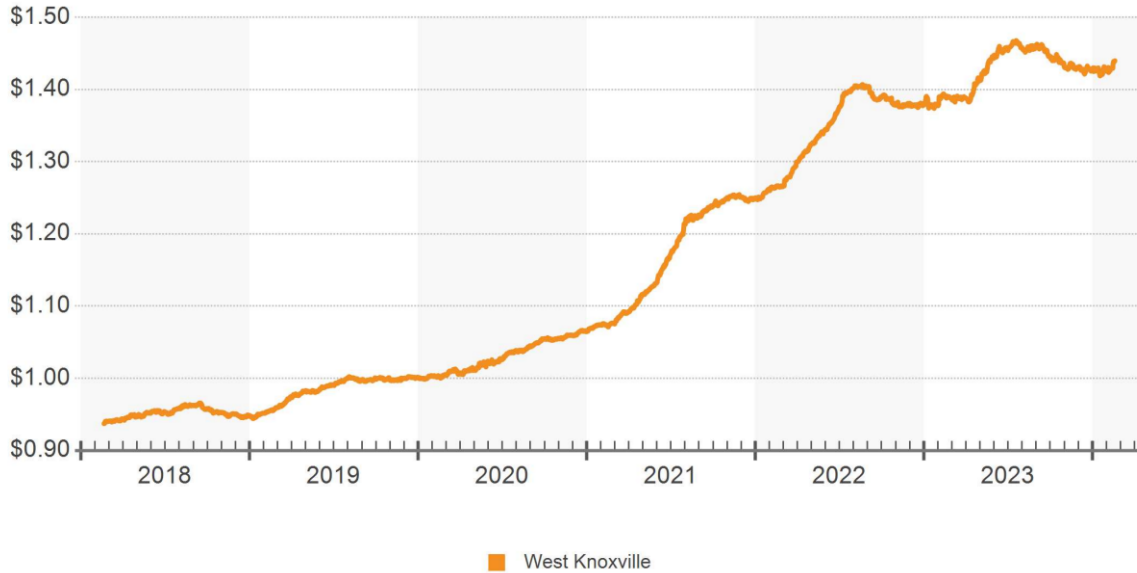
VACANCY RATE



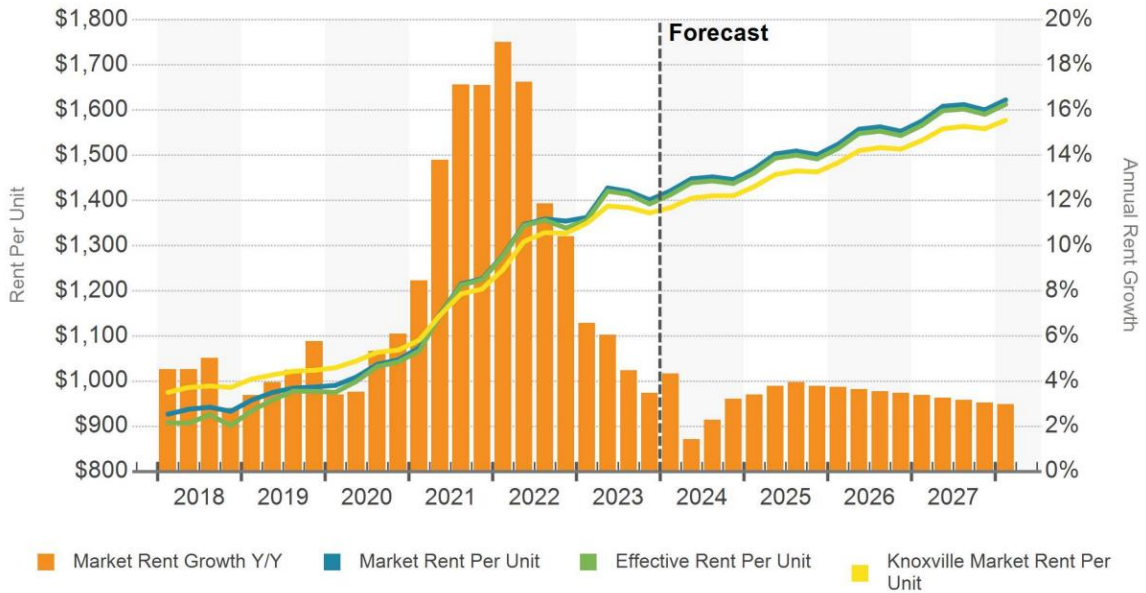
Rent

West Knoxville Multi-Family

DAILY ASKING RENT PER SF





MARKET RENT PER UNIT & RENT GROWTH




Prevailing multi-family market conditions demonstrate strong demand competing for a relatively limited supply resulting in low vacancy rates and increasing rents.

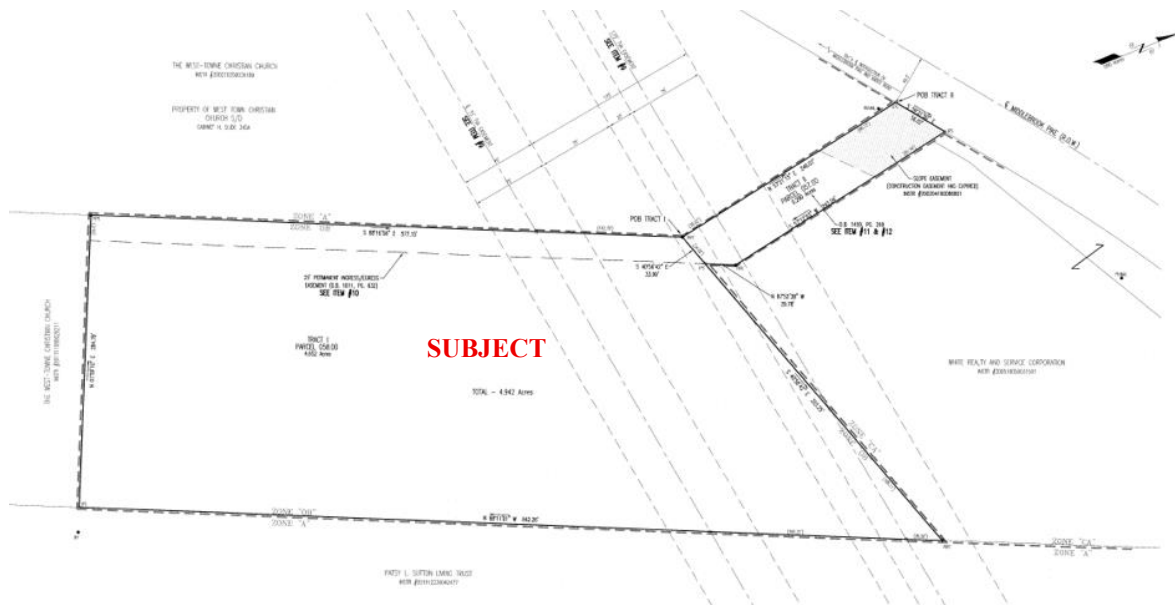
SITE DESCRIPTION

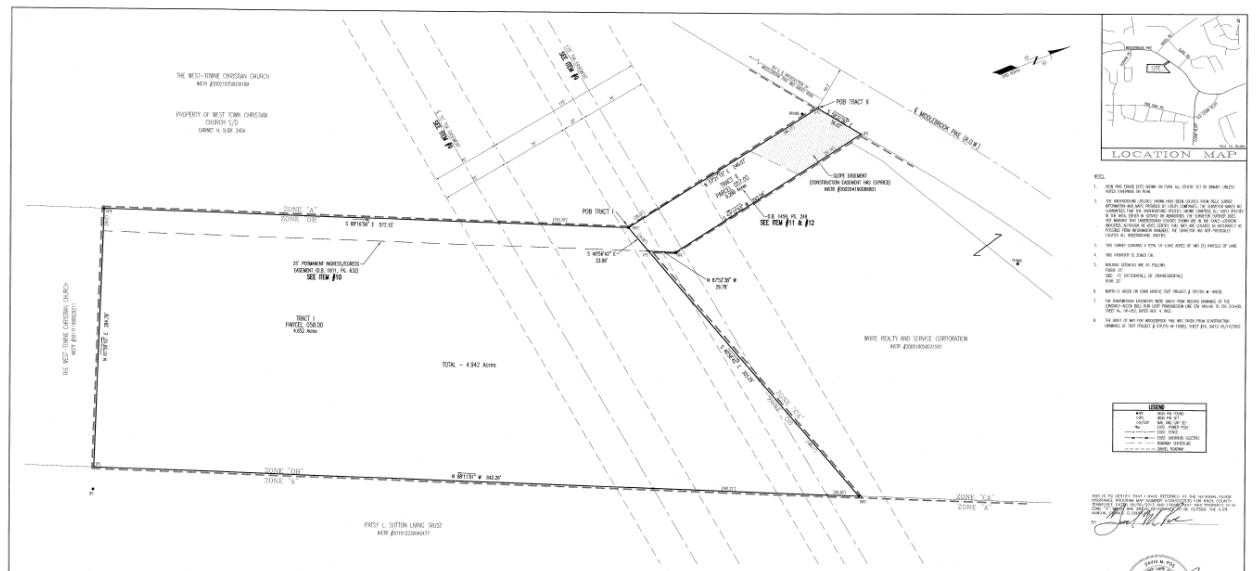
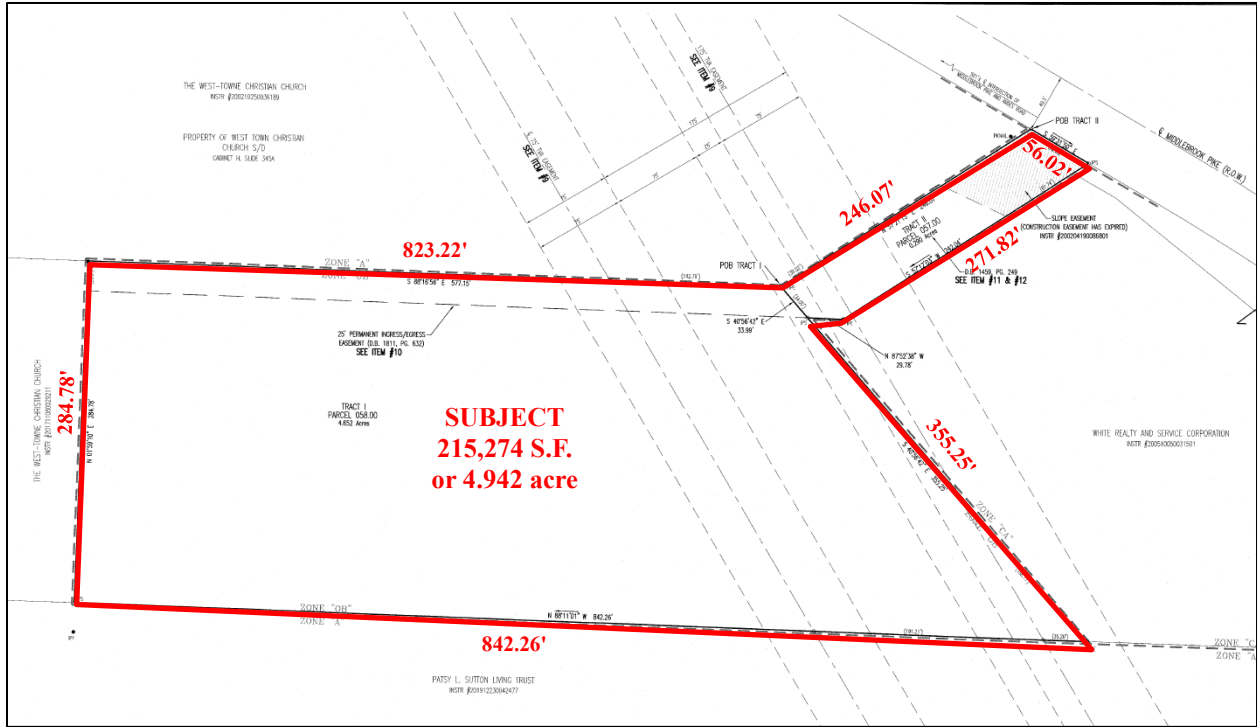
The “” 215,274 S.F. or 4.942 acre subject site fronts 56.02' along the south side of Middlebrook Pike (TN-169), 501' south of Andes Road.

The “” 215,274 S.F. or 4.942 acre site fronts 56.02' along the south side of Middlebrook Pike (TN-169) with the southern boundary extending back 271.82' two calls (242.04' + 29.78') to a 355.25' southern offset before continuing back its 842.26' final length and the two (2) call 823.22' (245.07' + 577.15') northern boundary extending back to the 284.78' western rear boundary.

The site is accessed by a 0.290 acre (Tract II survey) fronting 56.02' along the south side of Middlebrook Pike (TN-169), extending back 246.07', gently sloping about 16% (40') above road elevation with an earth driveway to the 4.652 acre (Tract I survey) essentially level primary side area modestly wooded with smaller trees/shrubs.

The “” 215,274 S.F. or 4.942 acre subject site is the unrecorded “Speegle and Key Properties Middlebrook Pike” ALTA/NSPS Land Survey prepared by Batson, Himes, Norvell & Poe Number 25357-ALTA dated 08-19-2021.





TABLE

DESCRIPTION

DATE

BY

REMARKS

SCALE

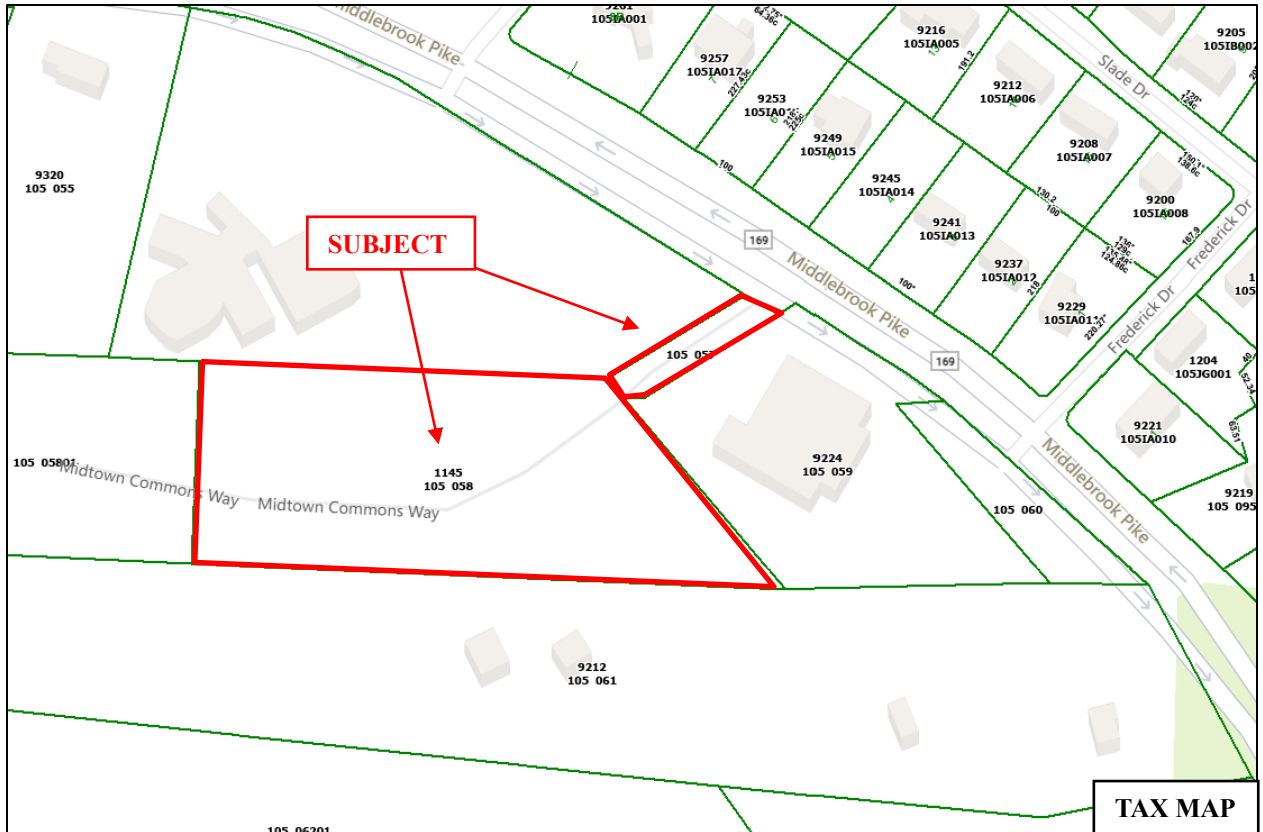
DATE

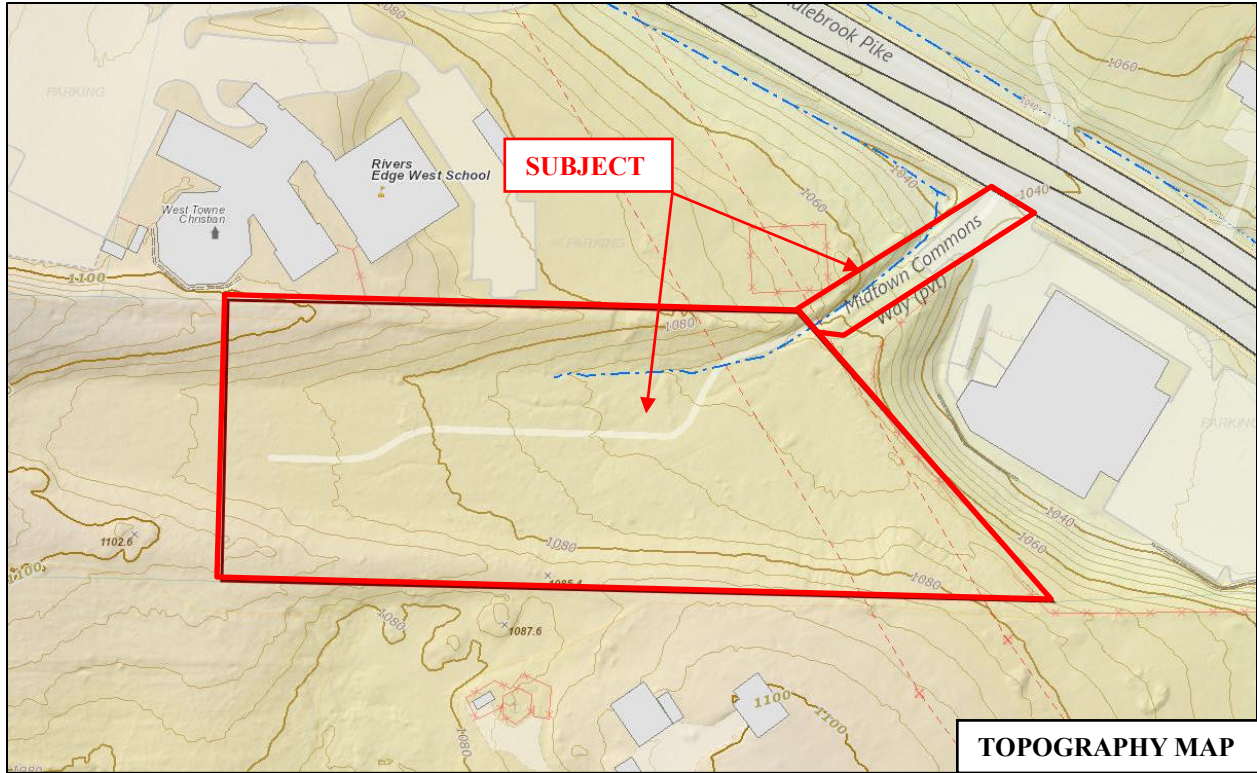
GRAPHIC SCALE



ALTA/SPS LAND TITLE SURVEY FOR SPEEGLE AND KEY PROPERTIES MIDDLETOWN FINE

25357-ALTA

SHEET 1 OF 1



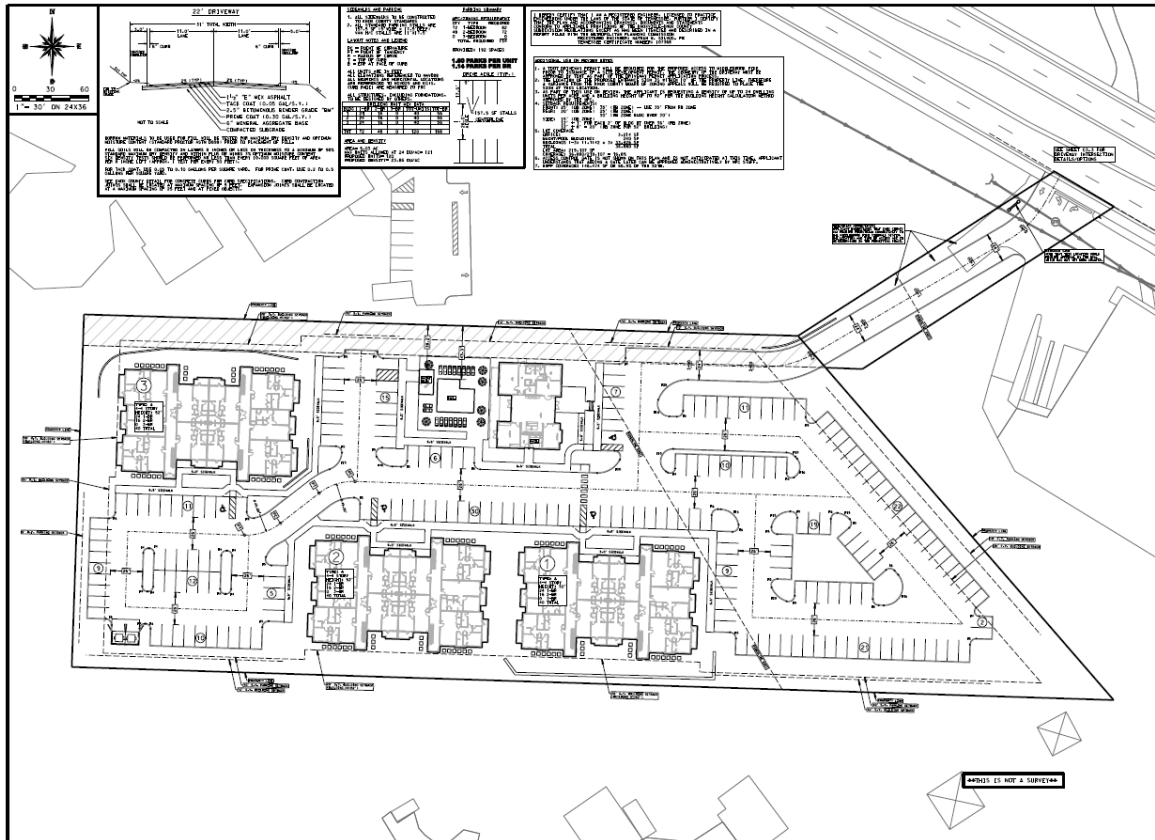


The “” 215,274 S.F. or 4.942 acre subject site is approved for multi-family residential development as “Middlebrook Commons”, a 120 unit prepared by Silvus Engineering Consultants “” dated 04-10-2022 depicted by Sheets CO.0, C1.1 to C9.1, A1.1 and A1.2. reportedly to include the design and approval of a Middlebrook Pike median crossover.

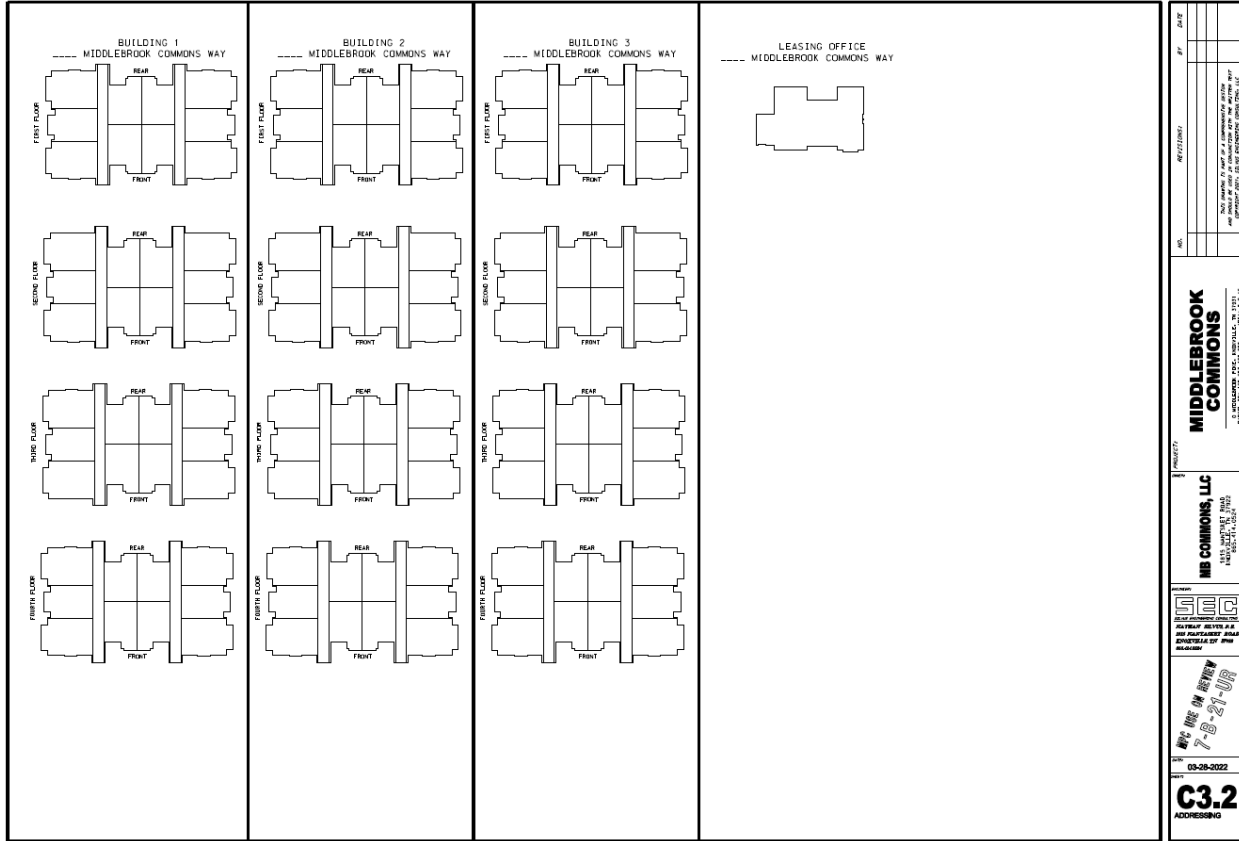


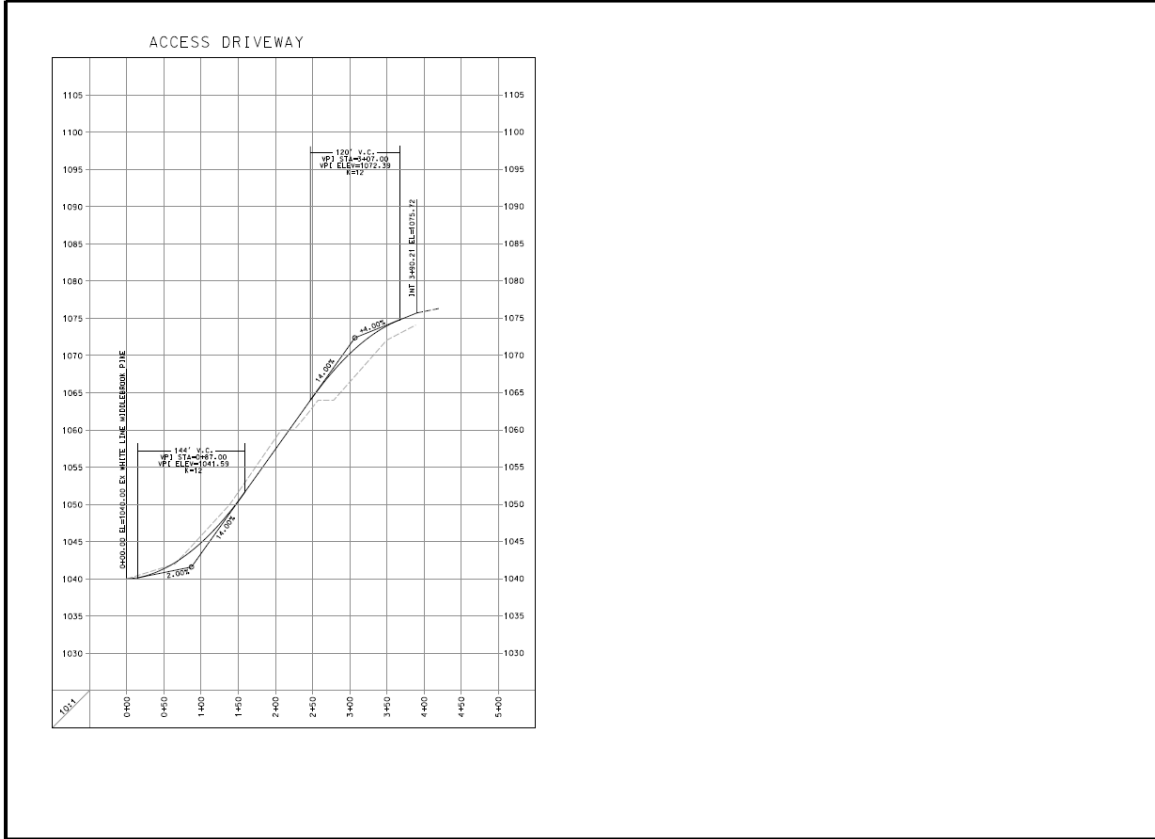


NO.	REVISED	DATE
MIDDLEBROOK COMMONS		
PROJECT		
MB COMMONS, LLC		
1145 MIDTOWN COMMONS WAY KNOXVILLE, TN 37931		
JEFFREY A. HAYS REGISTERED PROFESSIONAL ENGINEER STATE OF TENNESSEE		
PREPARED BY: JEFFREY A. HAYS DATE: 03-28-2022		
C1.1		
PROJECT OVERVIEW		



NO.	REVISED	DATE
MIDDLEBROOK COMMONS		
PROJECT		
MB COMMONS, LLC		
1145 MIDTOWN COMMONS WAY KNOXVILLE, TN 37931		
JEFFREY A. HAYS REGISTERED PROFESSIONAL ENGINEER STATE OF TENNESSEE		
PREPARED BY: JEFFREY A. HAYS DATE: 03-28-2022		
C3.1		
LAYOUT		

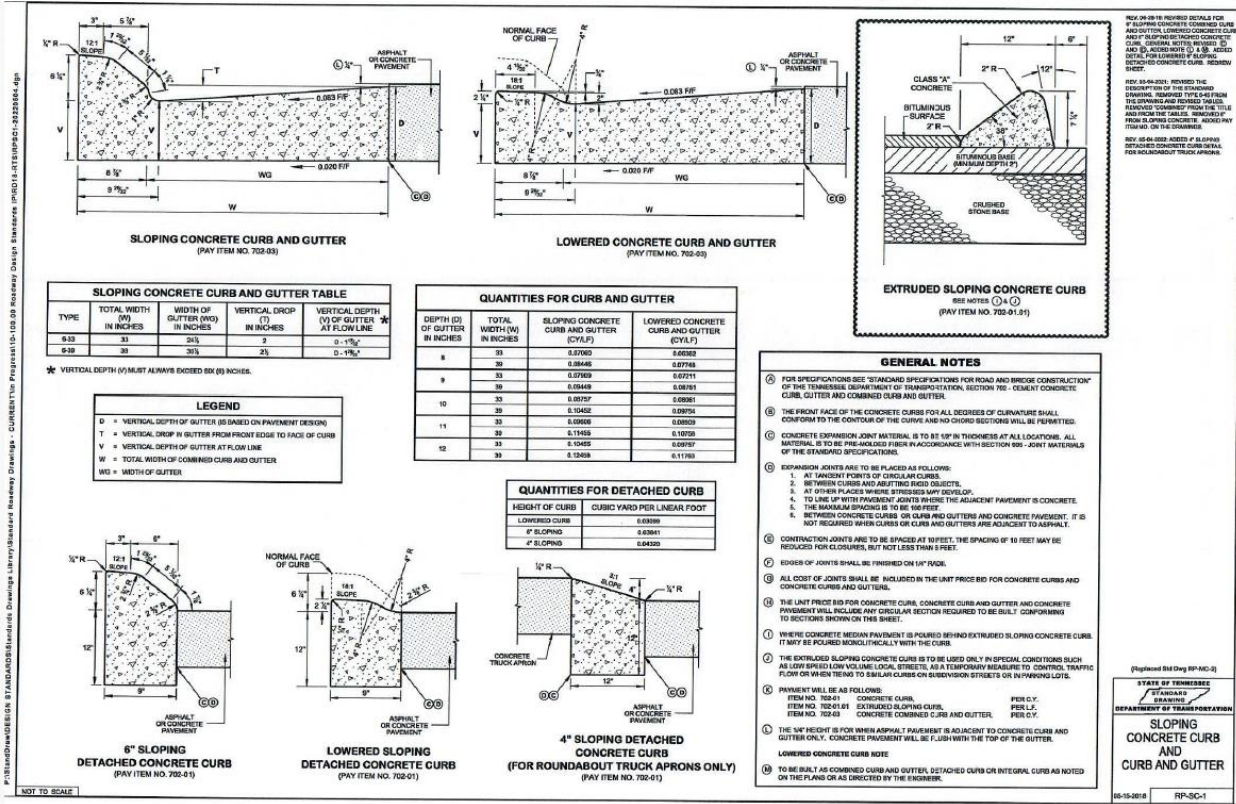
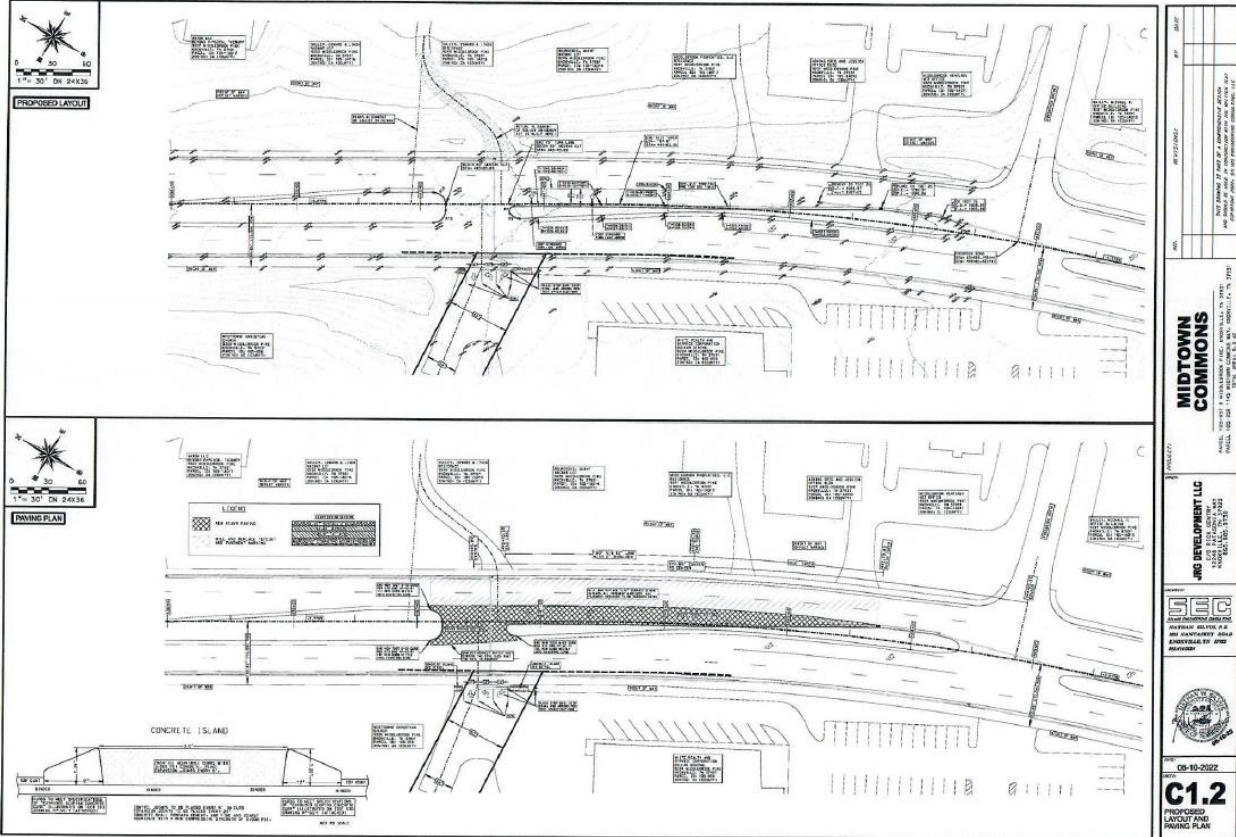




DATE	
BY	
NO.	001770001
PROJECT	MIDDLEBROOK COMMONS
CLIENT	MB COMMONS, LLC 1145 MIDTOWN COMMONS WAY KNOXVILLE, TN 37931
DESIGNER	PROPERTY SERVICE GROUP SOUTHEAST, INC. 1145 MIDTOWN COMMONS WAY KNOXVILLE, TN 37931
DATE	03-29-2022
SCALE	C9.1
DETAILS	



DATE	
BY	
NO.	001770001
PROJECT	MIDDLEBROOK COMMONS
CLIENT	MB COMMONS, LLC 1145 MIDTOWN COMMONS WAY KNOXVILLE, TN 37931
DESIGNER	PROPERTY SERVICE GROUP SOUTHEAST, INC. 1145 MIDTOWN COMMONS WAY KNOXVILLE, TN 37931
DATE	03-24-2021
SCALE	A1.1
ELEVATION	



SLOPING CONCRETE CURB AND GUTTER TABLE

TYPE	TOTAL WIDTH (W) IN INCHES	WIDTH OF GUTTER (W _G) IN INCHES	VERTICAL DROP (V) IN INCHES	VERTICAL DEPTH (D) OF GUTTER AT FLOW LINE
8-33	30	20 1/2	2	0 - 1 1/2"
9-33	30	20 1/2	2 1/2	0 - 1 3/4"

QUANTITIES FOR CURBS AND GUTTER

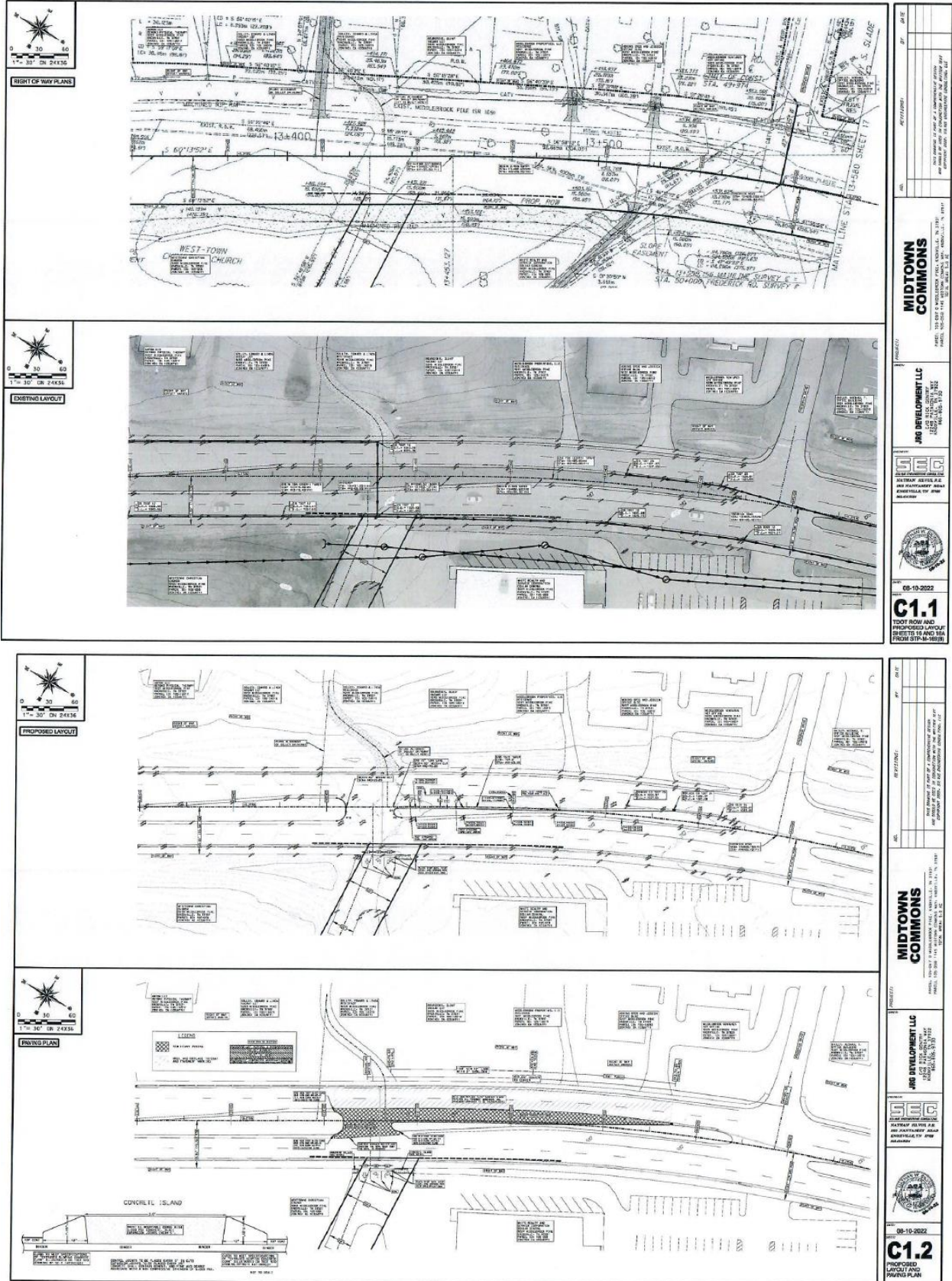
DEPTH (D) OF GUTTER IN INCHES	TOTAL WIDTH (W) IN INCHES	SLOPING CONCRETE CURB AND GUTTER (CY/F)	LOWERED CONCRETE CURB AND GUTTER (CY/F)
8	30	0.07083	0.06983
9	30	0.07448	0.07116
10	30	0.07813	0.07211
11	30	0.08178	0.07311
12	30	0.08543	0.07411

QUANTITIES FOR DETACHED CURB

HEIGHT OF CURB	CURB YARD PER LINEAR FOOT
LOWERED CURB	0.0380
6" SLOPING	0.0341
4" SLOPING	0.0420

- GENERAL NOTES**
- FOR SPECIFICATIONS SEE "STANDARD SPECIFICATIONS FOR ROAD AND BRIDGE CONSTRUCTION" OF THE TENNESSEE DEPARTMENT OF TRANSPORTATION, SECTION 705 - CEMENT CONCRETE CURB, CUTTER AND COMBINED CURB AND GUTTER.
 - THE FRONT FACE OF THE CONCRETE CURBS FOR ALL DEGREES OF CURVATURE SHALL CONFORM TO THE CONTOUR OF THE CURVES AND NO CHORD SECTIONS WILL BE PERMITTED.
 - CONCRETE EXPANSION JOINT MATERIAL IS TO BE 1/2" THICKNESS AT ALL LOCATIONS. ALL MATERIAL IS TO BE REINFORCED FIBER AS ACCORDANCE WITH SECTION 809 - JOINT MATERIALS OF THE STANDARD SPECIFICATIONS.
 - EXPANSION JOINTS ARE TO BE PLACED AS FOLLOWS:
 - AT VERTICAL POINTS OF CURVATURE.
 - BETWEEN CURBS AND ADJUTING RIGID OBJECTS.
 - AT OTHER PLACES WHERE STRESS MAY DEVELOP.
 - TO LINE UP WITH PAVEMENT JOINTS IN THE ADJACENT PAVEMENT'S CONCRETE.
 - THE MAXIMUM SPACING IS TO BE 50 FEET.
 - BETWEEN CONCRETE CURBS OR CURB AND GUTTERS AND CONCRETE PAVEMENT, IT IS NOT REQUIRED WHEN CURBS OR CURB AND GUTTERS ARE ADJACENT TO ASPHALT.
 - CONTRACTION JOINTS ARE TO BE SPACED AT 50 FEET. THE SPACING OF 50 FEET MAY BE REDUCED FOR CLOSURES, BUT NOT LESS THAN 3 FEET.
 - EDGES OF JOINTS SHALL BE FINISHED ON 1/4" RADIUS.
 - ALL COST OF JOINTS SHALL BE INCLUDED IN THE UNIT PRICE BID FOR CONCRETE CURBS AND CONCRETE CURBS AND GUTTERS.
 - THE UNIT PRICE BID FOR CONCRETE CURB, CONCRETE CURB AND GUTTER AND CONCRETE PAVEMENT WILL INCLUDE ANY CIRCULAR SECTION REQUIRED TO BE BUILT CONFORMING TO SECTIONS SHOWN ON THIS SHEET.
 - WHERE CONCRETE MEDIAN PAVEMENT IS POURED BEHIND EXTRUDED SLOPING CONCRETE CURB, IT MAY BE POURED MONOLITHICALLY WITH THE CURB.
 - THE EXTRUDED SLOPING CONCRETE CURB IS TO BE USED ONLY IN SPECIAL CONDITIONS SUCH AS LOW SPEED LOW VOLUME LOCAL STREETS AS A TEMPORARY MEASURE TO CONTROL TRAFFIC FLOW OR WHEN TRAFFIC TO SIMILAR CURBS ON SUBDIVISION STREETS OR IN PARKING LOTS.
 - PAVEMENT WILL BE AS FOLLOWS:

ITEM NO. 702-01	CONCRETE CURB	PER C.Y.
ITEM NO. 702-01-01	EXTRUDED SLOPING CURB	PER L.F.
ITEM NO. 702-01	CONCRETE CONCRETE CURB AND GUTTER	PER L.F.
 - THE 1/4" HEIGHT IS FOR WHEN ASPHALT PAVEMENT IS ADJACENT TO CONCRETE CURB AND GUTTER ONLY. CONCRETE PAVEMENT WILL BE FLUSH WITH THE TOP OF THE GUTTER.
- LOWERED CONCRETE CURB NOTE**
- TO BE BUILT AS COMBINED CURB AND GUTTER, DETACHED CURB OR INTEGRAL CURB AS NOTED ON THE PLAN OR AS DIRECTED BY THE ENGINEER.



Zoning

The subject property is located in Knox County zoned **OB Office, Medical, and Related Services Zone**.

This zone is intended to provide areas for professional and business offices and related activities that require separate buildings and building groups surrounded by landscaped yards and open areas. The intent herein is to provide centralized, compact locations for business offices, clinics, medical, and dental offices near residential neighborhoods.

Uses permitted.

- A. Any use permitted and as regulated in the RB, General Residential Zone, except that height shall be as regulated in subsection 5.41.09, "Height regulations."
- B. Professional and business offices in which no activity is carried on catering to retail trade with the general public, and no stock of goods is maintained for sale to customers. These shall include, but not be limited to, offices for lawyers, architects, engineers, insurance, real estate agents and beauty shops.
- C. Hospital, clinics, and medical and dental offices.
- D. Undertaking establishments and funeral homes.
- E. Hotels, motels, (including dining room facilities) excepting those containing retail sales for other than the convenience of guests in the building.
- F. Private clubs and lodges.
- G. Art gallery and museums.
- H. Business colleges.
- I. Public and private schools and colleges with student residence and dormitories associated therewith.
- J. Commercial parking lot or garage.
- K. Accessory buildings and uses customarily incidental and subordinate to permitted uses and structures.
- L. Recreational uses associated with and maintained primarily for the uses permitted above and for the benefit and use of the occupants and their guests.
- M. Establishments rendering business service associated with the uses listed above including but not limited to the sale of office supplies and business forms and machines.
- N. Signs as permitted by section 3.90, "Signs, billboards, and other advertising structures," of this resolution.
- O. Other uses similar in character to those enumerated above, and which in the opinion of the planning commission will not be injurious to the zone.
- P. Demolition landfills less than one (1) acre in size subject to article 4, "Supplementary regulations," subsection 4.80.01.A, "Demolition landfills" (on site generated waste).

Q. Yard sales and rummage sales.

R. Wireless communications facilities, subject to the provisions of article 4, section 4.92.

S. Public Safety Facilities.

5.41.03. Uses permitted on review.

A. Child day care centers, provided they meet the requirements of section 4.91, "Requirements for child day care centers and group day care homes, when considered as uses permitted on review."

B. Assisted living facilities.

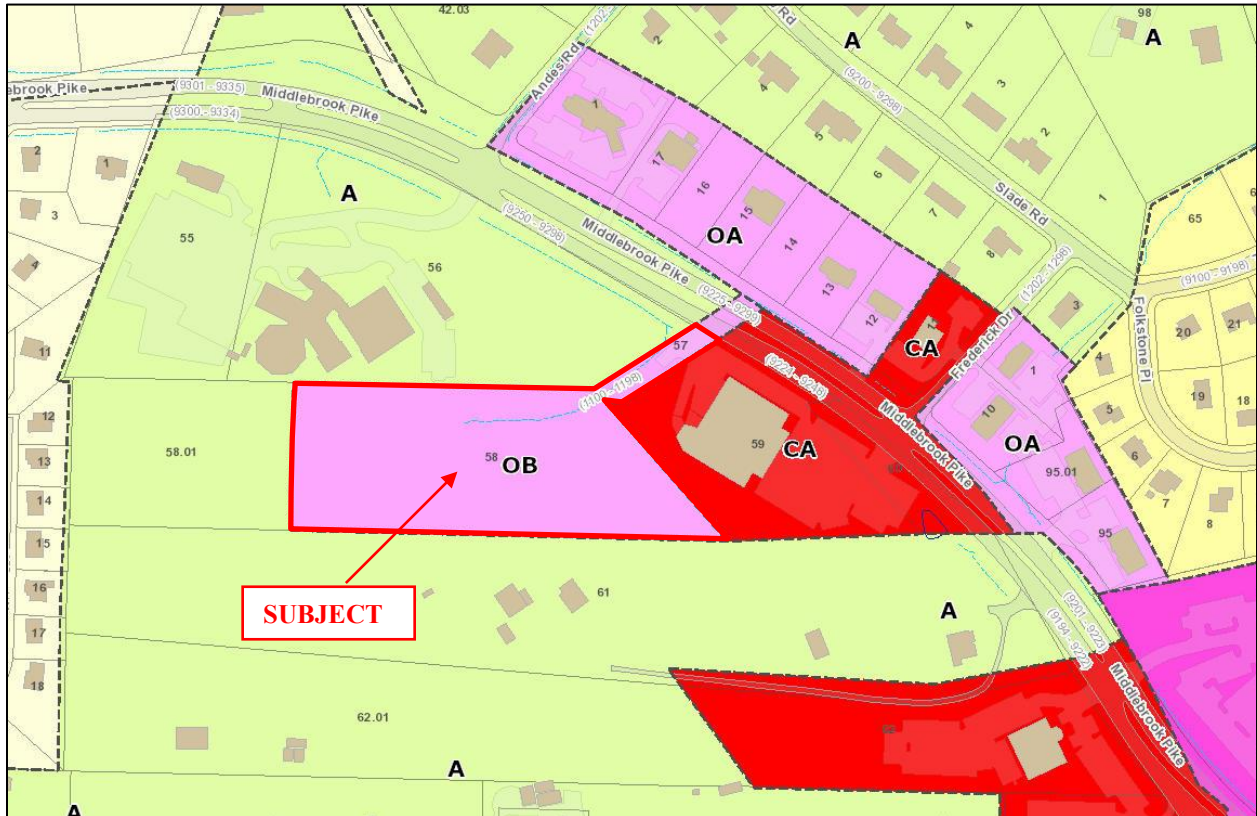
C. Adult day care centers, provided they meet the requirements of section 4.98, "Requirements for adult day care centers, when considered as uses permitted on review."

D. Methadone treatment clinic or facility.

E. Pain management clinic.

F. Recovery housing.

See report Addenda for the **OB Office, Medical, and Related Services Zone** ordinance.



Real Estate Taxes

Based on the Knox County current tax rates, the subject property's total 2023 real estate taxes are calculated to be \$366.36 as shown below.

2023 SUBJECT REAL ESTATE TAXES					
Jurisdiction	Map Parcel	Tax Appraisal	Assessment	Tax Rate	Real Estate Taxes
Knox County	105 057	\$4,000	\$1,000	\$1.554/\$100	\$15.54
Knox County	105 058	\$90,300	\$22,575	\$1.554/\$100	\$350.82
Total		\$94,300	\$23,575	\$1.554/\$100	\$366.36

Public records indicate the subject real estate taxes have been paid and there are no indicated outstanding real estate taxes with the 2024 tax rate to be set later this year.

Knox County does the tax appraisal evaluations in-house and can update the tax appraisals as warranted. Although a potential investor could not rule out a tax appraisal re-evaluation coincident with a property transfer, it is common for tax appraisals to be below the market value of the property even after a tax appraisal update associated with a sale. For this reason, a potential investor for the subject could reasonably expect the subject to maintain a “below market” tax appraisal into the foreseeable future.


IMPROVEMENTS DESCRIPTION



As of the appraisal date, the subject is a vacant site.

HISTORY

The subject property is currently owned by:

JRG Development LLC.
23 Alta Tree Court
Johnson City, TN 37604-4600

The “” 215,274 S.F. or 4.942 acre subject site previously acquired by JRG Development LLC from Karen Ballard Speegle on December 7, 2021 for \$250,000, as recorded in Instrument # 202112080046046 in the Knox County Register of Deed’s Office (see Addenda).

The “” 215,274 S.F. or 4.942 acre subject site is approved for multi-family residential development as “Middlebrook Commons”, a 120 unit prepared by Silvus Engineering Consultants “” dated 04-10-2022 depicted by Sheets CO.0, C1.1 to C9.1, A1.1 and A1.2 reportedly to include the design and approval of a Middlebrook Pike median crossover.

The subject is offered for sale at \$2,400,000 (\$484,830/acre) as a 4.94 acre site by the owner, Rick Gentry Apartment Broker LLC a/k/a JRG Development LLC, as reported by CoStar.

There are no other known contracts or listings for the subject property within the last 36 months.

HIGHEST AND BEST USE

Highest and best use is defined as:

*"The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future."*⁶

Highest and best use is divided into two categories: 1) "as vacant" and 2) "as improved." The first category assumes the site is vacant and addresses the issue of what use should be made of the site. The second category addresses the use that should be made of the property, as it exists. The highest and best use "as improved" may well be different than the existing use. The existing use will continue until the value of the vacant land exceeds the total value of the property in its existing use.

Highest and Best Use, As Vacant


Highest and best use of land or a site as though vacant is defined as:



*"Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements."*⁷

The "█" 215,274 S.F. or 4.942 acre subject site fronts 56.02' along the south side of Middlebrook Pike (TN-169), 501' south of Andes Road.

⁶ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015, Page 109.

⁷ The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, Page 93.

The “” 215,274 S.F. or 4.942 acre subject site is the unrecorded “Speegle and Key Properties Middlebrook Pike” ALTA/NSPS Land Survey prepared by Batson, Himes, Norvell & Poe Number 25357-ALTA dated 08-19-2021.

The “” 215,274 S.F. or 4.942 acre subject site is approved for multi-family residential development as “Middlebrook Commons”, a 120 unit prepared by Silvus Engineering Consultants “” dated 04-10-2022 depicted by Sheets CO.0, C1.1 to C9.1, A1.1 and A1.2. reportedly to include the design and approval of a Middlebrook Pike median crossover.



The site is accessed by a 0.290 acre (Tract II survey) fronting 56.02' along the south side of Middlebrook Pike (TN-169) extending back 246.07' gently sloping about 16% (40') above road elevation with an earth driveway to the 4.652 acre (Tract I survey) essentially level primary side area modestly wooded with smaller trees/shrubs.

Therefore, based on the subject's size, topography, location, zoning, and surrounding land use patterns, it is concluded the highest and best use of the property "as vacant" is for office or medical office use, multifamily or institutional use.

Highest and Best Use, As Improved

Highest and best use of a property, as improved, is defined as:

“The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.”⁸

The vacant “” 215,274 S.F. or 4.942 acre subject site is approved for multi-family residential development as “Middlebrook Commons”, a 120 unit prepared by Silvus Engineering Consultants “” dated 04-10-2022, depicted by Sheets CO.0, C1.1 to C9.1, A1.1 and A1.2., reportedly to include the design and approval of a Middlebrook Pike median crossover resulting in the highest and best use of the subject property "as improved" being or similar to the designed and approved multifamily use.

⁸ The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, Page 94.

APPROACHES TO VALUE

In the appraisal process, under ideal conditions, there are three approaches to an estimate of value. These approaches are briefly defined as:

- 1) Cost Approach - In this approach, the indication of value is derived by estimating the value of the land based on sales of similar land and adding to this value the replacement cost of improvements less accrued depreciation.
- 2) Sales Comparison or Market Approach - This method develops a value estimate by the direct comparison of the subject of the appraisal with properties that are similar in nature, or which are adapted to the same use which have recently sold, or which are listed for sale in the open market under competitive conditions.
- 3) Income Approach - In this approach, the value of the property is indicated by the capitalization of an anticipated net rental income stream over a specified period of time. Four steps are required: (1) gross income is estimated; (2) expenses are deducted to estimate net income; (3) a capitalization method is selected; and (4) the net income estimate is capitalized into an indication of value by applying the selected capitalization method.

In the appraisal of the subject property, all three approaches will be considered in the valuation of the subject property.

COST APPROACH

The Cost Approach is defined as:

*"A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised."*⁹

Under this method, value is indicated by estimating the reproduction cost new of the building and other improvements based on today's labor and material prices with present construction techniques. From this, a subtraction is made for accrued depreciation to yield the present value of the improvements. To the present value of the improvements is added the land value to derive at the estimated value of the property by the Cost Approach.

Since the vacant "█" 215,274 S.F. or 4.942 acre subject site is approved for multi-family residential development as "Middlebrook Commons", a 120 unit prepared by Silvus Engineering

⁹ The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, Page 47.

Consultants “SEB” dated 04-10-2022 depicted by Sheets CO.0, C1.1 to C9.1, A1.1 and A1.2. reportedly to include the design and approval of a Middlebrook Pike median crossover resulting in the highest and best use of the subject property "as improved" being or similar to the designed and approved multifamily use, application of the Cost Approach is not applicable.

Exclusion of the Cost Approach does not qualify as a departure from USPAP regulations, which only require approaches to be developed in order to obtain credible assignment results.

SALES COMPARISON APPROACH:

The Sales Comparison Approach is defined as:

"The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison." ¹⁰

A thorough search of the subject market area was made to find comparable sales of similar multi-family oriented properties.

In this analysis, the comparable sales are analyzed based on the sales both price per acre and price per unit basis.

The comparable sales of similar properties that reflect the market appeal of the subject property are shown on the following pages.

#	Location	Development	LAND SALES SUMMARY						
			Proximity	Date	Zoning	Size	Density	Unit Value	
1	9432-9502 Middlebrook Pike Knoxville, TN	Middlebrook Pike Multi-Family	½ mile	4/14/2023	PR/12DU	128 units	10.95 acre	11.69 units/acre	\$173,516/acre or \$14,844/unit
2	10600 Castlepoint Way Knoxville, TN	Retreat at Knoxville, TN	¾ mile	10/18/2021	OB/TO	216 units	12.35 acre	17.49 units/acre	\$210,526/acre or \$12,037/unit
3	875 Cornerstone Drive Knoxville, TN	The Chelsea at Cornerstone	¾ mile	6/21/2023	OB/TO	282 units	19.10 acre	14.76 units/acre	\$230,157/acre or \$15,589/unit
4	6509 Deane Hill Drive Knoxville, TN	The View at Deane Hill Apartments	5 mile	7/8/21 & 8/17/21	O	108 units	4.8200 acre	22.41 units/acre	\$301,867/acre or \$13,472/unit
5	1653-1677 Ebenezer Road Knoxville, TN	Bluegrass Village Apartments	5/7 mile	Pending	OB	47 units	3.95 acre	11.90 units/acre	\$303,797/acre or \$25,532/unit
6	400 Walker Springs Road Knoxville, TN	The Rowan	2½ mile	7/6/2023	PR	318 units	14.579 acre	21.81 units/acre	\$351,362/acre or \$16,108/unit
	Low Indication		½ mile	10/18/2021		47 units	3.95 acre	11.69 units/acre	\$173,516/acre or \$12,037/unit
	Typical Indication		¾ mile	11/9/2022		183 units	10.96 acre	16.68 units/acre	\$261,871/acre or \$16,264/unit
	High Indication		5/7 mile	Pending		318 units	19.10 acre	22.41 units/acre	\$351,362/acre or \$25,532/unit

¹⁰ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015, Page 207.

LAND SALE 1

Location: 9432-9502 Middlebrook Pike Knoxville, TN 37931-4707

Tax Map: 105, Parcel 047 and 104, Parcel 213.01 Knox

Grantor: William C. Parks & wife, Judith S. Parks & Terry L. House & wife, Sandra J. House

Grantee: INDU SAI Properties LLC

Sale Date: 4/14/2023

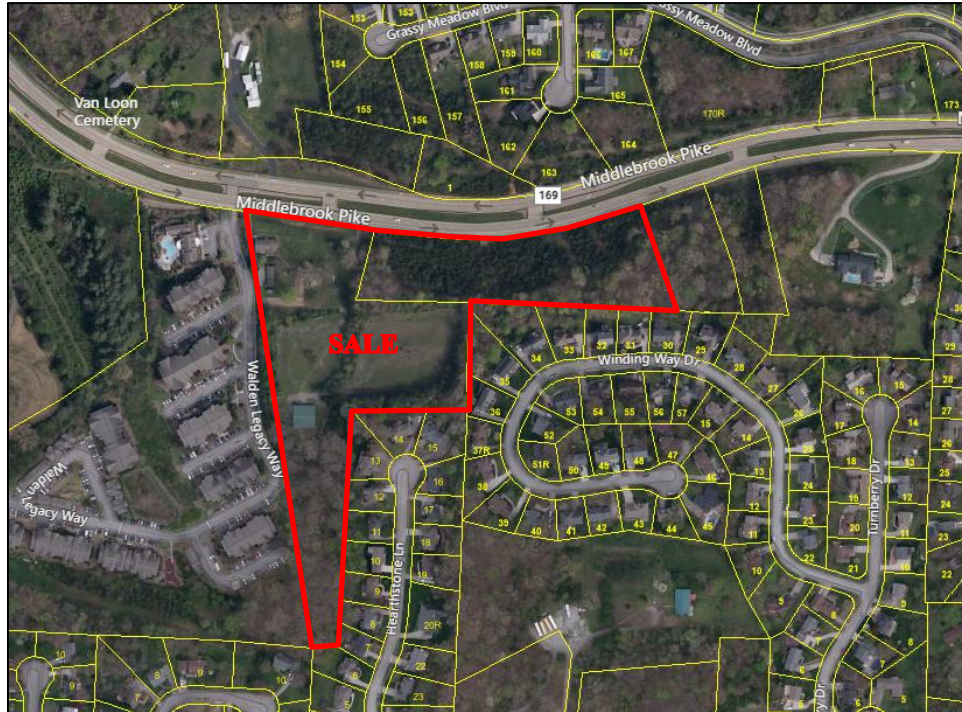
Sale Price: \$800,000 + \$1,100,000 = \$1,900,000

Recorded: Instrument # 202304140055568 & Instrument # 202304140055567

Site Size: 3.73 acres + 7.22 acre = 10.95 acres

Description: The \$173,516/acre or \$14,844/unit sale of 10.95 acre two (2) parcel site along Middlebrook Pike (TN-169), zoned PR/12 DU, up to 12 units/acre acquired for development as “Middlebrook Pike Multi-Family with 128 units. Density: 11.69 units/acre.

Unit Price: \$173,516/acre or \$14,844/unit



LAND SALE 2

Location: 10600 Castlepointe Way, Knoxville, TN 37932-2509

Tax Map: 131, Parcel 06908 Knox

Grantor: USCC Services LLC

Grantee: Retreat at Knoxville LLC

Sale Date: 10/18/2021

Sale Price: \$2,600,000

Recorded: Instrument # 202111080037863

Site Size: 12.35 acres

Description: The \$210,526/acre or \$12,037/unit sale of a “◆” 12.35 acre site at the northeast corner of Murdock Road and Cornerstone Drive to become Retreat at Knoxville, a 216 unit apartment complex completed in 2023. Zoned OB/TO overlay. Approved by commission in 2021. Density: 17.49 units/acre.

Unit Price: \$210,526/acre or \$12,037/unit



LAND SALE 3

Location: 875 Cornerstone Drive, Knoxville, TN 37932-3629

Tax Map: 131, Parcel 069 Knox

Grantor: USCC Services LLC

Grantee: The Chelsea Cornerstone, LLC

Sale Date: 6/21/2023

Sale Price: \$4,396,000

Recorded: Instrument #202306260068713

Site Size: 19.10 acres

Description: The \$230,157/acre or \$15,589/unit sale of a “◆” 19.10 acre site at the northeast corner of Lovell Road and Cornerstone Drive acquired for multifamily development as The Chelsea at Cornerstone, a 282 unit apartment complex to be completed in 2024. Zoned OB/TO overlay. Density: 14.76 units/acre.

Unit Price: \$230,157/acre or \$15,589/unit



LAND SALE 4

Location: 6509 Deane Hill Drive, Knoxville, TN 37919-6051

Tax Map: 121-A Group C, Parcels 012.02 and 013.00 Knox

Grantor: Helton Family, G.P. and DHD Holdings, LLC


Grantee: J. A. Murphy Group, LLC

Sale Date: July 8, 2021 and August 17, 2021

Sale Price: \$955,000 + \$500,000 = \$1,455,000

Recorded: Instrument #202107080001729 & 202108180014271

Site Size: 3.1599 acre + 1.6601 acre = 4.8200 acres

Description: The \$301,867/acre or \$18,896/unit two (2) parcel assemblage sale of a “” 4.8200 acre site on the north side of Deane Hill Drive, 824.59' west of Gerald R. Ford Road in the Deane Hill community of West Knoxville, acquired for development as The View at Deane Hill apartments, a 108 unit multi-family facility to start in the spring of 2024 with an early 2026 completion. Zoned RN-5, General Residential Neighborhood. Density: 22.41 units/acre.

Unit Price: \$301,867/acre or \$13,472/unit



LAND SALE 5

Location: 1653-1677 (1645) Ebenezer Road, Knoxville, TN 37922-6333

Tax Map: 144-M Group A, Parcel 05301 Knox

Grantor: Bluegrass Apartment Partners LLC

Grantee: Unavailable

Sale Date: Pending since 2/11/2024 to close 4/1/2024

Sale Price: \$1,200,000

Recorded: Prior Deed Instrument #202203310075111

Site Size: 3.95 acres

Description: The \$300,797/acre or \$25,532/unit sale of a "██████" 3.95 acre site fronting 174.74' along the west side of Ebenezer Road, 398.27' south of Bluegrass Road in the Bluegrass community of west Knoxville zoned OB, Office, Medical and Related Service approved for multifamily development the 47 unit Bluegrass Village Apartments. Density: 11.90 units /acre. Prior sale 3/29/2022 for \$700,000 (\$177,215/acre or \$14,894/unit) from Bluegrass Partners to Bluegrass Apartment Partners LLC, recorded in Instrument #: 202203310075111. Listed with Chris Bruce of Wallace Commercial 7/12/2023 for \$1,300,000 (\$329,114/acre or \$27,660/unit) reporting 214 days on market to contract 264 days on market to close. Density: 11.90 units/acre.

Prior sale \$700,000 (\$177,215/acre or \$14,894/unit) on 3/29/2022 recorded in Instrument #202203310075111 indicates 35.52%/year annual value increase.

Unit Price: \$303,797/acre or \$25,532/unit



LAND SALE 6

Location: 400 Walker Springs Road, Knoxville, TN 37923-3117

Tax Map: 119-L Group A Parcel 00119

Grantor: Walker Springs Properties

Grantee: MREP-Rowan, LLC

Sale Date: 7/6/2023

Sale Price: \$5,122,500

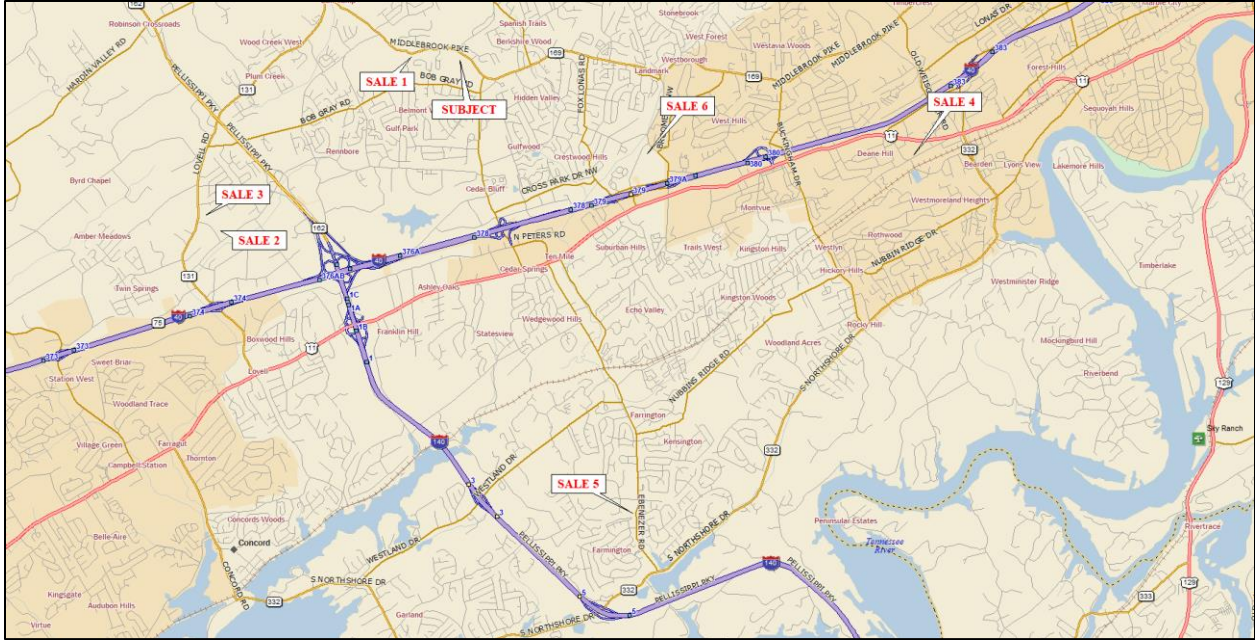
Recorded: Inst # 202307060000744

Site Size: 14.579 acres

Description: The \$351,362/acre or \$16,108/unit sale of a “█” 14.579 acres at Walker Springs and Gallagher View Road. Zoned PR, high density PR, Planned Residential with 23 units/acre acquired for development as The Rowan, a 318 unit multi-family development to start construction August 2023 with a February 14, 2024 scheduled completion. Density 21.81 units/acre.

Unit Price: \$351,362/acre or \$16,108/unit





LAND SALES LOCATION MAP (1" = $\frac{3}{4}$ MILE)

LAND SALES SUMMARY										
#	Location	Development	Proximity	Date	Zoning	Size	Density	Unit Value		
1	9432-9502 Middlebrook Pike Knoxville, TN	Middlebrook Pike Multi-Family	½ mile	4/14/2023	PR/12DU	128 units	10.95 acre	11.69 units/acre	\$173,516/acre	or \$14,844/unit
2	10600 Castlepoint Way Knoxville, TN	Retreat at Knoxville, TN	3¼ mile	10/18/2021	OB/TO	216 units	12.35 acre	17.49 units/acre	\$210,526/acre	or \$12,037/unit
3	875 Cornerstone Drive Knoxville, TN	The Chelsea at Cornerstone	3¼ mile	6/21/2023	OB/TO	282 units	19.10 acre	14.76 units/acre	\$230,157/acre	or \$15,589/unit
4	6509 Deane Hill Drive Knoxville, TN	The View at Deane Hill Apartments	5 mile	7/8/21 & 8/17/21	O	108 units	4.8200 acre	22.41 units/acre	\$301,867/acre	or \$13,472/unit
5	1653-1677 Ebenezer Road Knoxville, TN	Bluegrass Village Apartments	5½ mile	Pending	OB	47 units	3.95 acre	11.90 units/acre	\$303,797/acre	or \$25,532/unit
6	400 Walker Springs Road Knoxville, TN	The Rowan	2½ mile	7/6/2023	PR	318 units	14.579 acre	21.81 units/acre	\$351,362/acre	or \$16,108/unit
	Low Indication		½ mile	10/18/2021		47 units	3.95 acre	11.69 units/acre	\$173,516/acre	or \$12,037/unit
	Typical Indication		3¼ mile	11/9/2022		183 units	10.96 acre	16.68 units/acre	\$261,871/acre	or \$16,264/unit
	High Indication		5½ mile	Pending		318 units	19.10 acre	22.41 units/acre	\$351,362/acre	or \$25,532/unit

Market research revealed six (6) comparable sales of multi-family land in the Knoxville area within 5½ miles of the subject occurring from October 18, 2021 ranging in size from 3.95 acres to 19.10 acres with an average size of 10.96 acres acquired for multi-family developments from 47 units to 318 units, averaging 183 units and development densities from 11.69 unit/acre to 22.41 units/acre, averaging 16.68 units per acre. The sales indicate a range in value from \$173,516/acre to \$351,362/acre with an averaging \$261,871/acre or from \$12,037/unit to \$25,532/unit, averaging \$16,264/unit.

Sale 1 is the \$173,516/acre or \$14,844/unit sale of a 10.95 acre, two (2) parcel sites along Middlebrook Pike (TN-169), zoned PR/12 DU, up to 12 units/acre acquired for development as “Middlebrook Pike Multi-Family with 128 units located on the south side of Middlebrook Pike (TN-169), about a ½ mile west of the subject.

Sale 2 is the \$210,526/acre or \$12,037/unit sale of a “◆” 12.35 acre site at the northeast corner of Murdock Road and Cornerstone Drive, about 3¹/₆ miles west of the subject to become Retreat at Knoxville, a 216-unit apartment complex completed in 2023. Zoned OB/TO overlay. Approved by commission in 2021. Density: 17.49 units/acre.

Sale 3 is the \$230,157/acre or \$15,589/unit sale of a “◆” 19.10 acre site at the northeast corner of Lovell Road and Cornerstone Drive, about 3¹/₃ miles west of the subject acquired for multifamily development as The Chelsea at Cornerstone, a 282 unit apartment complex to be completed in 2024. Zoned OB/TO overlay. Density: 14.76 units/acre.

Sale 4 is the \$301,867/acre or \$13,472/unit two (2) parcel assemblage sale of a “◆” 4.8200 acre site on the north side of Deane Hill Drive, 824.59' west of Gerald R. Ford Road in the Deane Hill community of West Knoxville, 5¹/₇ miles southeast of the subject acquired for development as The View at Deane Hill apartments, a 108 unit multi-family facility to start in the spring of 2024 with an early 2026 completion. Zoned RN-5, General Residential Neighborhood. Density: 22.41 unit/acre.

Sale 5 is the \$300,797/acre or \$25,532/unit sale of a “◆” 3.95 acre site fronting 174.74' along the west side of Ebenezer Road, 398.27' south of Bluegrass Road in the Bluegrass community of west Knoxville, about 5 miles south of the subject, zoned OB, Office, Medical and Related Service approved for multifamily development, the 47 unit Bluegrass Village Apartments. Density: 11.90 units /acre. Prior sale 3/29/2022 for \$700,000 (\$177,215/acre or \$14,894/unit) from Bluegrass Partners to Bluegrass Apartment Partners LLC, recorded in Instrument #: 202203310075111. Listed with Chris Bruce of Wallace Commercial 7/12/2023 for \$1,300,000 (\$329,114/acre or \$27,660/unit) reporting 214 days on market to contract 264 days on market to close. Density: 11.90 units/acre.

Prior sale \$700,000 (\$177,215/acre or \$14,894/unit) on 3/29/2022, recorded in Instrument #202203310075111 indicates 35.52%/year annual value increase.

Sale 6 is the \$351,362/acre or \$16,108/unit sale of a “◆” 14.579 acres at Walker Springs and Gallagher View Road. Zoned PR, high density PR, Planned Residential with 23 units/acre acquired for development as The Rowan, a 318 unit multi-family development to start

construction August 2023 with a February 14, 2024 scheduled completion about 2½ miles southeast of the subject property.

The comparable sales are compared to the subject property in the following Qualitative Comparison Grid as follows:

QUALITATIVE ADJUSTMENT GRID							
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
Initial Unit Value	-	\$173,516/acre \$14,844/unit	\$210,526/acre \$12,037/unit	\$230,157/acre \$15,589/unit	\$301,867/acre \$13,472/unit	\$303,797/acre \$25,532/unit	\$351,362/acre \$16,108/unit
Size (Acre)	4.942 acre	10.95 acre Similar	12.35 acre Similar	19.10 acre Similar	4.8200 acre Similar	3.950 acre Similar	14.579 acre Similar
Adjustment		=	=	=	=	=	=
Size (Unit)	120 units	128 units Similar	216 units Similar	282 units Similar	108 units Similar	47 units Similar	318 units Similar
Adjustment		=	=	=	=	=	=
Density (Unit/Acre)	24.28 units/acre	11.69 units/acre Inferior	17.49 units/acre Inferior	14.76 units/acre Inferior	22.41 units/acre Similar	14.76 units/acre Inferior	21.81 units/acre Similar
Adjustment		+	+	+	=	+	=
Zoning	OB	PR/12DU Similar	OB/TO Similar	OB/TO Similar	RN-5 Similar	OB Similar	PR Similar
Adjustment		=	=	=	=	=	=
Access/ Visibility	Good	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment		=	=	=	=	=	=
	Inferior	1	1	1	0	1	0
	Similar	4	4	4	5	4	5
	Superior	0	0	0	0	0	0
Adjusted Sale Price		Greater than \$173,516/acre \$14,844/unit	Greater than \$210,526/acre \$12,037/unit	Greater than \$230,157/acre \$15,589/unit	Similar to \$301,867/acre \$13,472/unit	Greater than \$303,797/acre \$25,532/unit	Similar to \$351,362/acre \$16,108/unit

Note: The qualitative comparison grid reviews the salient property characteristics, but it should be noted that each property characteristic variable does not have equal or same impact overall property value.

Size (Acre) – Typically, in real estate, there is an inverse relationship between the size of the property and its unit price/value in that as the size of the property increases/decreases, the unit price/value decreases/increases.

The sales range in size from 3.95 acres to 19.10 acres with a 10.96 acre typical size with sales arrayed in descending order by acreage size to help identify an acreage size adjustment.

LAND SALES SUMMARY									
#	Location	Development	Proximity	Date	Zoning	Size	Density	Unit Value	
3	875 Cornerstone Drive Knoxville, TN	The Chelsea at Cornerstone	3½ mile	6/21/2023	OB/TO	282 units 19.10 acre	14.76 units/acre	\$230,157/acre or	\$15,589/unit
6	400 Walker Springs Road Knoxville, TN	The Rowan	2½ mile	7/6/2023	PR	318 units 14.579 acre	21.81 units/acre	\$351,362/acre or	\$16,108/unit
2	10600 Castlepoint Way Knoxville, TN	Retreat at Knoxville, TN	3½ mile	10/18/2021	OB/TO	216 units 12.35 acre	17.49 units/acre	\$210,526/acre or	\$12,037/unit
1	9432-9502 Middlebrook Pike Knoxville, TN	Middlebrook Pike Multi-Family	½ mile	4/14/2023	PR/12DU	128 units 10.95 acre	11.69 units/acre	\$173,516/acre or	\$14,844/unit
4	6509 Deane Hill Drive Knoxville, TN	The View at Deane Hill Apartments	5 mile	7/8/21 & 8/17/21	O	108 units 4.8200 acre	22.41 units/acre	\$301,867/acre or	\$13,472/unit
5	1653-1677 Ebenezer Road Knoxville, TN	Bluegrass Village Apartments	5½ mile	Pending	OB	47 units 3.95 acre	11.90 units/acre	\$303,797/acre or	\$25,532/unit
Low Indication			½ mile	10/18/2021		47 units 3.95 acre	11.69 units/acre	\$173,516/acre or	\$12,037/unit
Typical Indication			3¼ mile	11/9/2022		183 units 10.96 acre	16.68 units/acre	\$261,871/acre or	\$16,264/unit
High Indication			5½ mile	Pending		318 units 19.10 acre	22.41 units/acre	\$351,362/acre or	\$25,532/unit

Analysis and observation of the sales based on property size does not reveal an identifiable or measurable size (acre) adjustment.

Size (Unit) – Typically, in real estate, there is an inverse relationship between the size of the property and its unit price/value in that as the size of the property increases/decreases, the unit price/value decreases/increases.

The sales range in size from 47 units to 318 units with a 183 unit typical size with sales arrayed in descending order by unit size to help identify a unit size adjustment.

LAND SALES SUMMARY									
#	Location	Development	Proximity	Date	Zoning	Size	Density	Unit Value	
6	400 Walker Springs Road Knoxville, TN	The Rowan	2½ mile	7/6/2023	PR	318 units 14.579 acre	21.81 units/acre	\$351,362/acre or	\$16,108/unit
3	875 Cornerstone Drive Knoxville, TN	The Chelsea at Cornerstone	3½ mile	6/21/2023	OB/TO	282 units 19.10 acre	14.76 units/acre	\$230,157/acre or	\$15,589/unit
2	10600 Castlepoint Way Knoxville, TN	Retreat at Knoxville, TN	3½ mile	10/18/2021	OB/TO	216 units 12.35 acre	17.49 units/acre	\$210,526/acre or	\$12,037/unit
1	9432-9502 Middlebrook Pike Knoxville, TN	Middlebrook Pike Multi-Family	½ mile	4/14/2023	PR/12DU	128 units 10.95 acre	11.69 units/acre	\$173,516/acre or	\$14,844/unit
4	6509 Deane Hill Drive Knoxville, TN	The View at Deane Hill Apartments	5 mile	7/8/21 & 8/17/21	O	108 units 4.8200 acre	22.41 units/acre	\$301,867/acre or	\$13,472/unit
5	1653-1677 Ebenezer Road Knoxville, TN	Bluegrass Village Apartments	5½ mile	Pending	OB	47 units 3.95 acre	11.90 units/acre	\$303,797/acre or	\$25,532/unit
Low Indication			0 mile	10/18/2021		47 units 3.95 acre	11.69 units/acre	\$173,516/acre or	\$12,037/unit
Typical Indication			3¼ mile	4/1/2024		183 units 10.96 acre	16.68 units/acre	\$261,871/acre or	\$16,264/unit
High Indication			0 mile	7/12/2023		318 units 19.10 acre	22.41 units/acre	\$351,362/acre or	\$25,532/unit

Analysis and observation of the sales based on property size does not reveal an identifiable or measurable size (Unit) adjustment.

Density (unit/acre) – The respective sales range in density (unit/acre) from new to 11.69 units/acre to 21.81 units/acre with a 16.68 unit/acre typical indicated density.

The 4.942 acre subject site approved for multi-family development of 120 units has a density (unit/acre) of 24.28 units/acre.

The 24.28 units/acre density of the 4.942 acre subject site is superior to the density of Sales 1, 2, 3 and 5, ranging from 11.69 units/acre to 17.49 units/acre, averaging 13.96 units/acre, but generally similar to the 22.41 units/acre of Sale 4 and the 21.81 units/acre of Sale 6.

Analysis and observation of the sales based on property lease/age does not reveal an identifiable or measurable density (unit/acre) adjustment.

Zoning – The 4.942 acre subject is zoned OB, Office, Medical, and Related Services Zone, approved for multi-family development of 120 units.

The respective multi-family oriented sales represent five (5) different zonings, PR/12DU, OB/TO, OB/TO, O, OB and PR with each sale acquired for similar multi-family oriented development.

Analysis and observation of the sales based on property lease term left does not reveal an identifiable or measurable zoning adjustment.

Access/Visibility Appeal – The subject is conveniently located on Middlebrook Pike (TN-169) in the Cedar Bluff of west Knoxville within 5¹/₇ miles of the sales, which generally have similar access/visibility appeal.

The qualitative comparison of the 4.942 acre subject approved for multi-family development of 120 units is most similar to Sale 4, \$301,867/acre - \$13,472/unit and Sale 6, \$351,362/acre - \$16,108/unit and generally superior to Sales 1, 2, 3 and 5, indicating values from \$173,516/acre to \$303,797/acre, averaging \$229,499/acre and from \$12,037/unit to \$25,532/unit, averaging \$17,001/unit.

Therefore, based on analysis of these similar multi-family oriented sales, considering the subject's size in both acres and units, density (unit/acre) and access/visibility, it is concluded that Sales 4 and 5 best represent the subject market appeal to be in the upper portion of the most similar sales value range at \$350,000/acre of \$1,730,000≈ for the 4.942 acre subject or \$18,000/unit or \$2,160,000 for the 4.942 acre approved for multi-family development of 120 units.

Based on prevailing market behavior, the price/unit value indication best represent the prevailing market perspective of buyers and sellers of multi-family oriented land and for this reason, the \$2,160,000 indicated value best represents the market appeal of the 4.942 acre subject site approved for multi-family development of 120 units.

INCOME APPROACH

The Income Capitalization Approach is defined as:

"Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income." ¹¹

Since the vacant "█" 215,274 S.F. or 4.942 acre subject site is approved for multi-family residential development as "Middlebrook Commons", a 120 unit prepared by Silvus Engineering Consultants "SEC" dated 04-10-2022 depicted by Sheets CO.0, C1.1 to C9.1, A1.1 and A1.2. reportedly to include the design and approval of a Middlebrook Pike median crossover, the vacant subject site is not income producing and application of the Income Approach is not applicable.

RECONCILIATION AND FINAL OPINION OF VALUE

The indicated value of the subject property through the three approaches is:

Cost Approach.....	Not Applicable
Sales Comparison Approach.....	\$2,160,000
Income Approach.....	Not Applicable

Since the vacant "█" 215,274 S.F. or 4.942 acre subject site is approved for multi-family residential development as "Middlebrook Commons", a 120 unit prepared by Silvus Engineering Consultants "SEC" dated 04-10-2022 depicted by Sheets CO.0, C1.1 to C9.1, A1.1 and A1.2. reportedly to include the design and approval of a Middlebrook Pike median crossover, the vacant subject site in not income producing and application of the Income Approach is not applicable.

Therefore, based solely on the Sales Comparison Approach the market value of the subject property as of the February 8, 2024, date of inspection is indicated to be:

TWO MILLION ONE HUNDRED SIXTY THOUSAND DOLLARS
(\$2,160,000.00)

¹¹ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2014, Page 115.

GENERAL ASSUMPTIONS

This appraisal report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

GENERAL LIMITING CONDITIONS

1. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
3. The appraiser herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
5. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea-formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.
6. The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan. The appraisal has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP).

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, impartial, and 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 performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform the assignment.
- 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 for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of 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.
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics & Standards of Professional Appraisal Practice* of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Charles M. Smith made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the persons signing this certification.
- As of the date of this report, Charles M. Smith, MAI has completed the continuing education program for designated members of the Appraisal Institute.



Charles M. Smith, MAI
TN Certified General Appraiser #CG-109

QUALIFICATIONS

CHARLES M. SMITH, MAI

◆ Property Service Group Southeast, Inc.
1129 N. 6th Avenue
Knoxville, Tennessee 37917-6754

Experience

Experience in real estate appraising in Tennessee, Kentucky, North Carolina, South Carolina, Georgia, Florida, Arkansas, Louisiana and Texas since 1975.

State of Tennessee Certified General Appraiser - #CG-109

Accepted Instructor to The Society of Real Estate Appraisers Course 101; An Introduction to Appraising Real Estate.

Education

Marietta High School – Marietta, GA, 1968-1972

University of Tennessee – Knoxville, TN, 1972-1976

Bachelor of Science in Business Administration, 1976

Major: Real Estate and Urban Development

Courses: Real Estate Finance; Urban Economic, Real Estate Principles and Theory; Appraisal Theory, Ellwood and other capitalization methods; Cash Flow, Analysis and Computer Application to Appraising.

Society of Real Appraisers

Courses: 101, 1978

R-2 Examination, 1978

201, 1979

American Institute of Real Estate Appraisers

Courses: Standards of Professional Practice, 1983

Case Studies in Real Estate Valuation, 1984

Valuation Analysis and Report Writing, 1985

Employment

1975-1976 Fletcher Realty Company, Inc., Arcade Building, Knoxville, TN

1976-1979 The Fidelity Corporation, 8914 Kingston Pike, Knoxville, TN

1979-2000 Broome, Lothrop & Associates, Inc.

2000-2008 Charles M. Smith & Associates, Inc.

2009-Present Property Service Group Southeast, Inc.

Professional Organizations

Appraisal Institute (MAI Designation #7228)

Offices Held: Education Chairman

Society of Real Estate Appraisers (SRA Designation)

Offices Held: President, Vice-President, Secretary, Treasurer and Membership Chairman

Knoxville Board of Realtors

Appraisal Clients

American Fidelity Bank

American Trust Bank

BankFirst

BB&T

Capital Bank

Citizens Bank of East Tennessee

Commercial Bank

Commercial Mortgage Services

Community South Bank

Cooper Realty Investments Inc.

Federal Deposit Insurance Corp.

Federal Home Loan Mortgage Corp.

First Claiborne Bank

First National Bank of Oneida

First Peoples Bank

First Southern Mortgage

First Tennessee Bank

Hamblen County Bank

Home Federal Savings & Loan

Investors Trust Corporation

Knoxville Community Dvlp. Corp (KCDC)

National Bank of Tennessee

Pinnacle Bank

Regions Bank

SouthTrust Bank

SunTrust Bank of East Tennessee

Synovus Financial Corporation

Tennessee Department of Transportation

TN Dept. of General Services

United Community Bank

Vista Commercial Mortgage Group LLC

Wachovia Bank

Yadkin Bank

ADDENDA

- Subject Deed
- Zoning
- Engagement Letter
- Appraiser's License

Subject Deed

Nick McBride
Register of Deeds
Knox County

Knox County, TN Page: 1 of 5
REC'D FOR REC 12/8/2021 2:15 PM
RECORD FEE: \$38.00 T20210877478
M. TAX: \$0.00 T. TAX: \$925.00
202112080046046

OWNER/RESPONSIBLE TAXPAYER: THIS INSTRUMENT PREPARED BY:
JRG Development LLC Tennessee Valley Title Insurance Co.
12248 Patagonia Lane 800 S. Gay Street, Suite 1700
Knoxville, TN 37922 Knoxville, TN 37929
Map 107, Parcel 058 and File No. 211167 (CWM)
Map 105, Parcel 057

WARRANTY DEED

THIS INDENTURE made as of the 1st day of December, 2021,
between KAREN BALLARD SPEEGLE and CALVIN WALTER KEY, First Parties,
and JRG DEVELOPMENT LLC, a Tennessee limited liability partnership, Second Party:

WITNESSETH

THAT SAID FIRST PARTIES, for and in consideration of the sum of TEN
NO/100 (\$10.00) DOLLARS, and other good and valuable consideration, to them in hand
paid by said Second Party, the receipt of which is hereby acknowledged, have granted,
bargained, sold and conveyed, and do by these presents grant, bargain, sell and convey
unto Second Party, the real property described as follows:

TRACT I: SITUATED, LYING AND BEING in the sixth (6th) Civil District of
Knox County Tennessee and without the Corporate Limits of any Municipality
being more particularly bounded and described as follows:

BEGINNING on an iron pin located in the southern right-of-way line of
Middlebrook Pike said iron pin being 501 feet more or less in a southeasterly
direction from the point of intersection of the centerline of Andes Road (if
extended) with the southern right-of-way line of Middlebrook Pike corner
common to West Town Christian Church; thence leaving the line of Middlebrook
Pike and with the line of West Town Christian Church South 57 degrees 21
minutes 15 seconds West, 246.07 feet to a pipe THE POINT OF BEGINNING
thence South 40 degrees 56 minutes 42 seconds East, 33.99 feet to an iron pin
corner common to White Reality & Service Corporation (Instrument Number
200510050031501) thence continuing with the line of White Reality & Service
Corporation South 40 degrees 56 minutes 42 seconds East, 355.25 feet to a pipe in
the line of Patsy L. Sutton Living Trust (Instrument Number 201912230042477);
thence leaving White Reality & Service Corporation and with the line of Patsy L.
Sutton Living Trust North 88 degrees 11 minutes 01 second West, 842.26 feet to
an iron pin corner common to The West Town Christian Church (Instrument
Number 201711080029211) thence leaving the line of Patsy L. Sutton Living
Trust and with the line of The West Town Christian Church the following two (2)
calls: North 01 degree 59 minutes 10 seconds East, 284.78 feet to a pipe; thence
South 88 degrees 16 minutes 56 seconds East, 577.15 feet to a pipe the POINT
OF BEGINNING, according to a survey by Batson, Himes, Norvell and Poe dated
August 19, 2021 and bearing drawing number 25357-ALTA.

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202112080046046 Page 2 of 5

BEING the same property conveyed to Karen Ballard Speegle and Calvin Walter Key by Quitclaim Deed from Walter H. Ballard, widower, dated July 19, 2011, and recorded as Instrument No. 201107270004683, in the Knox County Register's Office.

TRACT II: SITUATED, LYING AND BEING in the sixth (6th) Civil District of Knox County Tennessee and without the Corporate Limits of any Municipality and consisting of a joint permanent easement for ingress and egress over property formerly belonging George G. Goosie and Jo Etta Goosie said easement being more particularly bounded and described as follows:

BEGINNING on an iron pin located in the southern right-of-way line of Middlebrook Pike said iron pin being 501 feet more or less in a southeasterly direction from the point of intersection of the centerline of Andes Road (if extended) with the southern right-of-way line of Middlebrook Pike corner common to West Town Christian Church; thence with the line of Middlebrook Pike South 59 degrees 31 minutes 50 seconds East, 56.02 feet to an iron pin, corner common to White Reality & Service Corporation (Instrument Number 200510050031501) thence leaving the line of Middlebrook Pike and with the line of White Reality & Service Corporation the following two (2) calls: South 57 degrees 12 minutes 03 seconds West, 242.04 feet to a pipe; thence North 87 degrees 52 minutes 38 seconds West, 29.78 feet to an iron pin in the line of Tract 1 thence leaving the line of White Reality & Service Corporation and with the line of Tract 1 North 40 degrees 56 minutes 42 seconds West, 33.99 feet to a pipe in the line of West Town Christian Church; thence with the line of West Town Christian Church North 57 degrees 21 minutes 15 seconds East, 246.07 feet to an iron pin the POINT OF BEGINNING and containing 0.290 Acres according to a survey by Batson, Himes, Norvell and Poe dated August 19, 2021 and bearing drawing number 25357-ALTA.

BEING the same property conveyed to Karen Ballard Speegle by Quitclaim Deed from R. Stephen Goosie and Linda Goosie Coleman, dated October 13, 2017, and recorded as Instrument No. 201710130023494, in the Knox County Register's Office.

THIS CONVEYANCE is made subject to any and all applicable restrictions, agreements, easements and building setback lines as are shown in the records of the Knox County Register's Office, and further to any matter and/or condition which would be disclosed by a current, accurate survey or inspection of the property herein described.

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202112080046046 Page 3 of 5

with the hereditaments and appurtenances thereto appertaining, hereby releasing all claims therein, including homestead. **TO HAVE AND TO HOLD** the same unto the Second Party, its successors and assigns forever.

AND said First Parties, their heirs, successors and assigns, do hereby covenant with said Second Party, its successors and assigns, that they are lawfully seized in fee simple of the premises above conveyed and have full power, authority and right to convey the same, and that said premises are free from all encumbrances and that they will forever warrant and defend the said premises and the title thereto against the lawful claims of all persons whomsoever; provided, however, this conveyance is made subject to the matters set forth herein and 2021 taxes which shall be prorated as of the date of closing and which Second Party assumes and agrees to pay.

Whenever in this instrument a pronoun is used it shall be construed to represent either singular or plural, or the masculine, feminine or neuter gender, as the case may demand.

This document may be executed in counterparts which together shall constitute one original document.

IN WITNESS WHEREOF, the said First Parties hereunder have executed this instrument as of the day and year first above written.

Karen Ballard Speegle
Karen Ballard Speegle

STATE OF Tennessee

COUNTY OF Knox

Personally appeared before me, the undersigned authority, a Notary Public in and for said State and County, KAREN BALLARD SPEEGLE, the within named bargainer, with whom I am personally acquainted (or who proved to me on the basis of satisfactory evidence) and who acknowledged that she executed the within instrument for the purposes therein contained.

WITNESS my hand and official seal at office this 6th day of December, 2021.

Kim Carmosino
Notary Public



My Commission expires: 4/4/22

202112080046046 Page 4 of 5

x Calvin Walter Key
Calvin Walter Key

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

Personally appeared before me, the undersigned authority, a Notary Public in and for said State and County, CALVIN WALTER KEY, the within named bargainor, with whom I am personally acquainted (or who proved to me on the basis of satisfactory evidence) and who acknowledged that he executed the within instrument for the purposes therein contained.

WITNESS my hand and official seal at office this 2 day of DECEMBER, 2021.

x [Signature]
Notary Public

My Commission expires: 7/22/2023



I hereby swear or affirm that the actual consideration or true value of this transfer, whichever is greater, is \$250,000.00

Affiant, Christina Jackson - Agent

Subscribed and sworn to before me this 7th day of December, 2021.

My Commission Expires: 4/4/22
Kim Carmosino
Notary Public



True Copy Certification

I, Kim Carmosino, do hereby make oath that I am a licensed attorney and/or the custodian of the original version of the electronic document tendered for registration herewith and that this electronic document is a true and exact copy of the original document executed and authenticated according to the law on this 8th day of December, 2021.

Kim Carmosino

Affiant Signature

12.8.2021

Date

State of TN

County of KNOX

Sworn to and subscribed before me this 8th day of December, 2021

Anastasia N. Jackson

Notary Signature

MY COMMISSION EXPIRES: 5.11.2024
Notary's Seal (if on paper)



Zoning

5.41. - OB Office, Medical, and Related Services Zone.

5.41.01. General description. This zone is intended to provide areas for professional and business offices and related activities that require separate buildings and building groups surrounded by landscaped yards and open areas. The intent herein is to provide centralized, compact locations for business offices, clinics, medical, and dental offices near residential neighborhoods.

5.41.02. Uses permitted.

A. Any use permitted and as regulated in the RB, General Residential Zone, except that height shall be as regulated in subsection 5.41.09, "Height regulations."

B. Professional and business offices in which no activity is carried on catering to retail trade with the general public, and no stock of goods is maintained for sale to customers. These shall include, but not be limited to, offices for lawyers, architects, engineers, insurance, real estate agents and beauty shops.

C. Hospital, clinics, and medical and dental offices.

D. Undertaking establishments and funeral homes.

E. Hotels, motels, (including dining room facilities) excepting those containing retail sales for other than the convenience of guests in the building.

F. Private clubs and lodges.

G. Art gallery and museums.

H. Business colleges.

I. Public and private schools and colleges with student residence and dormitories associated therewith.

J. Commercial parking lot or garage.

K. Accessory buildings and uses customarily incidental and subordinate to permitted uses and structures.

L. Recreational uses associated with and maintained primarily for the uses permitted above and for the benefit and use of the occupants and their guests.

M. Establishments rendering business service associated with the uses listed above including but not limited to the sale of office supplies and business forms and machines.

N. Signs as permitted by section 3.90, "Signs, billboards, and other advertising structures," of this resolution.

O. Other uses similar in character to those enumerated above, and which in the opinion of the planning commission will not be injurious to the zone.

P. Demolition landfills less than one (1) acre in size subject to article 4, "Supplementary regulations," subsection 4.80.01.A, "Demolition landfills" (on site generated waste).

Q. Yard sales and rummage sales.

R. Wireless communications facilities, subject to the provisions of article 4, section 4.92.

S. Public Safety Facilities.

5.41.03. Uses permitted on review.

A. Child day care centers, provided they meet the requirements of section 4.91, "Requirements for child day care centers and group day care homes, when considered as uses permitted on review."

B. Assisted living facilities.

C. Adult day care centers, provided they meet the requirements of section 4.98, "Requirements for adult day care centers, when considered as uses permitted on review."

D. Methadone treatment clinic or facility.

E. Pain management clinic.

F. Recovery housing.

5.41.04. Area regulations. The area requirements for dwellings, and buildings accessory thereto, shall be the same as the area requirements for the RB, General Residential Zone. The following requirements shall apply to all other uses permitted in this zone.

5.41.05. Front yard. All buildings shall set back from the street right-of-way line to provide a front yard having not less than twenty-five (25) feet in depth.

5.41.06. Side yard. Side yard requirements for residential uses shall be the same as in the RB, General Residential Zone. Where a side yard is adjacent to a residential zone, no nonresidential building shall be located closer than twenty (20) feet to the side lot line. In all other cases no building shall be located closer than fifteen (15) feet to the side lot line.

5.41.07. Rear yard. No building shall be located closer than twenty (20) feet to the rear lot line.

5.41.08. Maximum lot coverage.

A. The maximum lot area which may be covered by residential structures shall be the same as required in the RB, General Residential Zone.

B. Other main and accessory buildings shall cover not more than thirty-five (35) percent of the lot area.

5.41.09. Height regulations. No building or structure shall exceed four (4) stories or forty-five (45) feet in height, except:

A. As provided in section 3.20 "General exceptions."

B. The planning commission may approve, as a use permitted on review, an increase in height above forty-five (45) feet and may, as a condition of such approval, require an increase in set back and/or yard requirements where appropriate.

5.41.10. Off-street parking. As regulated in section 3.50, "Off-street parking requirements," except that parking shall not be located in the required front yard.

(Ord. No. O-96-5-102, § 2, 6-21-96; Ord. No. O-96-7-101, § 1, 8-26-96; Ord. No. O-97-10-101B, § 1, 11-17-97; Ord. No. O-00-8-101, § 1(Exh. A), 9-25-00; Ord. No. O-01-2-103, § 1(Exh. A), 3-26-01; Ord. No. O-04-4-101, § 1(Exh. A), 5-24-04; Ord. No. O-06-7-101, § 1(Exh. A), 8-28-06; Ord. No. O-11-11-102, § 1(Exh. A), 12-19-11; Ord. No. O-12-9-102, § 1(Exh. A), 10-22-12; Ord. No. O-17-8-102, § 1(Exh. A), 9-25-17 ; Ord. No. O-17-10-101, § 1(Exh. A), 11-20-17 ; Ord. No. O-19-5-101 , § 1(Exh. A), 6-24-19)

Engagement Letter

PROPERTY SERVICE GROUP SOUTHEAST

Real Estate Appraisals • Brokerage • Consulting

APPRAISAL ENGAGEMENT LETTER

February 7, 2024

Mr. Rick Gentry
Apartment Broker LLC
AKA JRG Development LLC
23 Alta Tree Court
Johnson City, TN 37604-4600

Via email: rickgentry24@gmail.com

Re: Real Estate Appraisal
1145 Midtown Commons Way
and
0 Midtown Commons Way
Knoxville, TN 37931
Parcels 105-058 & 105-057

Dear Mr. Gentry:

I would like to submit a fee and time frame to prepare an appraisal of the above-referenced property located in Knoxville, Tennessee. This letter is intended to constitute a legal commitment of your acceptance by signing below and returning a copy to this office.

I agree to provide an Appraisal Report to estimate the market value of the fee simple interest of the above-referenced property for a fee of \$3,000. The estimated completion date of the report in an Appraisal Report format would be no later than 4 weeks from receipt of a signed copy of this Appraisal Engagement Letter. Should it become necessary for the firm to take legal action to recover any fees, you will be responsible for costs and attorneys' fees incurred in collecting the fee.

The appraisal shall be prepared for Mr. Rick Gentry, and is for the sole and exclusive use of establishing the market value of the property. Written authorization is required before releasing the report to any other party for any other use.

You further understand and agree that I make no guarantee regarding the value estimate. I reserve the right to withdraw from this assignment if my fee is not paid as agreed or if a lack of cooperation otherwise makes it unreasonably difficult to perform the appraisal.

I will proceed with the preparation of the appraisal after receipt of a signed copy of this letter. I appreciate the opportunity to be of service. If you have any questions, please do not hesitate to call.

Sincerely,



Charles M. Smith, MAI
TN Certified General Appraiser #CG-109

I hereby agree to the terms of this engagement letter as outlined above.



Rick Gentry

2-7-24
(Date)

1129 N. 6th Avenue • Knoxville, Tennessee 37917-6754
(865)-544-4242 • Fax (865) 544-4226 • www.PropertyServiceGroup.com

Appraiser's License

