REAL ESTATE APPRAISAL REPORT

VACANT RESIDENTIAL LAND
50500 EIGHT MILE ROAD
NOVI (NORTHVILLE TOWNSHIP), MI 48167

Prepared for

Mr. Jeffrey A. Muck, CPRP
Parks, Recreation & Cultural Services Director
City of Novi

By

TERZO & BOLOGNA, INC.

TERZO & BOLOGNA INC.
Real Estate Counselors and Appraisers

M. Brad Beerbower, MAI
Raymond V. Bologna, MAI, CRE
Andrew J. Exline, MAI, SRA, MRICS
Kevin J. Hartman, MAI
Erick P. Landeen, MAI
Brenda D. Makarov, MAI
Susan P. Shipman, MAI
Frederick C. Terzo, MAI, CRE, FRICS

William P. Fowler, MAI
James R. Green, MAI
Stephen J. Hurst, Jr., MAI
Andrea M. Kujala, MAI
Stephen S. Wagner, MAI, SRA, AI-GRS

December 7, 2016

Mr. Jeffrey A. Muck, CPRP
Parks, Recreation & Cultural Services Director
City of Novi
45175 Ten Mile Road
Novi, Michigan 48375

RE: Vacant Residential Land
50500 Eight Mile Road
Novi (Northville Township), MI 48167

Dear Mr. Muck:

As you requested, we have performed the necessary research to provide you with a real estate appraisal report for the referenced property, based on a report date of December 7, 2016 and a valuation date of November 28, 2016.

In our opinion, this appraisal meets the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, as well as the Supplemental Standards and Ethical Rules of the Appraisal Institute. The purpose of this appraisal is to provide our opinion of the market value of the estate in fee simple subject to the conditions and limitations stated in Section 2 of this report.

38701 Seven Mile Road
Suite 140
Livonia, MI 48152

734-953-1050
FAX: 734-953-2460

www.terzo.com
Email: michquotes@terzo.com

OFFICES IN:
Indianapolis, Indiana
Detroit, Michigan
Grand Rapids, Michigan

In our opinion, the market value of the estate in fee simple as of November 28, 2016 is

THREE MILLION THREE HUNDRED TEN THOUSAND DOLLARS
($3,310,000).

This letter must remain attached to the report that follows in order for the value opinion set forth to be considered valid.

Sincerely,

Andrea M. Kujala, MAI
Certified General Appraiser – Michigan #1201006294
for Terzo & Bologna, Inc.

TABLE OF CONTENTS

PROLOGUE

SECTIONS

ANNEX

REGIONAL SETTING MAP

URBAN SETTING MAP

TERZO & BOLOGNA INC. Real Estate Counselors and Appraisers

AERIAL VIEW OF SUBJECT PROPERTY
Source: bingmaps.com, date unknown
Not to Scale; for illustration purposes only

1.0 EXECUTIVE SUMMARY

PROPERTY APPRAISED:	Vacant Residential Land 50500 Eight Mile Road Northville (Novi), MI 48167
DESCRIPTION OF PROPERTY:	Vacant parcel of residential development and in the southwest quadrant of the city of Novi, Oakland County, Michigan, with the following key characteristics: • 87 acres, per assessment records • Frontage consists of 1,476 estimated feet along Eight Mile Road and 2,626 estimated feet along the eastern property line • Rectangular in shape • Approximately 12 acres of regulated woodlands (estimated from City of Novi Woodlands Map) • Approximately 15 acres of regulated wetlands (estimated from City of Novi Wetlands Map)
ZONING:	Residential Acreage (RA) District, up to 0.8 dwelling units per acre allowed
MASTER PLAN:	Single-Family Residential at the highest density permitted by the zoning
HIGHEST & BEST USE AS IMPROVED:	Single-family residential development
INTEREST APPRAISED:	Estate in fee simple
DATE OF REPORT:	December 7, 2016
EFFECTIVE DATE OF APPRAISAL:	November 28, 2016
VALUE CONCLUSION:	$3,310,000
ASSUMPTIONS AND LIMITING CONDITIONS:	See Section 2 of this appraisal for all underlying assumptions and limiting conditions affecting the value.

2.0 INTRODUCTION

VALUATION METHODS

There are six basic procedures that can be used to value land. In markets where transactions have occurred, the sales comparison approach is recognized as the most accurate method of valuation. In this instance, since data are available, the sales comparison approach will be applied in the analysis utilizing a price per acre and price per unit method of comparison.

SCOPE OF WORK

The appraiser's scope of work comprised a comprehensive data gathering and analytical process that incorporated but was not necessarily limited to the following.

- The inspection of the property comprised conducting a brief inspection of the site to broadly determine the type of cover, topography, and determine obvious development issues. The inspection was made from Eight Mile Road and using aerial photography. Other than observable conditions, the physical description is based on information obtained on the City of Novi website and input from a City of Novi Planner.
- Obtain property data from the client, contact sources, and governmental representatives.
- Review legal restrictions relating to the subject as imposed by zoning or disclosed easements, leases, or other documents in place that may affect the subject. The appraisal function does not include researching the title or register of deeds for relevant documents. The value conclusion incorporates a value based only on the documents disclosed and reviewed.
- Obtain market and transaction data from brokers, other appraisers, secondary data sources, and in-house files. Data sources utilized for this valuation are assumed to be reliable and are accepted as such in the analysis. When possible or deemed appropriate or necessary, first-hand verification of data for accuracy was conducted.
- Analyze the above to determine how the data translates into value indications for the subject.
- Due to the scale of the subject development, research was limited to the local market.

The foregoing list represents an overview of the major items that constitute the scope of work of this appraisal. Additional items that are relevant to the definition of the appraisal scope will be found in other portions of the appraisal text, where they reference appraisal procedures or market analysis issues.

INTENDED USER AND INTENDED USE

The Client for this appraisal assignment is the City of Novi. The appraisal is intended for use by the Client to assist in formulating decisions regarding the possible acquisition of the property. This report is not intended for any other use.

TYPE AND DEFINITION OF VALUE

This report estimates the market value of the property. As used herein, the term "market value" is based on the definition generally used by agencies that regulate federally insured financial institutions in the United States.

> "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 are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
>
> - Buyer and seller are typically motivated;
> - Both parties are well informed or well advised, and acting in what they consider their own best interests;
> - A reasonable time is allowed for exposure in the open market;
> - Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
> - 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."[1]

Further, the term "as-is" market value is identified to be:

> "The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal's effective date."[2]

DEFINITION OF OTHER TERMINOLOGY

Fee Simple Estate Defined

The definition of fee simple estate according to The Dictionary of Real Estate Appraisal is as follows.

---

[1] "Interagency Appraisal and Evaluation Guidelines; Notice" - "*Federal Register* /Vol. 75, No.237 Friday, December 10, 2010/Notices" – "Appendix D-Glossary of Terms" – page 77471

[2] Ibid.

> "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."[3]

ASSUMPTIONS & LIMITING CONDITIONS

This report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description, legal matters, or title considerations. Title to the property is assumed to be clear and marketable, and it is assumed that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or market value.

2. Unless otherwise stated, no consideration is given to liens or encumbrances against the property.

3. Responsible ownership and competent property management are assumed. An analysis of owner or management effectiveness and current or anticipated actions that will affect property operations is beyond the scope of this report.

4. The information furnished by others is assumed to be reliable. However, no warranty is given for its accuracy.

5. All engineering is assumed to be correct. The plans and other illustrative material in this report are included only to assist the reader in visualizing the property and are not intended for technical purposes.

6. It is assumed that there are no hidden or unapparent conditions of the land or of the improvements that render the property more or less valuable. No responsibility is assumed for such conditions or for arranging any engineering studies that may be required to discover them.

7. Building and site inspections that have been completed as part of the appraisal process by Terzo & Bologna, Inc. are directed to broadly determining the quality of materials and finishes so that the subject property can be compared to other properties. This report therefore makes no representations as to the engineering aspects of the site improvements and buildings or of the adequacy of structural components, or electrical, HVAC, and plumbing systems, which are assumed to be in operational order.

8. It is assumed that there is and will be full compliance with all applicable federal, state, and local environmental regulations and laws.

---

[3] Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed., s.v. "fee simple estate". (Chicago: Appraisal Institute, 2015).

9. Except as noted, no evidence of hazardous material, which may or may not be present on the property, was observed upon inspection. Except as noted, Terzo & Bologna, Inc., has no knowledge of the existence of such materials on or in the property and it is assumed that the property is free of such materials. Terzo & Bologna, Inc., however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client (or any reader of this report who is contemplating some financial commitment to the property) is urged to retain an expert in this field, if desired.

10. Except as noted, it is assumed that the property is and will be in compliance with all current applicable zoning, building use regulations, and codes.

11. 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 or will be obtained or renewed for any use on which the value estimate contained in this report is based.

12. No survey of the boundaries of the property was undertaken. It is assumed that the utilization of the land and improvements will be within the boundaries or property lines of the property described and that there will be no encroachment or trespass.

13. Proposed improvements are assumed to have been completed unless otherwise stipulated. Any construction is assumed to conform to the building plans referenced in the report.

14. It is assumed that the reader or user of this report has been provided with copies of applicable building plans or underlying leases.

15. The presence of flood plain or wetland areas could affect the value of the property. It is assumed that wetland areas are not present or are minimal unless otherwise stated. Terzo & Bologna, Inc. is not qualified to detect such areas.

The report has been made with the following general limiting conditions:

1. Without the express written consent of Terzo & Bologna, Inc., neither the name of the appraiser, nor the report, nor any material contained in the report may be included in any prospectus or used in private offering memoranda, or representations in connection with the sale of securities or participation

interests to the public. Terzo & Bologna, Inc. reserves the right to deny such consent.

2. Without the express written consent of Terzo & Bologna, Inc., neither the report nor any part of it may be submitted to the Securities and Exchange Commission or to any state securities regulatory agency. Terzo & Bologna, Inc. reserves the right to deny such consent.

3. Neither all nor any part of the contents of this report, especially any conclusions as to value, the identity of Terzo & Bologna, Inc., any of its staff, or any reference to the Appraisal Institute or the MAI designation, shall be quoted or disseminated to the public through advertising, public relations media, news media, sales media, or other public means of communication without the prior written consent and approval of Terzo & Bologna, Inc., which consent Terzo & Bologna, Inc. reserves the right to deny. Further, neither the appraiser, nor Terzo & Bologna, Inc., assumes obligation, liability or accountability to any third party.

4. This report shall be considered only in its entirety. No part of this report shall be used separately or taken out of context.

5. The value estimates provided apply to the entire property under its reported highest and best use unless stated otherwise herein. Any pro ration or division of the total into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.

6. Possession of this report, or a copy thereof, does not carry with it the right of publication.

7. Terzo & Bologna, Inc. or any of its staff, by reason of this report, is not required to give further consultation, testimony, or be in attendance in court or other hearing with reference to the property unless written contractual arrangements have been made relative to such additional employment.

8. The forecasts, projections, or operating estimates contained herein are based upon current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These market conditions and forecasts are subject to material changes because of unusual or unforeseen circumstances. The estimates and opinions within the report are not, therefore, predictions or assurances as to the achievement of a particular income or profit, or that particular events will occur or that a particular price will be offered or accepted.

9. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. Terzo & Bologna, Inc. has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with

the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since Terzo & Bologna, Inc. has no direct evidence relating to this issue, it did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

10. Acceptance and/or use of this report constitutes full acceptance of the General Assumptions and Limiting Conditions as well as the Special Assumptions set forth in this report. Neither Terzo & Bologna, Inc. nor its staff assumes responsibility for any situation arising from the client's failure to become familiar with and understand these assumptions and limiting conditions.

3.0 DESCRIPTION OF PROPERTY

LEGAL & GOVERNMENTAL DATA

Owner of Record

T1N, R8E, SEC 31 E 1/2 OF SW FRC 1/4 ALSO W 7 ACRES OF SE 1/4 87 A MN549

Recent Ownership History

According to public records, there have been no transfers over the past three years. The property is not currently listed for sale. The city of Novi is considering acquiring the property, with the purpose of this appraisal to assist in determining the appropriate offer.

Tax Identification

The subject real property is identified in municipal records as tax parcel 22-31-300-003.

Legal Description

The property, as excerpted from assessment records, is legally described as:

T1N, R8E, SEC 31 E 1/2 OF SW FRC 1/4 ALSO W 7 ACRES OF SE 1/4 87 A MN549

Common Identification

The property is commonly known as:

> 50500 Eight Mile Road
> Northville, MI 48167

It is located in the city of Novi, Oakland County, Michigan, but has a Northville mailing address.

Assessed Valuation & Taxes

In Michigan, taxes are based on the assessment level multiplied by the tax rate. For existing owners, the assessment rate used is the Taxable Value (TV), which is based on the previous year's TV multiplied by an annual inflation factor that tends to constrict increase. Upon sale, however, the cap is lifted and the TV is reset to the State Equalized Value (SEV), which is supposed to represent 50 percent of the actual market value of the property. Based on the market value definition, which presupposes a sale of the property, the appraiser will estimate property taxes to a new owner. The SEV and tax rate applicable to the property are summarized below.

Real Property SEV	$827,250
Tax Rate	0.04870430
Estimated Tax Liability at Market	$40,291

There are no delinquent taxes or special assessments levied against the subject property as of the effective date of the appraisal according to the City of Novi Treasurer's online service.

DESCRIPTION OF PROPERTY

Site and Site Improvements

Site Size:	87 acres, per assessment records
Frontage:	1,476 estimated front feet along West Eight Mile Road 2,626 estimated feet along the eastern property line
Configuration:	Rectangular
Slope:	Essentially level
Woodlands:	Approximately 12 acres of regulated woodlands (estimated from City of Novi Woodlands Map)
Wetlands:	Approximately 15 acres of regulated wetlands (estimated from City of Novi Wetlands Map)
Environmental Issues:	The appraiser observed no obvious signs of environmental problems. Terzo & Bologna appraisers are not environmental analysts. The Client should retain competent counsel on these issues as it may deem appropriate. An environmentally acceptable site is presumed for valuation purposes.
FEMA Flood Hazard Rating:	Zone X; FEMA map by Interflood #26125C0608F, dated September 29, 2006
Ingress and Egress:	Vehicular access is gained from West Eight Mile Road.
Apparent Easements or Encroachments:	No unusual easements or encroachments were observed upon inspection

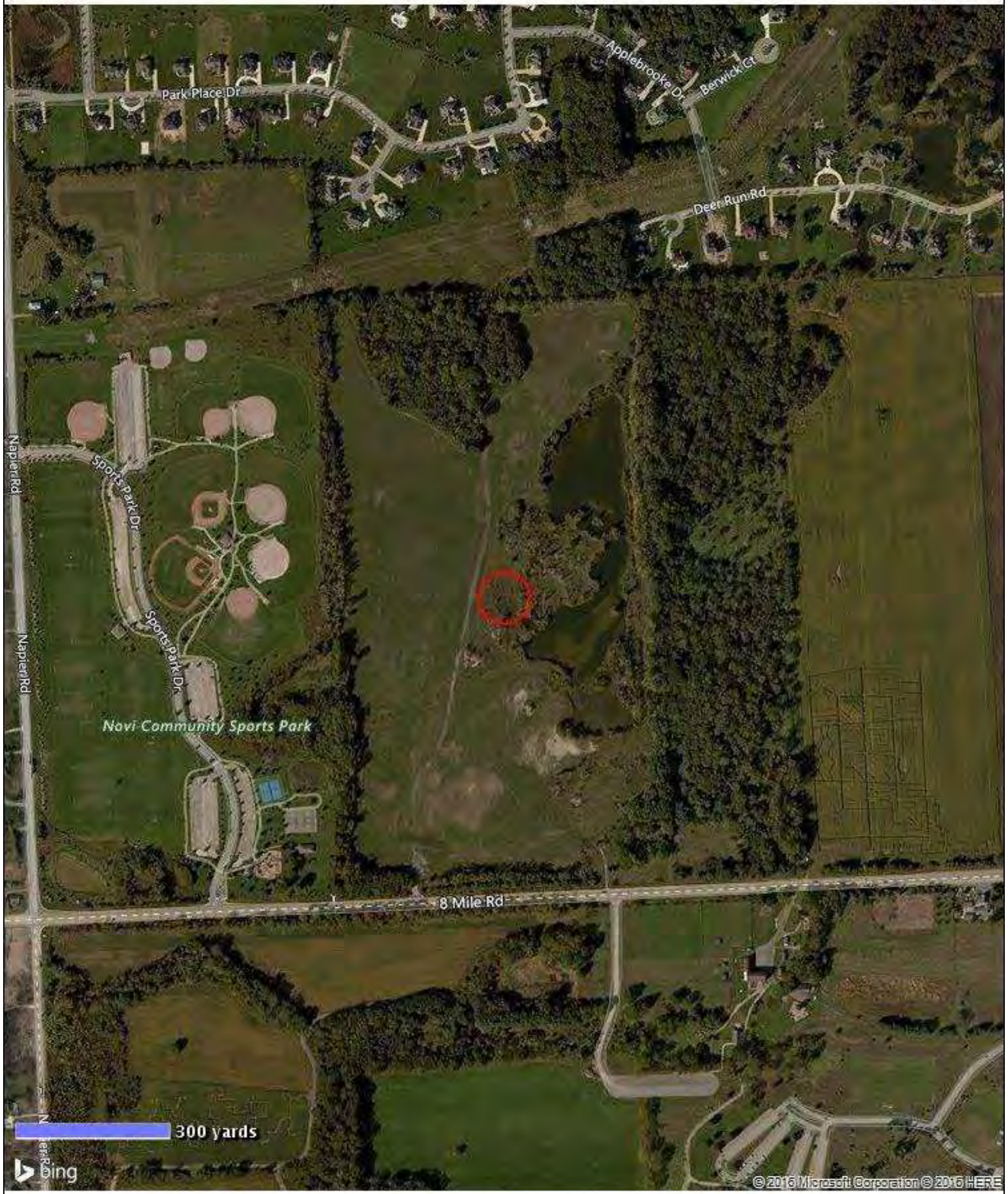
Utilities:	• Municipal water and sewer (at Garfield Road) • Electricity • Natural gas • Telephone • Cable service
Improvements to Site:	None

CITY OF NOVI WOODLANDS MAP


Eight M

InterFlood by a la mode

Prepared for: Terzo and Bologna inc
50500 8 Mile Rd
Northville, MI 48167-9313



Powered by CoreLogic©

MAP DATA

FEMA Special Flood Hazard Area: **No**
Map Number: **26125C0608F**
Zone: **X**
Map Date: **September 29, 2006**
FIPS: **26125**

MAP LEGEND

- Areas inundated by 500-year flooding
- Areas inundated by 100-year flooding
- Velocity Hazard
- Protected Areas
- Floodway
- Subject Area

FLOOD HAZARD MAP


SUBJECT
Sports Park Dr
Eight Mile Rd

VIEW OF SUBJECT LOOKING NORTH FROM EIGHT MILE ROAD

4.0 EXTERNAL FACTORS AFFECTING VALUE

OAKLAND COUNTY

Oakland County is located in Southeastern Michigan and is one of the three largest counties in Michigan. It borders Wayne County and the city of Detroit to the south, and has an area of approximately 730 square miles. The southern portion is highly urbanized and the northern portion is comprised of farms, lakes (approximately 400), and recreational parks. The county is quite affluent and is one of the most culturally influential within the Detroit-Warren-Flint CSA. It has a somewhat diversified economic base, but is still heavily reliant on the automotive industry for a significant portion of its employment.

The population of Oakland County has been increasing steadily for some time, with growth spreading outward from the older urban core in the southeastern corner of the county. Novi, Commerce Township, Oakland Township and Oxford Township have shown the largest population gains in recent years. Oakland County as a whole is estimated to have had positive population and household growth for the five three years. As shown by the table below, this growth is predicted to continue at a reasonably similar pace.

COUNTY DEMOGRAPHICS							
Oakland County	2010	2016	10-16	Annual Change	Est. 2021	Change from 2016	Annual Change
Population	1,202,362	1,245,969	43,607	0.60%	1,294,996	49,027	0.77%
Households (HH)	483,698	499,040	15,342	0.52%	523,048	24,008	0.94%
Average Persons/HH	2.46	2.45			2.43		
Median Household Income	$69,166	$80,724	$11,558	2.61%	$87,348	$6,624	1.59%

Source: EASIdemographics.com

Major expressways crisscross the southern half of the county, and provide convenient linkages to all parts of the state. Secondary highways include M-1 (Woodward Avenue), which connects Pontiac and downtown Detroit, and Pontiac Trail that becomes M-5, connecting the lake areas to I-696. While the Wayne County Detroit Metropolitan Airport provides most passenger and freight air transportation for the county, the Oakland Airport is home to numerous business aircraft and has become a focal point for development. The northern and western portions of Oakland County are without public sewer systems and development in that area relies on septic systems for waste disposal. On the whole, however, the county has adequate infrastructure and good transportation linkages.

Oakland County is one the wealthiest counties in the state. Oakland's median household income is second only to Livingston County, which is substantially smaller in terms of total population, and is thus less significant.

Although recent economic data seems to indicate that the area is improving, the rebound to pre-recession levels of the mid-2000's is not estimated to occur quickly.

The county serves as the main cultural hub of activity outside of urban Detroit and is of major importance as an employment center. Its economic and cultural prowess has helped to make it one of the strongest counties within the CSA. The overall viability of the county and its leadership position within the CSA is expected to continue for years to come.

THE CITY OF NOVI

The city of Novi is one of Detroit's most prominent northwest suburbs. Located at the confluence of I-96, I-275, and M-5, and benefitting from five major freeway exits, the city is easily accessible, a factor that has led to its historic growth for residential housing, industry, and retail development.

The city has seen continuous population growth for decades and now ranks as one of the ten most populated communities in Oakland County. Growth is projected to increase over the next five years at an even stronger pace. The chart below illustrates the latest demographics including the projections over the next five years.

DEMOGRAPHICS

City of Novi	2010	2016	Change 10-16	Annual Change	Est. 2021	Change 16-21	Annual Change
Population	55,224	57,270	2,046	0.61%	59,527	2,257	0.78%
Households (HH)	22,268	22,965	697	0.51%	24,069	1,104	0.94%
Average Persons/HH	2.46	2.48			2.46		
Median Household Income	$80,659	$94,595	$13,936	2.69%	$101,721	$7,126	1.46%

Source: EASIdemographics.com

Novi is a suburban bedroom community mainly comprised of upscale single-family housing intermixed with moderate to upscale multi-family developments. Single family land uses comprise 42.9 percent of all land uses, while 3.7 percent is utilized for multi-family housing.[4] Economically, the area is affluent with the median household income typically outpacing state and county averages. Economically, the area is affluent and residents show extraordinarily strong employment levels, with unemployment for the city well below levels of the county, metro area, and the state.

The following charts illustrate 2013, 2014, and 2015 building permit activity tracked by the Southeast Michigan Council of Governments (SEMCOG) for the metropolitan Detroit area. The left column shows the "Top 10 Communities" based on total number of building permits issued and the right the Top 10 based

[4] *City of Novi Community Profile* (p23) from City web site, February 2014.

on total number of buildings permits issued for single-family dwellings. Novi is consistently in the Top 10 for building permits issued for single-family dwellings and was in the Top 10 in 2013 for overall new permits.

2013 Top 10 Communities

Total Units Permitted

Community	County	Total
Macomb Twp	Macomb	595
Clinton Twp	Macomb	350
Shelby Twp	Macomb	330
Detroit	Wayne	314
Canton Twp	Wayne	302
Lyon Twp	Oakland	292
Pittsfield Twp	Washtenaw	288
Commerce Twp	Oakland	239
Ann Arbor	Washtenaw	231
Novi	Oakland	213

Single-Family Permits

Community	County	Total
Macomb Twp	Macomb	585
Lyon Twp	Oakland	290
Canton Twp	Wayne	258
Novi	Oakland	213
Oakland Twp	Oakland	207
Shelby Twp	Macomb	186
Commerce Twp	Oakland	157
Washington Twp	Macomb	153
Independence Twp	Oakland	151
Troy	Oakland	150

2014 Top 10 Communities

Total New Units Permitted

Community	County	Total
Detroit	Wayne	806
Macomb Twp	Macomb	455
Clinton Twp	Macomb	364
Lyon Twp	Oakland	363
Shelby Twp	Macomb	328
Orion Twp	Oakland	307
Ann Arbor	Washtenaw	297
Pittsfield Twp	Washtenaw	267
Canton Twp	Wayne	234
Oceola Twp	Livingston	230

Single-Family Homes Permitted

Community	County	Total
Macomb Twp	Macomb	389
Lyon Twp	Oakland	349
Canton Twp	Wayne	166
Orion Twp	Oakland	149
Novi	Oakland	148
Royal Oak	Oakland	129
Washington Twp	Macomb	127
Oakland Twp	Oakland	126
Troy	Oakland	113
Birmingham	Oakland	105

2015 Top 10 Communities

Total New Units Permitted

Community	County	Total
Detroit	Wayne	913
Ann Arbor	Washtenaw	405
Canton Twp	Wayne	397
Shelby Twp	Macomb	382
Lyon Twp	Oakland	375
Macomb Twp	Macomb	356
Clinton Twp	Macomb	339
Troy	Oakland	253
Washington Twp	Macomb	212
Sterling Heights	Macomb	185

Single-Family Homes Permitted

Community	County	Total
Lyon Twp	Oakland	343
Macomb Twp	Macomb	300
Canton Twp	Wayne	253
Novi	Oakland	173
Washington Twp	Macomb	146
Royal Oak	Oakland	134
Troy	Oakland	133
Oceola Twp	Livingston	124
Shelby Twp	Macomb	119
Oakland Twp	Oakland	111

The greatest concentration of non-residential development in the city of Novi is in the I-96 corridor in an area bounded by Grand River Avenue on the south and Twelve Mile Road on the north. Growth tends to emanate from the major commercial node at I-96 and Novi Road, anchored by three regional retail developments: Twelve Oaks Mall, Novi Town Center, and Fountain Walk. Significant employment opportunities are also provided by offices and industrial uses that flank the major freeway corridors with industrial uses also bordering the CSX Railway corridor that bisects the city, running in a more or less north-south direction. Most employers tend to be small to medium size firms with only four private sector businesses in the city employing 500 or more people. The largest employer in the community is the St. John/Providence Park Hospital, employing about 1,000 people. It is located at just south of the I-96/Beck Road interchange.[5]

In summary, the city of Novi is an affluent suburban bedroom community known for its regional retail concentration around the I-96-Novi Road intersection. The population base is affluent and the primary school districts are highly regarded. Since the amount of available vacant land is declining, it is reasonable to conclude that growth in the city will occur at a more modest pace than in the pre-recession years. A significant emphasis is placed on quality as well as quantity of development. The combination of these factors should ensure that, although development in Novi will undoubtedly occur in the foreseeable term, the overall quality and desirability of property within the area should continue to improve, thus resulting in long-term viability for real estate values.

NEIGHBORHOOD

The subject is located on the north side of West Eight Mile Road between Napier and Garfield Roads. The neighborhood is essentially the West Eight Mile Road Corridor between these roads. The subject is surrounded mostly by vacant land with the ITC Park to the west and the Maybury State Park to the south. The subject is located in an area that is largely unimproved to date; although, residential development is moving westward as land to the east is becoming scarcer.

The area is relatively affluent with typical home prices ranging from about $400,000 to $700,000. A good deal of the popularity of owning a home in Novi has to do with its highly regarded school district. Over the last few years, however, Northville Schools have become competitive with Novi and is generally regarded as equally desirable. (The subject lies within the Northville School District.)

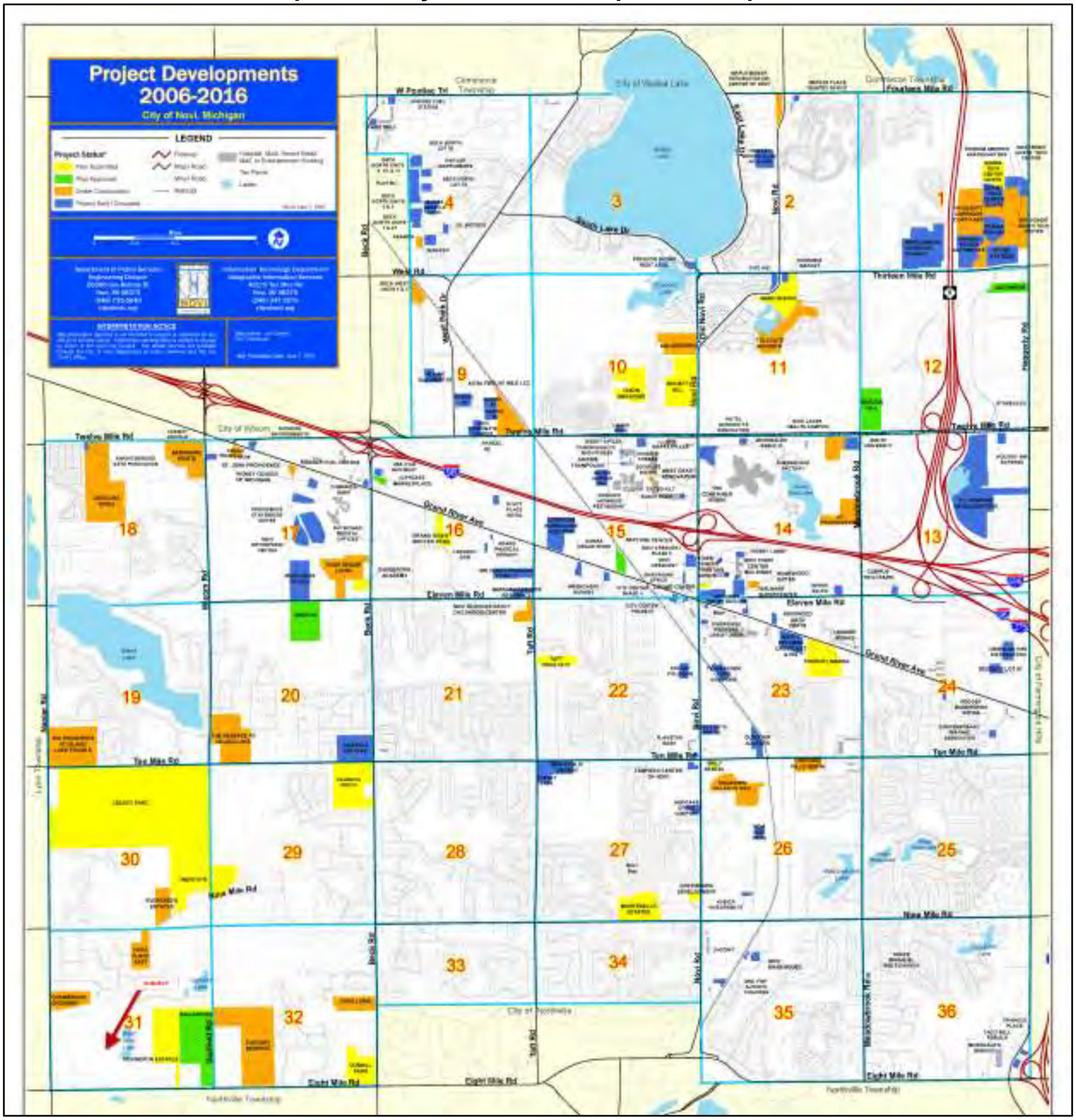
The following map is an excerpt from a map of new development projects in the city of Novi from 2006-2016. Yellow indicates a project plan has been submitted,

---

[5] Ibid.

green indicates a project plan has been approved, orange denotes projects under construction, and dark blue shows projects built/occupied. Gray areas were developed before the 2006-2016 time frame and white areas are generally vacant.

Excerpt from City of Novi Developments Map

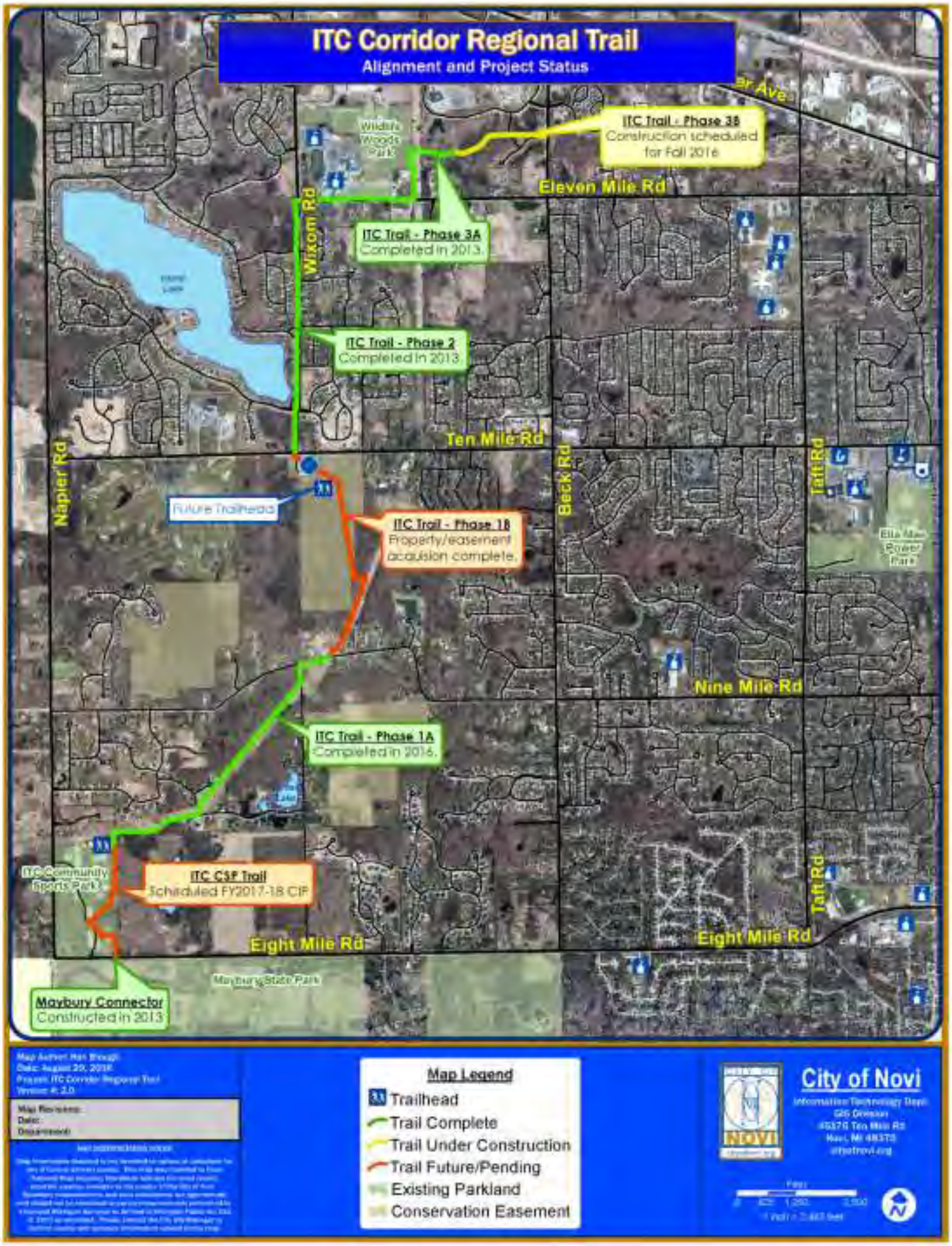


The large yellow project north of the subject labeled "Legacy Parc" bears commenting. Singh Development acquired this large parcel back in the early

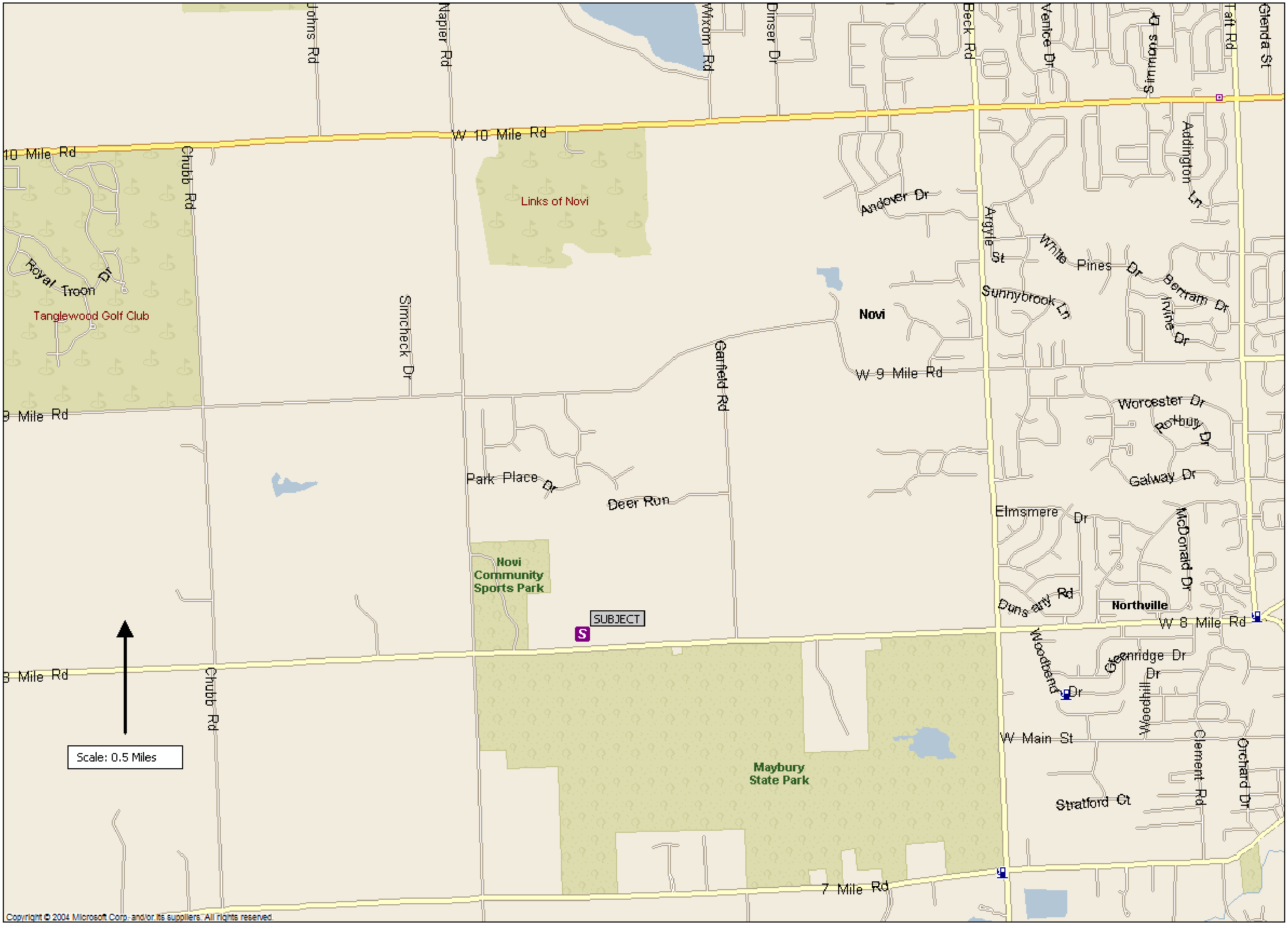
2000s and submitted a plan to develop about 97 acres of it for single-family residential use. The parcel also consists of the Links of Novi, a golf course, which Singh planned to ultimately develop for single-family use as well. But those plans were stalled due to the recession and have not been officially resubmitted. The 97-acre piece is advertised for sale on Singh's website, and noted as approved for development of 63 single-family lots with a minimum lot size of 12,000 square feet and minimum lot width of 90 feet. This parcel is the South Lyon School District, which is generally regarded as less desirable than either Novi or Northville Schools.

Another development that directly impacts the subject neighborhood is the ITC Community Sports Park located adjacent west to the subject. This is a city-owned park with ITC paying for the naming rights. ITC Park is a major recreational community facility encompassing 73 acres of land developed with sports fields for baseball, basketball and soccer, tennis courts, paved trails, open space, park shelters and picnic areas, playgrounds, and concession stands.

A high-tension electrical corridor extends from ITC Park at the northern boundary in a northeast direction to Garfield Road. These lines are to the north of the subject site and not directly abut the subject. This corridor is part of a phased plan to be developed as a non-motorized path for walking and bicycling. Some portions further north of the subject have been completed, with all phases to be completed by 2019. Following is a map illustrating the corridor trail plan. The portion directly abutting the subject is at the southwestern portion of the map and is lined in orange. Completion is scheduled by 2017-2018.


ITC Corridor Regional Trail
Alignment and Project Status
ITC Trail - Phase 3B
Construction scheduled for Fall 2016
Eleven Mile Rd
Wixom Rd
ITC Trail - Phase 3A
Completed in 2013.
ITC Trail - Phase 2
Completed in 2013
Ten Mile Rd
Napier Rd
Beck Rd
Taft Rd
Future Trailhead
ITC Trail - Phase 1B
Property/easement acquisition complete.
Nine Mile Rd
ITC Trail - Phase 1A
Completed in 2016.
ITC Community Sports Park
ITC CSP Trail
Scheduled FY2017-18 CIP
Eight Mile Rd
Maybury State Park
Maybury Connector
Constructed in 2013
Map Legend
Trailhead
Trail Complete
Trail Under Construction
Trail Future/Pending
Existing Parkland
Conservation Easement
City of Novi

In summary, Novi is an affluent suburban community that has exhibited strong growth trends which are now slowing due to lack of land availabilities. The community is attractive to home buyers for its very good school districts, easy accessibility from the I-96 expressway, good quality retail and service sector, and an abundance of public facilities available to residents by the city of Novi. Growth should continue albeit at a more moderate pace than experienced in the late 1990s through mid-2000s. There is nothing in the pipeline expected to change this for the better or worse and so Novi will continue to attract new development for as long as there is land available.



NEIGHBORHOOD MAP

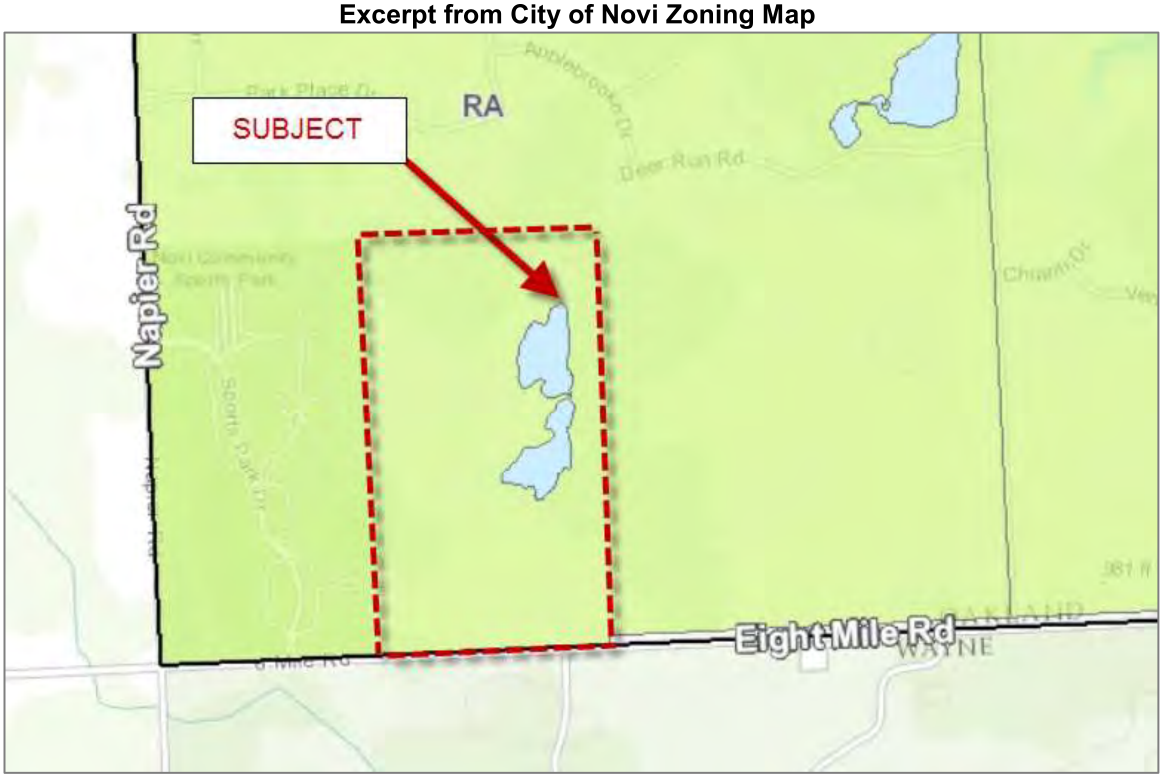
LOOKING WEST ALONG W. EIGHT MILE ROAD

LOOKING EAST ALONG W. EIGHT MILE ROAD

ZONING

Zoning Classification:	Residential Acreage (RA) District
Principal Permitted Uses:	Including but not limited to one-family dwellings, parks, and outdoor recreational facilities; for one-family dwellings, up to 0.8 units per net acre
Minimum Lot Size:	43,560 square feet (one acre)
Minimum Lot Width:	150 feet
Density/Cluster Plans:	Developers can submit development options such as a cluster plan where minimum lot size and width are reduced in exchange for open space preservation, but the maximum development density is still 0.80 units per acre.
Master Plan Designation:	"Residential" future land use designation in an area intended for maximum development density of 0.8 units per acre

Excerpt from City of Novi Zoning Map



5.0 HIGHEST & BEST USE

As defined by the Appraisal Institute, highest and best use is

> "The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value".[6]

The tests for highest and best use for the land as vacant, or for the property as improved require an analysis of all logical and feasible alternatives. These alternative uses must first meet the tests for legal permissibility and physical possibility. The tests are analyzed logically, just as potential buyers and sellers in the market would do. A development that is not logical would probably not satisfy the criterion of financial feasibility.

The subject is zoned and master planned for single-family residential development up to a maximum of 0.8 units per acre. This use is physically possible as well. The property has ample road frontage and desirable natural features that are desirable to home buyers as evidenced by lot premiums typically paid for wooded or wet views and the like. And the wetlands that exist at the subject are situated in such a way that lends itself to exploring a cluster development option that will permit smaller lot sizes and widths in exchange for setting aside open space.

Numerous factors support the financial feasibility of single-family residential development – there are 1,104 new households forecast to enter the city of Novi between 2016 and 2021, 76% of Novi households prefer to own rather than rent their housing, a high percentage of the households are affluent enough to be able to afford a new house, and building permit activity for single-family units has been consistently positive since for at least ten years and was in the "top ten" of communities throughout metropolitan Detroit in terms of permits pulled specifically for single-family units in 2013, 2014, and 2015. And while not all of the city of Novi lies within the Novi School District, most of it lies within the Novi and Northville School Districts and both districts are highly regarded.

As to maximum productivity, development to the highest possible density is the usual goal of any residential developer and in this case the maximum density permitted by the zoning and master plan would be 69 single-family units. The calculation is based on 87 acres and maximum density allowed of 0.8 units per acre. As such, the highest and best use of the subject property is single-family residential development at the maximum permitted density.

---

[6] The Appraisal Institute, The Appraisal of Real Estate, 13th Edition, Chicago, IL, 2008, pp.277-278.

6.0 VALUATION

Following is a valuation of the subject utilizing the applicable techniques as identified in Section 2.

LAND VALUATION

Selection of Comparables

Research was conducted to identify recent sales or current listings that were most similar in physical, functional and economic characteristics. The comparables that were concluded to provide the best indicators are shown on the following pages along with a map identifying their locations in relation to the subject.

TERZO & BOLOGNA, INC. MARKET DATA: LISTING OF SINGLE FAMILY LAND

Comparable #1

Property:	50250 W. Eight Mile Road Novi (Northville Schools), MI
County:	Oakland
Location:	NS of Eight Mile, E of Napier
Date of Listing:	11/2016
Seller:	George Blum, LLC

FINANCIAL DATA

Listing Price:	$500,000
Terms:	Cash.
Price/Net Square Foot:	$0.36
Price/Net Acre:	$15,883
Price/Unit:	$19,231

T&B # 8592

TERZO & BOLOGNA, INC. MARKET DATA: LISTING OF SINGLE FAMILY LAND

DESCRIPTIVE DATA

Tax Code:	50-22-31-400-001
Zoning:	RA, Residential Acreage
Number Of Units:	26
Dimensions:	Approx. 530' x 2,570'
Parcel Area:	31.48 Net Acres
Shape:	Rectangular
Cover:	Woodlands
Topography:	Generally level
Improvements:	None
Road Surface:	Paved
Utilities:	Urban
Source:	Broker/Public Records
Verified By:	AMK
Comments:	Property went under contract to Toll Brothers in in 2014 for $1,500,000, at which time a plan for 26 units had been drafted. Significant environmental issues were discovered during due diligence and the deal fell through as a result. The price was ultimately reduced to $500,000 to account for the costs associated with cleaning up the site. Utilities are available but at a distance.
Marketing Time:	Property went on the market in September 2016

TERZO & BOLOGNA, INC. MARKET DATA: SALE OF SINGLE FAMILY LAND

Comparable #2

Property:	Dunhill Park 47500 Eight Mile Road Novi, MI
County:	Oakland
Location:	NWC of Eight Mile and Beck
Date of Sale:	5/2016
Seller:	Roman Catholic Archdiocese of Detroit
Purchaser:	Hunter Pasteur Homes, LLC

FINANCIAL DATA

Effective Sale Price:	$1,500,000
Terms:	Cash
Price/Net Square Foot:	$1.48
Price/Net Acre:	$64,378
Price/Unit:	$50,000

TERZO & BOLOGNA, INC. MARKET DATA: SALE OF SINGLE FAMILY LAND

DESCRIPTIVE DATA

Tax Code:	22-32-400-013 and 014
Zoning:	R-A
Number Of Units:	30
Dimensions:	936′ on Eight Mile; 949′ on Beck
Parcel Area:	23.3 Net Acres
Shape:	Mostly rectangular
Cover:	Trees, light brush
Topography:	Level
Improvements:	None
Road Surface:	Paved
Utilities:	All available
Source:	CoStar/Public Records/Broker
Verified By:	AMK
Comments:	Property is proposed to be improved with a 30-unit, upscale single-family residential development with home prices of $800,000+. Property is located in the Novi School district. Indicated density is 1.29 units per acre. Full property address is 47500-47700 Eight Mile Road.

TERZO & BOLOGNA, INC. MARKET DATA: SALE OF SINGLE FAMILY LAND

Comparable #3

Property:	SEC of Silver Lake and Pontiac Trail Lyon Township, MI
County:	Oakland
Date of Sale:	9/2015
Seller:	Country Place 6075
Purchaser:	Lyon 62, LLC

FINANCIAL DATA

Effective Sale Price:	$1,650,000
Terms:	Cash
Price/Net Square Foot:	$0.61
Price/Net Acre:	$26,455
Price/Unit:	$22,000

TERZO & BOLOGNA, INC. MARKET DATA: SALE OF SINGLE FAMILY LAND

DESCRIPTIVE DATA

Tax Code:	21-08-100-004
Zoning:	R1.0, Single Family Residential
Number Of Units:	75
Parcel Area:	62.37 Net Acres
Shape:	Irregular
Cover:	Light brush
Topography:	Generally level
Improvements:	None
Road Surface:	Paved
Utilities:	Urban, about 0.75 miles
Source:	CoStar/Public Records/Broker
Verified By:	AMK
Comments:	As of November 2016, a conceptual plan for 75 homes has been submitted. No approvals have yet to be obtained. Indicated density based on this plan would be 1.2 units per acre.
Marketing Time:	Property went under contract in late 2013 but due diligence was lengthy.

TERZO & BOLOGNA, INC. MARKET DATA: SALE OF SINGLE FAMILY LAND

Comparable #4

Property:	Park Place South of Novi 21550 Napier Road Northville (Novi), MI
County:	Oakland
Location:	ES of Napier Rd, between 8 & 9 Mile Rds
Date of Sale:	10/2014
Seller:	Michael S. and Karen L. Konopaski
Purchaser:	Park Place South of Novi

FINANCIAL DATA

Effective Sale Price:	$600,000
Terms:	Cash
Price/Gross Square Foot:	$0.83
Price/Gross Acre:	$35,993
Price/Unit:	$46,154

T&B # 8203

TERZO & BOLOGNA, INC. MARKET DATA: SALE OF SINGLE FAMILY LAND

DESCRIPTIVE DATA

Tax Code:	22-31-100-004
Zoning:	RA, Residential
Number Of Units:	13
Parcel Area:	726,145 Gross Square Feet 16.67 Gross Acres
Shape:	Slightly irregular
Cover:	Some trees
Topography:	Essentially level
Improvements:	Residential buildings
Road Surface:	Paved
Utilities:	Well water, Sanitary Sewer
Verified By:	SPS
Comments:	The property was vacant raw land at time of same and was purchased with the intent to develop a 13-unit single-family subdivision. Northville school district. Indicated density is 0.78 units per acre.
Marketing Time:	15 months on market

TERZO & BOLOGNA, INC. MARKET DATA: SALE OF SINGLE FAMILY LAND

Comparable #5

Property:	51500 10 Mile Road Lyon Twp (South Lyon), MI
County:	Oakland
Location:	NWC of 10 Mile Rd and Napier Rd (South Lyon School District)
Date of Sale:	7/2014
Seller:	ECLT Property, LLC
Purchaser:	Hunter Pasteur Homes Rathmor, LLC

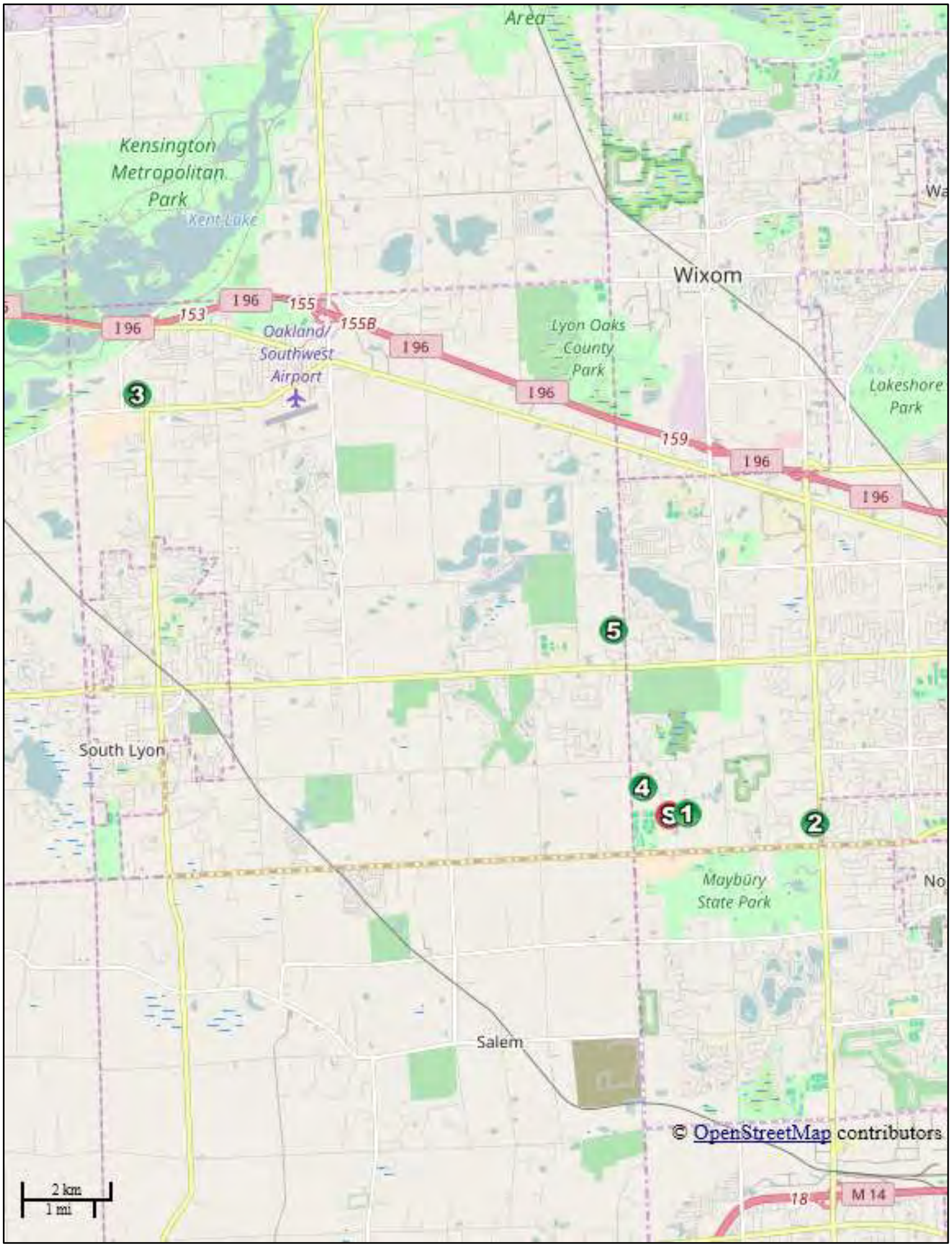
FINANCIAL DATA

Effective Sale Price:	$3,350,000
Terms:	Cash
Price/Gross Square Foot:	$0.96
Price/Gross Acre:	$41,875
Price/Unit:	$47,857

TERZO & BOLOGNA, INC. MARKET DATA: SALE OF SINGLE FAMILY LAND

DESCRIPTIVE DATA

Tax Code:	21-24-400-002
Zoning:	R-1.0 , Residential-Agricultural District
Number Of Units:	70
Parcel Area:	80 Gross Acres
Shape:	Rectangular
Cover:	Partially wooded
Topography:	Essentially level
Road Surface:	Paved
Utilities:	All available
Verified By:	SPS
Comments:	The use at time of sale was raw vacant land. After the sale, 44.3 acres were split off for the development of a 70-lot residential subdivision named StoneLeigh. The indicated density is 1.58 lots per acre. The remaining 35.7 acres remain vacant and available for future phases.


Area
Kensington
Metropolitan
Park
Kent Lake
Wixom
I 96
153
155
155B
Oakland/
Southwest
Airport
Lyon Oaks
County
Park
Lakeshore
Park
159
3
5
South Lyon
4
S
1
2
Maybury
State Park
No
Salem
© OpenStreetMap contributors
2 km
1 mi
18
M 14

Adjustments

The following analysis will rate each comparison in relation to the subject and then apply a combination of quantitative and qualitative adjustments for the differences in a comparative analysis.

Transactional adjustments must be considered first.

- Real Property Rights Conveyed – The comparables do not require adjustment as no variations in real property rights conveyed exist.

- Financing Terms - The subject is valued under the assumption of a cash sale. All comparisons sold under conditions that are cash or cash-equivalent and thus require no adjustment.

- Conditions of Sale - All comparisons are normal market transactions with no unusual motivations on the part of the buyer or seller so no adjustments are warranted.

- Expenses After Purchase - When a property requires capital input after purchase, as in the case of an improved property with structures to be demolished in order to make the site ready for development, the expenditures made by the buyer are in essence a cost of acquisition. With the exception of comparable #1, no adjustments are necessary. Comparable #1 will require significant environmental clean-up and is adjusted accordingly.

- Market Conditions - An annual appreciation rate of 5% per year is applied based on data extracted from various sources including Real Comp and a residential sales study conducted by the City of Novi Assessor's office. This rate would have been even higher one to two years ago but some of the pent-up demand in Novi has been met and the trend has smoothed out as new supply has been constructed. Still, there is considerable interest in land in the city of Novi as evidenced by market activity.

Property adjustments are the next set of adjustments to consider.

- Location - Adjustments are applied for comparables whose desirability of location varies from that of the subject. All comparables are in the city of Novi. The locations within Novi differ but all are in the desirable Novi and Northville School Districts and there are no apparent reasons to adjust for location otherwise.
- Physical Characteristics - Adjustments reflect differences in parcel size; availability of utilities; configuration and frontage; and any known topographical conditions that may restrict development.

The adjustment for size is based on the tendency in real estate unit pricing for the price per unit (in this case, that is the price per net acre) to increase as the number of units in the real estate decreases and vice versa, all else being equal. In other words, the smaller a property the higher than price per unit, and vice versa, all else being equal. All of the comparables are deemed reasonably similar with respect to road access, configuration/frontage, and topography. With respect to utilities, the subject has access to water and sewer; however, it is at a distance. The comparables have varying access to utilities and are adjusted accordingly.

- Economic Characteristics - Adjustments reflect attributes that affect income, such as tenant mix, rental concessions, operating expenses, and lease terms. There are no adjustments necessary.

- Legal Characteristics – Adjustments applied to account for potential variations in highest and best use between the subject and comparables. This adjustment compares the density of development permitted at the comparables compared to the subject property. The adjustment recognizes the market may not apply a one-on-one differential and so the density variances are discounted by 50 percent.

- Non-Realty Components – Adjustment to account for potential items such as personal property/FF&E or business value that may have been included in a sale transaction but do not constitute real property.

The following chart summarizes the comparable sales data and illustrates the adjustment process.

50500 WEST EIGHT MILE ROAD, NORTHVILLE (NOVI), MICHIGAN
LAND SALE ADJUSTMENT CHART - PRICE PER ACRE

		Comparable #1		**Comparable #2**		**Comparable #3**		**Comparable #4**		**Comparable #5**	
		50250 W. Eight Mile		**47500 Eight Mile**		**SEC of Pontiac Trail/Silver Lake**		**21550 Napier**		**51500 Ten Mile**	
	Subject	**Novi**		**Novi**		**Lyon Twp**		**Novi**		**Lyon Twp**	
Sale Price			$500,000		$1,500,000		$1,650,000		$600,000		$3,350,000
Acres - Price/Acre	87.00	31.48	$15,883	23.30	$64,378	62.37	$26,455	16.67	$35,993	80.00	$41,875
Transactional Adjustments											
Real Property Rights Conveyed	Fee Simple	Similar	0%	Similar	0%	Similar	0%	Similar	0%	Similar	0%
Adjusted Sale Price/Acre			**$15,883**		**$64,378**		**$26,455**		**$35,993**		**$41,875**
Financing Terms	Cash Equiv.	Similar	0%	Similar	0%	Similar	0%	Similar	0%	Similar	0%
Adjusted Sale Price/Acre			**$15,883**		**$64,378**		**$26,455**		**$35,993**		**$41,875**
Conditions of Sale	Market	Similar	0%	Similar	0%	Similar	0%	Similar	0%	Similar	0%
Adjusted Sale Price/Acre			**$15,883**		**$64,378**		**$26,455**		**$35,993**		**$41,875**
Expenses After Purchase	None	Similar	200%	Similar	0%	Similar	0%	Similar	0%	Similar	0%
Adjusted Sale Price/Acre			**$47,649**		**$64,378**		**$26,455**		**$35,993**		**$41,875**
Market Conditions (Date of Sale)	Nov-16	Listing	0%	May-16	3%	Sep-15	4%	Oct-14	10%	Jul-14	12%
Adjusted Sale Price/Acre			**$47,649**		**$66,309**		**$27,513**		**$39,592**		**$46,900**
Property Adjustments											
Quantitative Adjustments											
Location	Average	Similar	0%	Similar	0%	Inferior	25%	Similar	0%	Inferior	25%
Physical Characteristics											
Size	87.00	31.48	-20%	23.30	-20%	62.37	0%	16.67	-25%	80.00	0%
Road Access	Paved	Paved	0%	Paved	0%	Paved	0%	Paved	0%	Paved	0%
Config/Frontage	Average	Similar	0%	Similar	0%	Similar	0%	Similar	0%	Similar	0%
Topography	Wetland/Woodland	Similar	0%	Similar	0%	Similar	0%	Similar	0%	Similar	0%
Utilities	Urban, at a distance	Similar	0%	Superior	-10%	Similar	0%	Inferior	10%	Superior	-10%
Economic Characteristics	N/A	Similar	0%	Similar	0%	Similar	0%	Similar	0%	Similar	0%
Legal Characteristics	RA Zoning	Similar	0%	Similar	0%	Similar	0%	Similar	0%	Superior	-40%
Non-Realty Components	N/A	Similar	0%	Similar	0%	Similar	0%	Similar	0%	Similar	0%
Total Property Adjustments			**-20%**		**-30%**		**25%**		**-15%**		**-25%**
Adjusted Sale Price/Acre			**$38,119**		**$46,416**		**$34,391**		**$33,653**		**$35,175**

Before adjustment, the comparable sales indicate a range of values for the subject property from $15,883 to $64,378 per acre. After application of adjustments, the comparables show a range from $33,653 to $46,416 per acre. Comparable #1 is a notable indicator at about $38,000 per acre. This is a current listing located directly adjacent to the subject. This property recently went under contract; however, due to the discovery of significant environmental issues, the deal fell through and the price was reduced. This sale also required the least adjustment. Based on the data, with emphasis on comparable #1, a value conclusion of $38,000 per acre is supported. Valuation is as follows.

Value Indicator Based on "Price per Acre"

87	acres x	$38,000	/acre =	$3,306,000
Land Value by Sales Comparison (Rounded)				$3,310,000

As such, the market value of the subject property, effective November 28, 2016, is concluded to be

THREE MILLION THREE HUNDRED TEN THOUSAND DOLLARS ($3,310,000).

Exposure Time

The estimated value presupposes the property had been exposed on the market for a reasonable period of time. This retrospective observation is based on analysis of past events presuming a competitive and open market. The estimated value predicated on these observations presumes an exposure time of six to 12 months.

7.0 CERTIFICATION OF THE APPRAISER

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 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*.

- I have made a personal inspection of the property that is the subject of this report.

- no one provided significant real property appraisal assistance to the person signing this certification.

– The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and 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, and is subject to review by governing State agencies.

- as of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.

- to the best of my knowledge, neither I, nor Terzo & Bologna, Inc., has performed any services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

- in Michigan, appraisers are required to be licensed and are regulated by the Michigan Department of Licensing and Regulatory Affairs, P.O. Box 30018, Lansing, Michigan 48909.

Andrea M. Kujala

Andrea M. Kujala, MAI
Certified General Appraiser – Michigan #1201006294

ANNEX

APPRAISER LICENSE
INTRODUCTION TO TERZO & BOLOGNA, INC.
QUALIFICATIONS OF THE APPRAISER

RICK SNYDER
GOVERNOR

L850460

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

CERTIFIED GENERAL APPRAISER
LICENSE

ANDREA M KUJALA
TERZO & BOLOGNA INC
38701 SEVEN MILE RD - STE 140
LIVONIA MI 48152

PERMANENT I.D. NO.	EXPIRATION DATE	AUDIT NO
1201006294	07/31/2017	2947676

THIS DOCUMENT IS DULY ISSUED UNDER THE LAWS OF THE STATE OF MICHIGAN

• INTRODUCTION TO TERZO & BOLOGNA, INC.

Terzo & Bologna, Inc., is a real estate consulting group with offices in Indiana and Michigan that specializes in analysis of commercial properties throughout the Midwest. The firm has a well-established reputation and is recognized for its ability to resolve complex valuation issues in an objective and impartial manner.

The primary goal of Terzo & Bologna, Inc., is to build long-term relationships by providing high quality real estate analysis that is timely and of value to its clients.

• PROBLEM SOLVING IS OUR STRENGTH

The success of any real estate analysis rests on knowledge of local markets.

No two properties are alike. Each presents its own unique challenge to analysis. Similarly, client objectives are not all alike. Some clients require analysis leading to property valuation; others require analysis directed to specific investment or disposition strategy.

The firm considers the uniqueness of each property and assignment in providing services that are responsive to the specific needs of the client. No matter how intricate the real estate problem, Terzo & Bologna, Inc., has the experience to solve it.

• STAFF APPRAISERS AND COUNSELORS

Well-educated and experienced professionals form the backbone of the firm. Staff appraisers and counselors have established backgrounds in a wide range of real estate related fields such as finance, mortgage banking, city planning, brokerage, construction management and property management. Each is involved in a continuing education program. The multiple perspectives provided by this professional diversity enhance the quality of the analysis that is provided to each client.

Services are provided in accordance with the ethics and standards established by the Appraisal Institute and the Counselors of Real Estate. Services are unbiased, knowledgeable and confidential. Professional affiliations held by individual members of the staff include:

* Appraisal Institute
* Counselors of Real Estate
* Royal Institution of Chartered Surveyors

Staff members of Terzo & Bologna, Inc., are currently licensed in the following states.

Indiana
Michigan
Ohio
Illinois
Kentucky

Licensure in other states can be obtained at the client's request.

QUALIFICATIONS OF THE APPRAISER

ANDREA M. KUJALA

Andrea M. Kujala is a senior appraiser with Terzo & Bologna, Inc. and has provided real estate appraisal and consulting services with the firm since 1997. She graduated from the University of Central Florida with a Bachelor of Science degree in Business Administration with a concentration in marketing.

Her professional work encompasses market research, analysis, and appraisal assignments for multi-family, subdivision, industrial, general commercial, and general office. In addition to work for typical real estate properties, Ms. Kujala has extensive experience with going-concern valuation of special use properties, including ice skating arenas and health clubs.

Although experienced in a vast array of commercial product types, she specializes in multi-family housing. She is part of the multi-family division of Terzo & Bologna, Inc. and has provided comprehensive multi-family counseling and appraisal services. Her many years of multi-family experience have provided proficiency in every imaginable arena of this sector, including existing and proposed market-rate housing, subsidized and LIHTC properties, student housing, and senior independent living facilities. Her extensive experience makes her highly qualified to handle multi-family analyses in all forms whether Fannie Mae, Freddie Mac, HUD, institutional or traditional reporting methods are required.

Ms. Kujala has served local, national, institutional, and governmental clients and her extensive professional services include appraisal services for special assets/foreclosure, financing, estate purposes, ad valorem taxation, condemnation, bankruptcy, and asset management, as well as counseling services for acquisition/disposition and market and feasibility studies. In addition, she has provided counseling to assist in determining property rent potential, and has assisted developers with strategies to maximize development schemes and unit mix on proposed developments.

Ms. Kujala has been licensed as a Certified General Real Estate Appraiser in Michigan (#1201006294) since 2000. She is also affiliated with the Appraisal Institute from which she holds the MAI designation.