

APPRAISAL REPORT

OF
Mariner's Pointe Resort
On Lake Holiday
Mariner's Pointe Drive
Crossville, TN



AS OF
December 10, 2015

PREPARED FOR

Mr. Dave Burgess
P. O. Box 3868
Crossville, TN 38557

PREPARED BY

Mike Fuller, SRA
State Certified General Real Estate Appraiser
CG-86

Fuller Appraisal Company
204 Country Club Road
Rockwood, TN 37854

December 20, 2015

Mr. Dave Burgess
P. O. Box 3868
Crossville, TN 38557

Re: Mariner's Pointe Resort
On Lake Holiday
Mariner's Pointe Drive
Crossville, TN

Dear Mr. Burgess:

Pursuant to your request, I have prepared an appraisal for the above referenced property. The purpose of this appraisal is to estimate the market value of the subject property's fee simple interest for financing decisions and mortgage underwriting. This appraisal is intended for the use of the client and the client's advisors.

The appraisal report has been completed in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and applicable Federal regulations.

The attached report details the scope of the appraisal, level of reporting, definition of value, valuation methodology, and pertinent data researched and analyzed in the development of this appraisal.

I certify that I have no present or contemplated future interest in the property beyond this estimate of value. Your attention is directed to the Limiting Conditions and Assumptions, located on page 10. Acceptance of this report constitutes an agreement with these conditions and assumptions.

December 20, 2015,

Page 2

Subject site of 27.25 acres is improved with a resort / timeshare facility. Improvements include a three story building with 27 condominiums units, clubhouse, offices, lounge, activity and fitness centers. The lower portion of site is improved with 20 lakefront townhouse units with decks and a dock. The site is also improved with other amenities such as a large pool area overlooking lake, marina with boat slips, Boat ramp, beach area, miniature golf course and a general store.

This appraisal report estimates the current improvements consume an estimated 10 acres along the lakefront. The remaining acreage of 13.25 acres has potential for future development due to legally permissible use, good access and topography. This acreage is deemed excess land. The value of the excess land is estimated and follows the indicated value of each approach thru – out this report

The property is located off of Hwy 70 in south west Crossville City, next to the Cumberland County Playhouse, one of the areas biggest attractions. The site is slopes gently to the lake with long views of Lake Holiday.

The subject property with it's condo and townhouse units are in transition for interval / time share use to a weekly or monthly rental due to the changes in the timeshare industry. Therefore the sales comparison and income approach represent a possible change in use. Currently, the condo units are owned by 1,500 interval owners.

My scope of work develops the sales comparison approach by using hotel sales to value the Condominium building. The income approach is developed to establish the contributory value of the lakefront townhouse units. The cost approach is developed to establish a land value, depreciated cost of all improvements and recognize all the resort amenities.

In my opinion, the value of the subject property, as of December 10, 2015, was as follows:

**Mariner's Pointe Resort
On Lake Holiday
Crossville, TN**

Five Million Dollars ————— \$ 5,000,000

Please note that sales comparison and income approach in this appraisal report represents a possible change in use for interval / time share use to nightly, weekly or monthly rental.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Mike Fuller".

Mike Fuller, SRA
State Certified General Real Estate Appraiser
CG-86

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Summary of Salient Facts

Subject Property: Mariner's Pointe Resort
On Lake Holiday
Mariner's Pointe Drive
Crossville, TN

- Property Overview:**
- The property is well located on Lake Holiday with long views of the lake
 - Crossville City location provides all utility services required to run a resort.
 - Site is surrounded by a residential subdivision with good quality lake front homes.
 - Site has 25.25 acres an estimated 2,000 feet of water frontage.
 - The improvements are in good condition based on recent updates and renovations.

Interest Appraised: Fee Simple Interest
Highest and Best Use Commercial development
Land As Vacant:
Highest and Best Use Commercial – Motel / Hotel use.
As Improved:
Land Value: \$ 2,700,000

Cost Approach: \$ 6,700,000

Sales Comparison
Approach: \$ 4,000,000

Income Approach \$ 2,000,000 for contributory value of townhouse units
Direct Capitalization:

Reconciled Value: \$ 5,000,000

Extraordinary None
Assumptions:

Hypothetical Conditions: **The sales comparison and income approach in this appraisal report represents a possible change in use from interval / time share use to nightly, weekly or monthly rental.**

Appraisal Specifics

Appraisal Purpose

The purpose of this appraisal is to estimate the market value of the subject property

Intended Use

The intended use of this appraisal is for financing decisions and mortgage underwriting.

Intended User(s)

This appraisal is intended the use of client and the client's advisors.

Market Value Definition

The term "**market value**" is defined as "the most probable price in terms of money which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- A. Buyer and seller are typically motivated;
- B. Both parties are well informed or well advised, and each acting in what he/she considers his/her own best interest;
- C. A reasonable time is allowed for exposure in the open market;
- D. Payment is made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; and;
- E. The price represents a normal consideration for the property sold unaffected by special or creative financing of sales concessions gained by anyone associated with the sale." ¹

Three-Year Sale History

- None

Current Listing/Pending Contract

- None

¹ Title XI of FIRREA, 1989.

Appraisal Scope

According to the Uniform Standards of Professional Appraisal Practice, it is the appraisers responsibility to determine the appropriate scope of work. USPAP defines the scope of work as:

The amount and type of information researched and the analysis applied in an assignment. Scope of work includes, but is not limited to, the following:

- the degree to which the property is inspected or identified;
- the extent of research into physical or economic factors that could affect the property;
- the extent of data research; and
- the type and extent of analysis applied to arrive at opinions or conclusions.

SCOPE OF WORK

Appraisal Type: Appraisal Report

Property Identification and Inspection: Identified and inspected by Mike Fuller as follows:

- An inspection of the subject was made, and photographs were taken.
- Found on Map 99 Parcel 65.01;
- Warranty Deed Book 496/150
- Cumberland County Court Records.

Analysis of Physical Factors: All pertinent physical factors were analyzed.

Analysis of Economic Factors: All pertinent economic factors were analyzed.

The Extent of Data Research: I maintain a current and comprehensive database of commercial sales and listings for the East Tennessee market area. Sources of information include: MLS/Court Records; Appraiser/Broker networking.

The Type and Extent of Analysis: Market data confirmed by reliable sources.
Cost Approach: This approach is applicable, necessary and has been fully developed.

Sales Comparison Approach: This approach is applicable, necessary and has been fully developed.

Income Approach: This approach is applicable, necessary and has been fully developed.

Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of Mike Fuller. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this limited appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in Court in connection with this limited appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) our regular per diem rate plus expenses.

Area Analysis

Cumberland County is located in the southeast region of the United States where more than half of the population of the country is within a 500-mile radius. The mountains, lakes and favorable climate have attracted people and industry to the region in recent years. This migration of people and industry to the region enhances the possibility of economic expansion for Cumberland County.

It is important to acknowledge that Cumberland reflected a population increase in the 2000's of 27.5 per cent. The increase in population is due mainly the migration of retirees relocating to resort retirement communities, such as Fairfield Glade and Tansi Village. These resort retirement communities represent the middle and upper range sale prices of the residential.

The influx of retirees to Cumberland County has raised the average age and income levels of the population. This change in demographics created the establishment of new industries and businesses in the region. In return new buyers of real estate entered the market in the lower to mid range of sale prices.

This increase reflects progress in the expansion of the economic base. The county has the educational, governmental and industrial resources in place to compete for new businesses and residents seeking to locate in the region. New residential developments signify the economic climate is favorable for the growth of Cumberland County. The future growth of the county will be impacted by the regional, state and national economic trends.

Neighborhood Data

A neighborhood is defined as a group of complimentary land uses. Neighborhoods can be a variety of uses such as residential, commercial, industrial, agricultural, or a mix of these uses. Analysis of a neighborhood is important due to various economic, political, social and physical forces that can affect individual properties located within it.

General Data

The neighborhood is located in an established commercial residential area in south west Crossville City along Hwy 70. The neighborhood is classified as commercial with a surrounding residential subdivisions and the City airport facility.

Land Use Patterns

Land uses in immediate market area include new and established Highway and neighborhood service oriented businesses with various commercial and residential developments. In, general no land uses were observed that would have an adverse influence on marketability in market area.

Life Stages and Trends

The market area is in a stable stage of the life cycle with some new residential and commercial development occurring.

Conclusion:

In general, no market area factors were discovered in my investigation that would have a negative effect on marketability of subject property.

Site Data

Location:

- Located on Lake Holiday just off of Hwy 70 next the Cumberland County Play House.

Area:

- 25.25 acres with an estimated 2,000 feet of lake frontage.

Shape:

- Irregular rectangular shape with adequate depth and size for resort use.

Frontage:

- Estimated 2,000 feet of lake frontage
- Estimated 3,000 feet of city approved roads

Access:

- City maintained road with good visibility and access.

Topography: Level

Soil Conditions:

- A routine visual inspection of the site did not reveal soil or subsoil problems.

Flood Data:

- The subject property is located in an area mapped by the Federal Emergency Management Agency (FEMA). The property is not in a flood hazard zone.

FEMA Map Number: 47035 C 0305D

FEMA Map Date: 11/16/2007

FEMA Zone Classification: X

Drainage:

- Adequate

Utilities:

- Utilities available to site include water, sewer, gas, electrical, cable and telephone.

Zoning:

- The City of Crossville has current zoning authority over subject property. The zoning classification of this property is C-2; Commercial – General use.

Easements:

- No easements or encroachments were observed upon routine inspection however a survey would be necessary to prove none exist.

Site Improvements:

- Asphalt parking area at front, rear and sides; Pool area.

Summary:

This appraisal report estimates the current improvements consume an estimated 10 acres along the lakefront. The remaining acreage of 13.25 acres has potential for future development due to legally permissible use, good access and topography. This acreage is deemed excess land. The value of the excess land is estimated and follows the indicated value of each approach thru – out this report

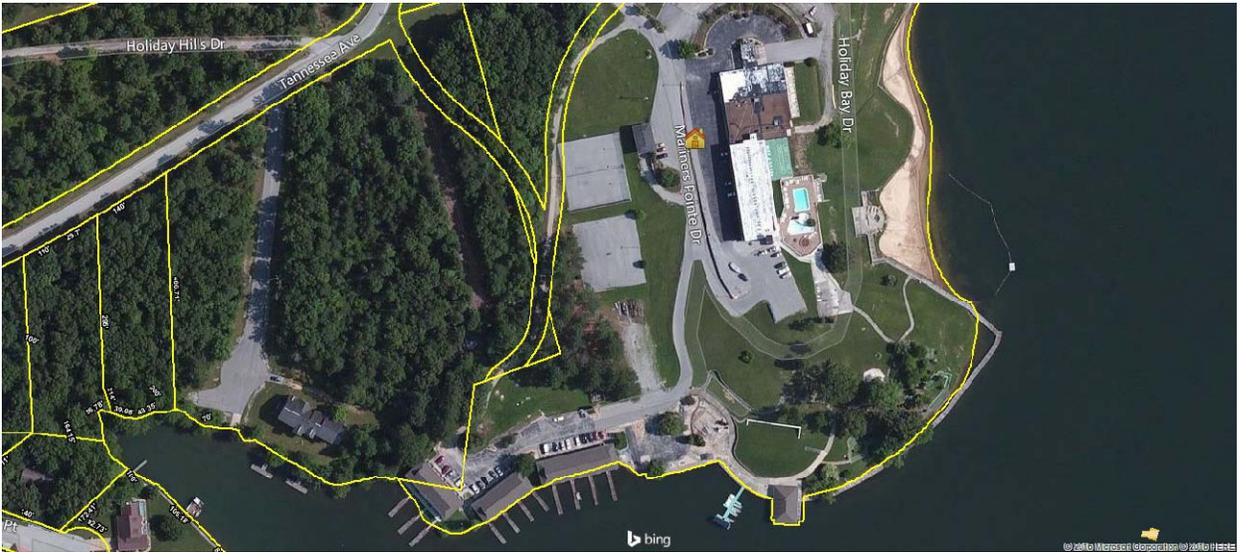
Disclosure of Excess Land

Excess Land. “ In regard to an improved site, the land not needed to serve or support the existing improvements. In regard to a vacant site or a site considered as though vacant, the land not needed to accommodate the site’s primary highest and best use. Such land may be separated from the larger site and have its own highest and best use, or it may allow for future expansion of the existing or anticipated improvements.”

(Source: *The Dictionary of Real Estate Appraisal*, Third Edition, Appraisal Institute, Chicago, Illinois, 1993, pages 125,126)

Therefore, subject site’s excess land is available for future expansion of improvement or development when deemed financially feasible.

Site Plan



Improvement Data

Condominium Building steel frame construction of a 3 story and 20,286 square feet

The 27 condo units - the break down is as follows:

- Built in 1968; renovated in 2012 and 2014
- 24 one bedroom units with living room, kitchen, dining room, bathroom and bedroom with double beds,
- 3 combo units
- Each room includes wall-to-wall carpeting with tile, painted sheetrock walls and sprayed ceilings.
- HVAC system for each room.
- Each bathroom includes one water closet, bath tub with showerhead and dressing area with one lavatory and granite vanity area.
- Furniture and flat screen television in each room.

Townhouse Buildings with a total of 23, 720 square feet

- 20 two bedroom townhouse units with 1,186 square feet
- Built in 1986; Renovated in 2012
- Units have a living room, kitchen, dining room, 1.5 bathrooms and 2 bedroom with double beds,
- Furniture and flat screen television in each room.

Clubhouse/ office Building with 12,545 square feet

- Offices, Lounge, Activity and Fitness Center
- Built in 1965; Renovated in 2012
- Steel frame construction with vaulted T&G ceilings, Stone fireplaces. Quality of construction is rated good.
- Total square footage is estimated at 11,718 square feet.

Site Improvements

- Pool, children's pool and hot tub with concrete decking parking to surround
- Beach area
- Marina with boat 16 boat slips
- Miniature golf course
- Laundry and store building
- Asphalt parking areas with good circulation of traffic.
- Security Lighting
- Signage and Landscaping, fenced and landscaping.

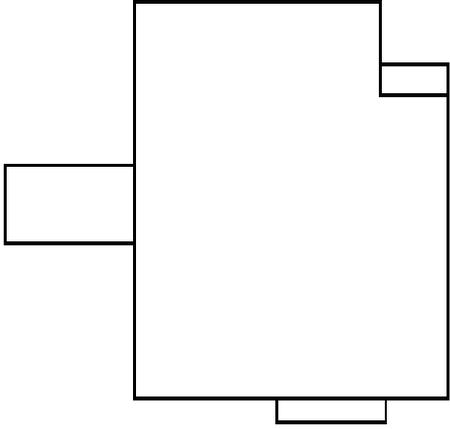
Condition

- Condition of improvements is rated good due to proper maintenance level thru the years along with recent renovations noted..
- No functional or external obsolescence were noted in plans and specs submitted.

Age

An economic life of 60 years for hotel buildings per Marshall- Swift cost Book and will be used to establish depreciation.

Improvements Plan



Clubhouse / condo building

Subject Photographs



Condo building



Clubhouse/ office/ activity center



Townhouse units



Townhouse Deck and dock



Pools with lake view



Marina/Laundry Building
Boat slips and ramp.



Miniature golf course



Store bldg

Highest and Best Use

Highest and best use may be defined as

the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.²

- **Permissible Use.** What uses are permitted by zoning and other legal restrictions?
 - **Possible Use.** To what use is the site physically adaptable?
 - **Feasible Use.** Which possible and permissible use will produce any net return to the owner of the site?
 - **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use as if Vacant

- Subject site encompasses 25.25 acres with rectangular shape on a lake fronted site.
- The topography is level with road grade creating good access and visibility. The site is sufficient in size, shape and depth to accommodate a variety of uses. Surrounding land uses are predominately commercial and medical use properties. Considering the visibility and accessibility of site and its location the most appropriate use is commercial/motel/hotel.
- **Permissible Use.** Site is zoned C-2, commercial – general use conforms to all legal land use regulations per routine inspection.
- **Possible Use/Financially Feasible.** The subject is located in a commercial/residential use district. As such, the site is a good candidate for commercial development, as is evidenced by current improvements. However, based on research of local market, only build to suite development is feasible at this time
- **Maximally Productive Use, As If Vacant.** Based on the uses of subject site the have been determined to be physically possible, legally permissible and financially feasible, I conclude that the maximally productive use of site, as if vacant is for build to suit development of a resort facility.

Highest and Best Use As Improved

The proposed improvements of a good quality motel/hotel building would provide a rate of return high enough to justify the cost of construction. Therefore the proposed use of the property as a resort/motel/hotel facility is the highest and best use of subject property as improved..

² *The Appraisal of Real Estate* 11th Edition, Page 297, Appraisal Institute

Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

- The Cost Approach
- The Income Approach
- The Sales Comparison Approach

The **Cost Approach** is summarized as follows:

$$\begin{array}{r} \text{Cost New} \\ - \text{ Depreciation} \\ + \text{ Land Value} \\ \hline = \text{ Value} \end{array}$$

The **Income Approach** converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounted process.

The **Sales Comparison Approach** compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

The appraisal process concludes with the **Final Reconciliation** of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others. This appraisal includes the following:

- Cost Approach: This approach is applicable, necessary and has been fully developed.
- Sales Comparison Approach: This approach is applicable, necessary and has been fully developed.
- Income Approach: This approach is applicable, necessary and has been fully developed.

Cost Approach

The Cost Approach is based on the principle of substitution - that a prudent and rational person would pay no more for a property than the cost to construct a similar and competitive property, assuming no undue delay in the process. The Cost Approach tends to set the upper limit of value before depreciation is considered. The applied process is as follows:

1. Estimate the land value according to its Highest and Best Use. We have used the Sales Comparison Approach; the process is as follows:
 - Comparable sales, contracts for sale and current offerings are researched and documented.
 - Each comparable is analyzed and adjusted to equate with the subject property.
 - The value indication of each comparable is analyzed and the data reconciled for a land value indication.
2. Estimate the replacement cost of the building and site improvements.
3. Estimate the physical, functional and/or external depreciation accrued to the improvements.
4. Sum the depreciated value of the improvements with the value of the land for an indication of value.

Land Value

The subject's land value has been developed via the sales comparison approach. I have researched and analyzed lakefront site sales in the Crossville market area. These comparables are detailed on the following page, followed by an analysis grid, analysis narrative and value conclusion.

Comparable 1	
Property Type: Land Location: Firetower Lane; Lot 1; Crossville Map/Lot: 76/20.01 Grantor: Stone Grantee: N/A Deed: Warranty Book/Page: NA Property Rights: Fee Simple	Date: 6/12/2015 Sale Price: \$220,000 Price Per Acre: \$43,478.26 Financing: Conventional Marketing Time: 217 days Data Source: MLS records Other Identifier: Realtor
Site Data	
Site Size (Acres): 5.06 Usable Site Size (Acres): 5.06 Lake Frontage: 220 Utilities: City Water, Site Septic	Site Topography: Level to Moderate Slopes Zoning: Residential Other:
Improvement Data	
Improvements: Gross Building Area (SF): 1 Net Leasable Area (SF): 1 Year Built: Condition:	Number of Units: Additional Buildings: Other Improvements:
Cash Flow	Rates & Ratios
Gross Income: \$1 Vacancy & Collection Loss: \$0 Other Income: \$0 Effective Gross Income: \$1 Expenses: \$1 Net Operating Income: \$0	Capitalization Rate: 0.00% Gross Income Multiplier: 220,000.0 Effective Gross Income Multiplier: 220,000.0 Expense Ratio: 100%
Images	
	
Notes	
<p>Sale is a small acreage lakefront tract sold north east of Crossville City on Firetower Road.</p>	
© Value Software - www.atvalue.com	

Comparable 2	
Property Type: Land Location: 43 Madeline Crt; Fairfield Glade Map/Lot: 53MD/37.00 Grantor: Pociask Grantee: NA Deed: Warranty Book/Page: 825230 Property Rights: Fee Simple	Date: 8/8/2015 Sale Price: \$260,000 Price Per Acre: \$260,000.00 Financing: Cash Marketing Time: 204 days Data Source: MLS records Other Identifier: Realtor
Site Data	
Site Size (Acres): 1.00 Usable Site Size (Acres): 1.00 Road Frontage: 107 Utilities: City Water, Site Septic	Site Topography: Level to Moderate Slopes Zoning: Residential Other:
Improvement Data	
Improvements: Gross Building Area (SF): 1 Net Leasable Area (SF): 1 Year Built: Condition:	Number of Units: Additional Buildings: Other Improvements:
Images	
	
Notes	
<p>Sale is a lakefront site sold in Fairfield Glade Resort in Crossville.</p>	
© Value Software – www.atvalue.com	

Comparable 3	
Property Type: Land Location: Firetower Rd; Lot 5 Crossville Map/Lot: 76/20.05 Grantor: Stone Grantee: NA Deed: Warranty Book/Page: 892585 Property Rights: Fee Simple	Date: 10/17/2015 Sale Price: \$185,000 Price Per Acre: \$37,000.00 Financing: Owner Marketing Time: 98 days Data Source: MLS records Other Identifier: Realtor
Site Data	
Site Size (Acres): 5.00 Usable Site Size (Acres): 5.00 Road Frontage: 150 Utilities: City Water, Site Septic	Site Topography: Level to Moderate Slopes Zoning: Residential Other:
Improvement Data	
Improvements: Gross Building Area (SF): 1 Net Leasable Area (SF): 1 Year Built: Condition:	Number of Units: Additional Buildings: Other Improvements:
Images	
	
Notes	
<p>Sale is a small acreage lakefront site sold north east of Crossville City on Firetower Rd.</p>	
© Value Software – www.atvalue.com	

Comparable 4	
Property Type: Land Location: 18 Milnor Trl; Fairfield Glade Map/Lot: 54IA/30.00 Grantor: King Grantee: NA Deed: Warranty Book/Page: 860902 Property Rights:	Date: 7/31/2014 Sale Price: \$145,000 Price Per Acre: \$161,111.11 Financing: Conventional Marketing Time: 220 days Data Source: MLS records Other Identifier: Realtor
Site Data	
Site Size (Acres): 0.90 Usable Site Size (Acres): 0.90 Road Frontage: 150 Utilities: City Water and Sewer	Site Topography: Level to Moderate Slopes Zoning: Residential Other:
Improvement Data	
Improvements: Gross Building Area (SF): 1 Net Leasable Area (SF): 1 Year Built: Condition:	Number of Units: Additional Buildings: Other Improvements:
Images	
	
Notes	
<p>Sale is a back of cove lakefront site sold in the resort community of Fairfield Glade.</p>	
© Value Software – www.atvalue.com	

Analysis Grid

The above sales have been analyzed and compared with the subject property. I have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Economic Trends (time)
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Analyst: Mike Fuller		Sales Analysis Grid				
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	
Address	Mariner's Pointe Resort; Crossville	Firetower Lane; Lot 1; Crossville	43 Madeline Crt; Fairfield Glade	Firetower Rd; Lot 5 Crossville	18 Milnor Trl; Fairfield Glade	
Sale Date	N/A	6/12/2015	8/8/2015	10/17/2015	7/31/2014	
Sale Price	N/A	\$220,000	\$260,000	\$185,000	\$145,000	
Sale Price/Acre	N/A	\$43,478	\$260,000	\$37,000	\$161,111.11	
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	
% Adjustment		0.00%	0.00%	0.00%	0.00%	
Financing	NA	Conventional	Cash	Owner	Conventional	
% Adjustment		0.00%	0.00%	0.00%	0.00%	
Conditions of Sale	NA	Normal	Normal	Normal	Normal	
% Adjustment		0.00%	0.00%	0.00%	0.00%	
Economic Trends	12/10/2015	6/12/2015	8/8/2015	10/17/2015	7/31/2014	
% Adjustment	0.00%	0.00%	0.00%	0.00%	0.00%	
Adjusted Price		\$43,478	\$260,000	\$37,000	\$161,111.11	
Location Comparison	Lakefront Resort	Rural lakefront Comparable	Lake front resort Comparable	Rural Lake front Inferior	Lakefront Resort Comparable	
% Adjustment		5.0%	0.0%	5.0%	0.0%	
\$ Adjustment		\$2,174	\$0	\$1,850	\$0.00	
Site Size (Acres) Comparison	25.25	5.06 Smaller	1 Smaller	5 Smaller	0.9 Smaller	
% Adjustment		0.0%	0.0%	0.0%	0.0%	
\$ Adjustment		\$0	\$0	\$0	\$0.00	
Lake Frontage Comparison	2000	220 Smaller	107 Smaller	150 Smaller	150 Smaller	
% Adjustment		5.0%	5.0%	5.0%	5.0%	
\$ Adjustment		\$2,174	\$13,000	\$1,850	\$8,055.56	
Site Topography Comparison	Gently to the lake	Level to Moderate Slopes	Moderate to Steep Slopes	Level to Moderate Slopes	Level to Moderate Slopes	
% Adjustment		0.0%	0.0%	0.0%	0.0%	
\$ Adjustment		\$0	\$0	\$0	\$0.00	
Utilities Comparison	City water/ sewer	City Water, Site Septic Inferior	City Water and Sewer Comparable	City Water, Site Septic Inferior	City Water and Sewer Comparable	
% Adjustment		10.0%	0.0%	10.0%	0.0%	
\$ Adjustment		\$4,348	\$0	\$3,700	\$0.00	
Final Adjusted Price		\$52,174	\$273,000	\$44,400	\$169,166.67	
Net Adjustments		\$8,696	\$13,000	\$7,400	\$8,055.56	
Weighting, 1-10		\$10	10	10	10	
Weighted Average		\$134,685				
Average		\$134,685				
Reconciled Value		\$ 200,000 per acre for 10 acrelake front site. \$ 45,000 per acre for				

Adjustment Notes

Lake influenced site sales have been analyzed and compared with the subject site. The unit of measurement for site sales used in the local market is \$ per acre.

Conditions of Sale

Sales represent normal conditions with no concessions paid.

Location

Buyer's in this market pay more for a lake front locations.

Reconciliation of Commercial Site Sales

All sales are lake influenced sales in sites sold in the Crossville market area in the last year.

Adjusted sales prices formed a wide range from \$ 42,000 per acre to \$ 273,000 per acre.

Sales 1 and 3 are recent sales of small acreage lakefront tracts located in a rural area.

Sales were adjusted upward for rural location and utilities. These sales were selected for comparison for subject's excess land

Sale 2 is a lake front site in Fairfield Glade Resort with long views similar to subject's views.

Sale 4 is a lake front site in Fairfield Glade Resort but has a cove view so subject's views are superior.

Sales 2 and 4 represent lakefront sales in a resort and are deemed most reliable the subject property 10 acres of lake front site.

Site Value Calculation Unit of Measurement - \$ per acre

10.00 acres improved lake front site x \$ 200,000 per acre = \$ 2,000,000

15.25 acres of Excess land x \$ 45,000 per acre = \$ 686,250 say \$ 700,000

Final indicated value of total site is \$ 2,700,000.00

Land Value Conclusion

Based on the above analysis, I have reconciled to a site value of **\$ 2,700,000**, as of August 10, 2014, and subject to the Limiting Conditions and Assumptions of this appraisal.

Cost Analysis

The next step in the Cost Approach is to estimate the replacement cost of the buildings and site improvements. The replacement cost of the subject site and building improvements are based on Marshall and Swift Valuation Service, a nationally recognized cost service. Construction costs are compiled on a national basis and adjusted for time and location through use of multipliers. Where appropriate, we have used local cost data to supplement the Marshall and Swift data.

The current cost new is estimated by the calculator cost method from Marshall Valuation Service Section 12, page 9. The type of building is classified as Hotels, class C-average.

Reproduction Cost New -RCN	\$ 68.82
Current Cost Multiplier	X 1.05
Local Multiplier	<u>X 0.94</u>
Adjusted Reproduction Cost New	\$ 67.93

Soft Costs

Where appropriate, I have included the following soft costs:

Engineering

Engineering has been applied at 2% of building costs.

Architectural

Architectural has been applied at 5% of building costs.

Permits and Legal

\$ 3,500

Contingency

This has been applied at 3% of project costs.

Developer's Profit

This factor reflects the profit necessary for the developer to undertake the management, responsibility and risks of construction associated with the subject property. Current valuation theory states that the four components that create value are land, labor, capital and coordination. Developer's profit as used in the Cost Approach reflects the coordination component of value. Typically, developer's profit runs 6% to 15%; we have computed developer's profit at 8% of construction costs.

Additional Cost Factors

FF&E estimated at \$ 330,000

Depreciation Analysis

Depreciation may be defined as any loss of value from any cause. There are three general areas of depreciation: physical deterioration, functional obsolescence and external obsolescence. Depreciation may be curable or incurable, the test being that money spent to cure the depreciation be gained in value. If the depreciation costs more to fix than will be gained in value, then the depreciation is considered incurable.

Physical Deterioration

This results from deterioration from aging and use. This type of depreciation may be curable or incurable.

Functional Obsolescence

This results from a lack of utility or desirability due to design or market perception of the improvements. This type of depreciation may be curable or incurable.

External Obsolescence

This is due to circumstances outside the property itself, such as industry, demographic and economic conditions or an undesirable proximate use. This type of depreciation is rarely curable.

Depreciation Accrued To The Subject

- Effective age is estimated at 10 years based on recent renovation and good maintenance levels thru the years.
- The economic life of building type is 60 years.
-

Cost Analysis				
Building Improvements		Cost Section 1 of 1		
Item	Unit Type	Cost	Quantity	Total
Motel Buildings	Sq. Ft.	\$67.93	20,286	\$1,378,028
Club house Activity Center	Sq. Ft.	\$62.46	12,454	\$777,877
Canopy/Walk ways	Lump Sum	\$36,000.00	1	\$36,000
Store/ laundry bldg	Sq. Ft.	\$1,492.00	70	\$104,783
20 Townhouse unit with 1,186 sf	Sq. Ft.	\$65.32	23,720	\$1,549,390
Townhouse decks and dock	Lump Sum	\$5,000.00	20	\$100,000
				\$0
				\$0
				\$0
				\$0
Total Building Improvement Costs				\$3,946,078
Site Improvements				
Item	Unit Type	Cost	Quantity	Total
Marina w boat slips	Lump Sum	\$60,000.00	1	\$50,000
Swimming Pool	Lump Sum	\$90,000.00	1	\$60,000
Asphalt Paving	Lump Sum	\$125,000.00	1	\$125,000
Landscaping/Lighting	Lump Sum	\$35,000.00	1	\$35,000
Miniature golf course	Lump Sum	\$38,000.00	1	\$38,000
Total Site Improvement Costs				\$308,000
Subtotal: Building & Site Costs				\$4,254,078
Soft Costs				
Item	Percent Cost	Percent Type	Total	
Engineering	3.0%	% Building Cost	\$118,382	
Architectural	5.0%	% Building Cost	\$197,304	
Permits & Legal			\$1,500	
Leasing			\$0	
Total Soft Costs			\$317,186	
	Contingency @	3.0%	\$127,622	
	Entrepreneurial Profit	8.0%	\$340,326	
Total Cost			\$5,039,213	
Cost Allocation				
Total Building Costs			\$4,731,213	
Total Site Costs			\$308,000	
Depreciation				
Component	Effective Age	Life	Percent	Amount
Physical Depreciation: Building	10	50	20%	\$946,243
Physical Depreciation: Site	5	20	25%	\$77,000
Functional Obsolescence Building			0%	\$0
External Obsolescence Building			0%	\$0
Total Depreciation				\$1,023,243
Depreciated Value of Improvements				\$4,015,971
Other Cost Sections				
.....				\$0
.....				\$0
.....				\$0
.....				\$0
Land Value				
Land Value			\$2,000,000	
Excess Land			\$700,000	
Cost Approach Value Indication			\$6,715,971	
			Rounded	
			\$6,700,000	

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Cost Approach Conclusion

Based on the analysis detailed on the following page, I have reconciled to a cost approach value of **\$ 6,700,000**, as of December 10, 2015, subject to the Conditions and Assumptions of this appraisal.

Sales Comparison Approach

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principals of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

1. The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
2. The most pertinent data is further analyzed and the quality of the transaction is determined.
3. The most meaningful unit of value for the subject property is determined.
4. Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
5. The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

I have researched and analyzed Hotel and motel sales in the general market area. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

The contributory value of the 20 lake front townhouse units is estimated by the income approach based on market. The contributory value is added to the sales comparison approach along with the excess land.

Real Estate Sales in the Vicinity:

The commercial real estate market is active but is a build to suite market where most commercial buildings are owner occupied. Sales are limited and only a few qualified sales have occurred in recent years. Because of this the search for real estate sales has been expanded to nearby markets and extended a couple of years back.

Comparable 1	
Property Type: Lodging & Hospitality Location: 1116 Hwy 68; Sweetwater Map/Lot: N/A Grantor: Patel Grantee: Roback Deed: Warranty Book/Page: N/A Property Rights: Fee Simple	Date: 7/25/2014 Sale Price: \$2,350,000 Price Per Unit: \$33,571.43 Financing: Conventional Marketing Time: 296 days Data Source: Loopnet Other Identifier: Realtor
Site Data	
Site Size (Acres): 2.50 Usable Site Size (Acres): 2.50 Road Frontage: 225 Utilities: City Water and Sewer	Site Topography: Level Zoning: Commercial Other:
Improvement Data	
Improvements: Hotel Gross Building Area (SF): 49,000 Net Leasable Area (SF): 49,000 Year Built: 2009 Condition: Average	Number of Units: 70 Additional Buildings: None Other Improvements: Parking
Images	
	
Notes	
Sale is a 3 story Quality Inn built in 2009 that sold in Sweetwater on Hwy 68 near the I-40 interchange. Sweetwater is considered a small town market.	
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Comparable 2	
Property Type: Lodging & Hospitality Location: 1151 Jefferson Ave Map/Lot: 66/85 Grantor: SA&DS LLC Grantee: SGC, LLC Deed: Warranty Book/Page: 839/115 Property Rights: Fee Simple	Date: 9/30/2014 Sale Price: \$6,150,000 Price Per Unit: \$68,333.33 Financing: Conventional Marketing Time: SBO Data Source: Loopnet Other Identifier: Court records
Site Data	
Site Size (Acres): 1.90 Usable Site Size (Acres): 1.90 Road Frontage: 250 Utilities: City Water and Sewer	Site Topography: Level Zoning: Commercial Other:
Improvement Data	
Improvements: Hotel - Brick/Frame Gross Building Area (SF): 57,671 Net Leasable Area (SF): 57,671 Year Built: 2000 Condition: Good	Number of Units: 90 Additional Buildings: None Other Improvements: Parking
Images	
	
Notes	
<p>Sale is the Baymont Hotel in Cookeville located off I-40 on South Jefferson Ave. The building was renovated in 2013.</p>	
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Comparable 3	
Property Type: Lodging & Hospitality Location: 121 Nascar Drive; Sevierville Map/Lot: 072/155.10 Grantor: Hotel Partners Grantee: 121 Nascar LLC Deed: Warranty Book/Page: 1043/478 Property Rights: Fee Simple	Date: 3/12/2015 Sale Price: \$4,200,000 Price Per Unit: \$39,252.34 Financing: Conventional Marketing Time: 112 days Data Source: Loopnet Other Identifier: Court records
Site Data	
Site Size (Acres): 2.14 Usable Site Size (Acres): 2.14 Road Frontage: 150 Utilities: City Water and Sewer	Site Topography: Level to Moderate Slopes Zoning: Commercial Other:
Improvement Data	
Improvements: Hotel class C Gross Building Area (SF): 73,368 Net Leasable Area (SF): 76,368 Year Built: 2000 Condition: Average	Number of Units: 107 Additional Buildings: Pool Other Improvements: Parking
Images	
	
Notes	
<p>Sale is a 107 room hotel sold in Sevierville in a high traffic area of Governor's Crossing. Improvements sold in average condition. Pool and hot tubs and fitness room are only amenities.</p>	
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Comparable 4	
Property Type: Lodging & Hospitality Location: 401 Hemlock Street; Gatlinburg Map/Lot: 126E A/14.00 Grantor: Community Trust Grantee: Deeplakshmi Inc Deed: Warranty Book/Page: 2062/211 Property Rights: Fee Simple	Date: 6/25/2014 Sale Price: \$3,617,960 Price Per Unit: \$46,384.00 Financing: Conventional Marketing Time: SBO Data Source: Loopnet Other Identifier: Court records
Site Data	
Site Size (Acres): 2.89 Usable Site Size (Acres): 2.89 Road Frontage: 250 Utilities: City Water and Sewer	Site Topography: Level to Moderate Slopes Zoning: Commercial Other:
Improvement Data	
Improvements: Gross Building Area (SF): 1 Net Leasable Area (SF): 1 Year Built: 1982 Condition: Average	Number of Units: 78 Additional Buildings: None Other Improvements: Parking
Images	
	
Notes	
<p>Sale is the wildwood Inn in Gatlinburg. The property was sold by a bank after some upgrades were made.</p>	
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Analysis Grid

The above sales have been analyzed and compared with the subject property. I have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Economic Trends (time)
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Analyst: Mike Fuller		Sales Analysis Grid			
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Address	Mariner's Pointe Resort; Crossville	1116 Hwy 68; Sweetwater	1151 Jefferson Ave	121 Nascar Drive; Sevierville	401 Hemlock Street; Gatlinburg
Sale Date		7/25/2014	9/30/2014	3/12/2015	6/25/2014
Sale Price	N/A	\$2,350,000	\$6,150,000	\$4,200,000	\$3,617,960
Sale Price/Unit	N/A	\$33,571.43	\$68,333.33	\$39,252.34	\$46,384.00
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		0.00%	0.00%	0.00%	0.00%
Financing	Conventional	Conventional	Conventional	Conventional	Conventional
% Adjustment		0.00%	0.00%	0.00%	0.00%
Conditions of Sale	Normal	Normal	Normal	Normal	Strong Seller Motivation
% Adjustment		0.00%	0.00%	0.00%	20.00%
Economic Trends	12/10/2015	7/25/2014	9/30/2014	3/12/2015	6/25/2014
% Adjustment	0.00%	0.00%	0.00%	0.00%	0.00%
Adjusted Price		\$33,571.43	\$68,333.33	\$39,252.34	\$55,660.80
Location Comparison	Lake Holiday	Hwy 68 Inferior	near I-40	Sevier Superior	Sevier Superior
% Adjustment		20.0%	15.0%	-5.0%	-5.0%
\$ Adjustment		\$6,714.29	\$10,250.00	(\$1,962.62)	(\$2,783.04)
Improvements Comparison	Hotel	Hotel	Hotel	Hotel	Hotel
% Adjustment		0.0%	0.0%	0.0%	0.0%
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00
Number of Units Comparison	47	70	90	107	78
% Adjustment		0.0%	0.0%	0.0%	0.0%
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00
Year Built Comparison	1965 1982	2009 Superior	2000 Inferior	2000 Inferior	1982 Comparable
% Adjustment		-5.0%	-5.0%	-5.0%	0.0%
\$ Adjustment		(\$1,678.57)	(\$3,416.67)	(\$1,962.62)	\$0.00
Condition Comparison	Good	Average Inferior	Good Comparable	Good Comparable	Good Comparable
% Adjustment		20.0%	0.0%	0.0%	0.0%
\$ Adjustment		\$6,714.29	\$0.00	\$0.00	\$0.00
Site Size (Acres) Comparison	25.25	1.34	1.9	1.9	2.89
% Adjustment		0.0%	0.0%	0.0%	0.0%
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00
pool Comparison	Pools	None Inferior	Pool	Pool	Pool
% Adjustment		10.0%	0.0%	0.0%	0.0%
\$ Adjustment		\$3,357.14	\$0.00	\$0.00	\$0.00
Final Adjusted Price		\$48,678.57	\$75,166.67	\$35,327.10	\$52,877.76
Net Adjustments		\$15,107.14	\$6,833.33	(\$3,925.23)	(\$2,783.04)
Weighting, 1-10		10	10	10	10
Weighted Average		\$53,013			
Average		\$53,013			
Reconciled Value		\$ 50,000 per unit			

Adjustment Notes

- A unit of measurement is defined as a single thing by which quantities of the same type may be measured.
- Unit measurements of real property consist of \$ per sqft, \$ per acre, \$ per rental unit, \$ per front foot....
- The best unit of measurement for the subject property is \$ per unit.
- The \$ per unit measurement is deemed most reliable based on the variety of improvements of subject and comparable sales used.

Analysis of motel sales

Sales chosen for comparison are income producing nightly rentals and best sales available in surrounding/competing areas.

- ◆ All sales are motels sold with FF&E included in sales price and were operating when sold.
- ◆ Sales ranged from units available for nightly rent from 48 units to 107 units.
- ◆ Sales 1 is a recent sale located nearby small town market Adjusted upward for location, pool and condition.
- ◆ Sale 2 is a recent sale in Cookeville just off I-40. Adjusted upward for location; Downward for age
- ◆ Sales 3 and 4 are located in Sevier County and the sales are resort influenced. Adjusted downward for location due to Smokey Mtn Park influence.
- ◆ Sale 4 is similar in
- ◆ Adjusted sales ranged in value from \$ 35,000 per unit to \$ 75,000 per unit.
- ◆ **Marketing time for motels in this market range from 3 months to a year based on location and condition.**
- ◆ Sales 1, 3 and 4 are deemed most reliable based on age and quality of units..

Based on comparison of these sales and analysis of subject's competitive environment, indicated value by the sales comparison approach is reasonable at \$ 50,000 per unit.

27 units x \$ 50,000 per unit = \$ 1,350,000
Contributory value of the lake front townhouse units is \$ 2,000,000
Excess land value of \$ 700,000
Final indicated value of all the properties is \$ 4,050,000 Say \$ 4,000,000

Sales Comparison Approach Conclusion

Based on the above analysis, I have reconciled to a value of \$ **4,000,000**, as of December 10, 2015, and subject to the Conditions and Assumptions of this appraisal.

Income Approach

The Income Approach to value is based on the present worth of the future rights to income. This type of analysis considers the property from an investor's point of view, the basic premise being that the amount and quality of the income stream are the basis for value of the property.

Direct Capitalization Analysis

The steps involved in capitalizing the subject's net operating income are as follows:

1. Develop the subject's Potential Gross Income (PGI) through analysis of the subject's actual historic income and an analysis of competitive current market income rates.
2. Estimate and deduct vacancy and collection losses to develop the Effective Gross Income (EGI).
3. Develop and subtract operating expenses to derive the Net Operating Income (NOI).
4. Develop the appropriate capitalization rate (R_o).
5. Divide the net operating income by the capitalization rate for an estimate of value through the income approach.

Potential Gross Income (PGI)

Market Rent

In order to determine if the subject's rent is at, above or below market levels, we have researched the following rental data.

- **The subject units are in transition for interval / time share use to a weekly of monthly rental due to the changes in the timeshare industry. The income potential is based on rentals in Fairfield Glade Resort, also in Crossville**
- The monthly rate for townhouse apartment units is \$ 500 to \$ 1,200 per month.
- Lakefront units represent the high end of the range.
- If the property is properly managed it should produce a good income stream with very little vacancy.
- I have estimated the market rent for these lakefront townhouse units at \$ 800 per month.

Vacancy and Collection Loss

- Typical rate is 3%

Capitalization Rate

The capitalization rate is the factor that converts the stabilized net operating income (NOI) to a present value. It is the ratio of net income to value or sale price.

$$\text{NOI} \div \text{SALE PRICE} = \text{CAPITALIZATION RATE}$$

Band of Investment

This technique utilizes lender and real estate investor investment criteria to develop, or synthesize a capitalization rate. There are four key inputs necessary for this method:

1. The loan-to-value ratio (M)
2. The mortgage interest rate (i)
3. The loan term (n)
4. The equity cap rate or equity dividend rate (R_E)

The mortgage variables are used to build the mortgage constant (R_M), which is the total amount of the payments made in one year, expressed as a percentage of the original loan amount.

Debt Coverage Ratio Analysis

This technique develops a capitalization rate based on typical mortgage terms. There are four variables necessary for this method:

1. The loan-to-value ratio (M)
2. The mortgage interest rate (i)
3. The loan term (n)
4. The debt coverage ratio (DCR)

The debt coverage ratio is the factor by which income exceeds debt on an annual basis.

Capitalization Rate Conclusion

Capitalization Rate Calculations				
Capitalization Rate Variables				
Mortgage Interest Rate				5.00%
Loan Term				20 Years
Loan To Value Ratio				75%
Debt Coverage Ratio				1.20
Equity Dividend Rate				8.80%
Band of Investment Analysis				
Mortgage Constant		Loan Ratio		Contributions
0.079195	x	75.0%	=	5.94%
Equity Dividend Rate		Equity Ratio		
8.80%	x	25%	=	2.20%
Capitalization Rate			=	8.14%
Debt Coverage Ratio Analysis				
Debt Coverage Ratio x Loan to Value Ratio x Mortgage Constant				
1.2	x	75.0%	x	0.07919
			=	0.07128
Capitalization Rate			=	7.13%

Multi family buildings reflect a wide range of capitalization rates from 5% to 12%. Subject property market area has greater stability than others because of location, functional improvements and a balance in supply for demand so a capitalization rate at 8% is deemed reliable. Regional studies and publications also support this cap rate.

Direct capitalization is used for the income analysis so only one year of income is analyzed.

- The approach is reliable because **market rent was used** to analyze subject property, which was deemed to be within current market rent range.
- Most of the units are occupied by long time renters and are rented month to month.
- Based on these factors a DCF analysis was not warranted.

Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed.

In this appraisal, all three approaches to value were applied. Each approach has been considered separately and comparatively with each other.

Value Indications

Cost Approach	\$ 6,700,000
Sales Comparison Approach	\$ 4,000,000
Income Approach Contributory value townhouse units...	\$ 2,000,000

The Cost Approach is reflective of the current cost new improvements of subject structure plus site value and improvements. The cost approach is generally regarded as the least reliable approach to value due to the subjective way depreciation is applied. The improvements have been well maintained with some recent renovation so the effective age is considerably less than the actual age. This approach is not given much weight in final analysis.

The Sales Comparison Approach represents lower end of value range and reflected a limited number of qualified sales.

The Income Approach determined the contributory value of the lakefront townhouse units.

All approaches to value were considered in this report. The cost approach is given equal weight due to recent renovations and good general maintenance levels thru the years.. The sales comparison approach to value is given most emphasis in final analysis.

Value Conclusion

There based on the data and analyses developed in this appraisal, I have reconciled to a value estimate of \$ 5,000,000, as of December 10, 2015, subject to the Conditions and Assumptions of this appraisal.

Exposure Time

Exposure time refer to “ The time a property remains on the market. The estimated length of time the property interest being appraised would have been on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal: a retrospective estimate based upon an analysis of past events assuming a competitive and open market. 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.”

(Appraisal Standards Board of the Appraisal Foundation, Statement on Appraisal Standards # 6,” Reasonable exposure Time in Market Value Estimates,” October 1992)

Exposure times in East Tennessee typically range from six months to one year for similar properties. Therefore, the exposure time of subject property is estimated at six months to one year at or near the appraised value

Certification Statement

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.
- I have no present or contemplated future interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My experience with this type of property and knowledge of the market area allows me to competently complete this assignment.
- My analyses, opinions, and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- I have made a personal inspection of the property that is the subject of this report.
- I have not appraised this property before.
- No one provided significant professional assistance to me in the development of the conclusions contained in this report.
- The Appraiser has established sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- My value conclusion and other opinions expressed herein are not based on a requested minimum value, a specific value or approval of a loan.



Mike Fuller, SRA
State Certified General Real Estate Appraiser
CG-86

Fuller Appraisal Company
204 Country Club Road
Rockwood, TN 37854

Qualifications Of The Appraiser (2015)

Michael T. Fuller SRA

**State Certified General Real Estate Appraiser
CG-86**

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Memberships:

**SRA Designation
MAI Associate, Appraisal Institute
Member, Knoxville Board of Realtors, Cookeville Board of Realtors
Roane County and Cumberland County Chamber of Commerce**

College Education:

Bachelor of Science - Business Management

Professional and Technical Educations

- **Numerous Other Appraisal Institute Courses**

Current Employment:

Presently self-employed fee appraiser and owner of Fuller Realty Services, Inc. dba Fuller Appraisal Company, a real estate appraisal firm, since 1990.

Experience includes residential, commercial and special purpose properties.

