APPRAISAL OF:

1.75 Acre Industrial Lot
West side of Venture Drive
North of Nine Mile Road
Novi, Oakland County, MI

DATE OF VALUATION:

April 14, 2020

APPRAISED FOR:

Mr. Ben Donaldson
Hickory Associates, LP
34124 Freedom Rd
Farmington Hills, MI 48335

PREPARED BY:

Wieme, Rende & Associates, P.C.
560 Kirts Boulevard, Suite 107
Troy, MI 48084

Wieme, Rende & Assoc. P.C.
560 Kirts Boulevard, Suite 107, Troy, Michigan 48084 • (248) 649-3925 • Fax (248) 649-6816
Donald D. Wieme, MAI, SRA
Michael Rende, MAI

April 16, 2020

Mr. Ben Donaldson
Hickory Associates, LP
34124 Freedom Rd
Farmington Hills, MI 48335

RE: Appraisal of 1.75 acre industrial zoned lot located on the west side of Venture Drive, north of 9 Mile Road, Novi, Oakland County, MI

Dear Mr. Donaldson:

As requested, we have prepared an appraisal of the above captioned property. We have inspected the property and made careful and thorough investigations and analyses pertinent to the estimate of fair market value for the property. The accompanying report describes, in detail, the method of the analysis and includes data gathered in our investigation. The valuation is subject to the General Assumptions and Limiting Conditions contained in the report.

This is an appraisal report that is intended to comply with the reporting requirements set forth under Standards Rule Two of the Uniform Standards of Professional Appraisal Practice for an appraisal report. As such, it describes the reasoning, and analyses that were used in the appraisal process to develop the appraisers' opinion of value. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated within the report. The appraisers are not responsible for unauthorized use of this report.

We have no direct or indirect interest, financial or otherwise, in the subject property, past, present, or contemplated. We have no personal interest or bias with respect to the parties involved in the transaction. Neither our employment nor our fee is dependent upon the value estimate concluded herein.

The value estimate contained within this report applies only to the real estate. The subject property has no significant natural, cultural, recreational, or scientific value. We have assumed no responsibility for matters legal in nature, nor have we rendered any opinion as to the title. Liens and encumbrances, if any, have been disregarded and the property was appraised as though free of indebtedness.

The “as is” market value for the subject as of April 14, 2020 has been estimated at:

THREE HUNDRED THOUSAND DOLLARS
($300,000)

Should you have questions regarding this matter, of if I can be of further assistance, please do not hesitate to contact me.

Respectfully submitted,

Donald D. Wieme, MAI, SRA
Certified General Appraiser
Certification #1201000153

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ADDENDA

CERTIFICATION OF THE APPRAISER

We certify that, to the best of our knowledge and belief, . . .

1. The statements of fact contained in this report are true and correct.

2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, unbiased professional analyses, opinions, and conclusions.

3. We have no present or prospective interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.

4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

6. Our 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 directly related to the intended use of this appraisal.

7. This appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

9. Donald Wieme has personally inspected the subject of this appraisal.

10. No one provided significant professional assistance to the persons signing this report.

11. As of the date of this report, Donald D. Wieme, MAI, SRA, has completed the requirements of the continuing education program of the Appraisal Institute.

12. The analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Uniform Standards of Professional Appraisal Practice of the Appraisal Institute.

13. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

14. Donald D. Wieme is licensed in the State of Michigan as a state certified real estate appraiser, permanent identification number 1201000153. "In Michigan, appraisers are

required to be licensed/certified and are regulated by the Michigan Department of Licensing and Regulatory Affairs, P.O. Box 30018, Lansing, Michigan 48909."

15. My analyses, opinions and conclusions were developed and this report has been prepared in conformity with the applicable Internal Revenue Service Valuation Guidelines.

16. In accordance with IRS guidelines, we understand "that a substantial or gross valuation misstatement resulting from an appraisal of value of property that the appraiser knows, or reasonably should have known, would be used in connection with a return or claim for refund, may subject the appraisers to a civil penalty under IRS Code 6695A

17. Neither the undersigned nor Wieme, Rende & Associates, P.C. has participated in any valuation/consultation relating to the subject property over the past three years.

DATED: 4/16/2020

Donald D. Wieme, MAI, SRA
Certified General Appraiser
Certification #1201000153

SUMMARY OF SALIENT FACTS

TYPE OF PROPERTY: Vacant industrial lot

LOCATION: West side of Venture Drive, North of Nine Mile Road
Novi, Oakland County, MI

SITE AREA: 1.75 acres

PARCEL #: 22-26-401-041

INTEREST APPRAISED: Fee Simple

VALUATION DATE: April 14, 2020

MARKET VALUE ESTIMATES:

“As Is” **$300,000**

IDENTIFICATION OF SUBJECT

The subject is an approximately 1.75 acre industrial lot located along the west side of Venture Drive, north of 9 Mile Road. This places the subject between Novi Road to the west and Meadowbrook Road to the east.

CURRENT OWNERSHIP AND SALES HISTORY

The current owner of the subject property is Hickory Associate, LP. No sales of the subject were noted within city or county records as having occurred within the past three years. The property is currently listed for sale at a reported price of $379,000 or $4.97 per sq. ft.

CURRENT USE AND OCCUPANCY

The subject is currently vacant land and is covered with natural grasses that appear to be regularly maintained.

PROPERTY RIGHTS AND EFFECTIVE DATE

This is an Appraisal Report, the purpose of which is to estimate the market value of the fee simple interest in the subject as of April 14, 2020.

INTENDED USE AND INTENDED USERS OF THE APPRAISAL

The intended use of this report is to assist the client, Hickory Associates, LP, for possible charitable gifting purposes. The information contained within this appraisal is strictly confidential. This report is not be used for any purpose without the consent of the appraisers.

INTEREST APPRAISED

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat. (The Dictionary of Real Estate Appraisal, 5th Edition, Chicago: Appraisal Institute, 2010)

DEFINITION OF MARKET VALUE

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their 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.

(Source: The Dictionary of Real Estate Appraisal, 5th Edition, Published by the Appraisal Institute, 2010)

The IRS defines fair market value (FMV) as: “the price that property would sell for on the open market. It is the price that would be agreed on between a willing buyer and a willing seller, with neither being required to act, and both having reasonable knowledge of the relevant facts”. - IRS publication 561 (4/2007)

PERSONAL PROPERTY

Personal property is defined as identifiable, portable and tangible objects that are considered by the general public to be "personal"; e.g., furnishings, art work, antiques, gems and jewelry, collectibles, machinery and equipment; all property that is not classified as real estate. (USPAP 2014-2015 Edition) Personal property includes movable items that are not permanently affixed to, and part of the real estate.

In the case of the subject, no consideration for personal property was necessary, given that the subject is vacant land.

SCOPE OF WORK

1. The subject site was inspected by the appraiser on April 14, 2020.

2. Extensive research was performed in the office market in the subject's community as well as surrounding communities, which are considered competitive with the subject.

3. Demographic sources such as STDBOnLine was examined for information on the region, county, area and neighborhood as well as demographic information including income levels and population statistics necessary in analyzing the market.

4. Value estimate was developed based in part on the statistical information gathered from the research performed and were applied to the subject.

5. The highest and best use analysis was based on the findings of the above analyses.

6. All three approaches to value were considered but only the Direct Sales Comparison Approach was utilized as the subject is vacant land.

LEGAL DESCRIPTION

The following legal description was taken from City of Novi records.

T1N, R8E, SEC 26 HICKORY CORPORATE PARK LOT 8 EXC SLY 14.80 FT, ALSO SLY 107.50 FT OF LOT 9 11-22-11 FR 038 SPLIT/COMBINED ON 01/25/2012 FROM 50-22-26-401-029, 50-22-26-401-038;

The parcel is more easily identified by its parcel I.D. #22-26-401-041

ASSESSED VALUE AND TAXES

The passage of Proposal A in March of 1994 drastically changed the property assessment and taxation system for the State of Michigan. As a result, there are three different "values" recorded for each property:

"State Equalized Value" 50% of Fair Market Value – usual selling price in the market.

"Assessed Value" AV: 50% of Fair Market Value, usual selling price in the market, before state equalization in May of each year.

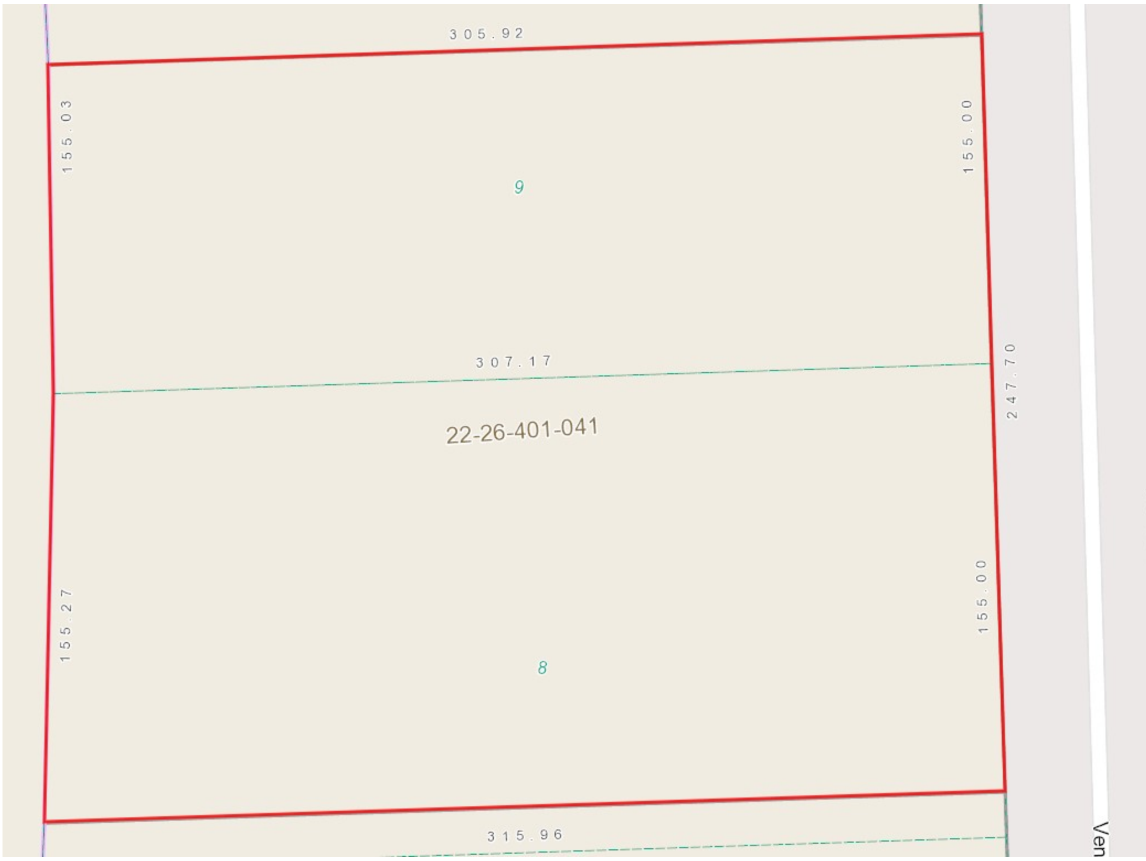
"Capped Value" CV: Prior year's taxable value x the rate of inflation or Consumer Price Index (with a maximum of 5%)

"Taxable Value" TV: The lower value between the assessed value and capped value. The taxable value is used for the calculation of property taxes.

When a transfer of ownership occurs, the next taxable value will be based on the State Equalized Value that has been calculated annually. Michigan legislation states that the actual sales price must not be the sole basis of the new State Equalized Value for that property. Given the definition of market value as contained within this appraisal report, the subject's tax burden will be analyzed based upon the assumption of a sale.

The 2019 non-homestead tax rate for the Novi Community school district was $52.1907 per $1,000 of assessed value. The 2020 millage rate has not yet been determined but is expected to closely parallel the 2019 rate. Applying this tax rate to the assessed value of $80,800 for the subject, results in a real estate tax liability of $4,217 annually.

DESCRIPTION OF THE SUBJECT SITE



The sketch above was taken from Oakland County records. The subject has 310 feet of frontage along the west side of Venture Drive and an average depth of approximately 310'. All public utilities are available to the site. The topography is level and area road grade.

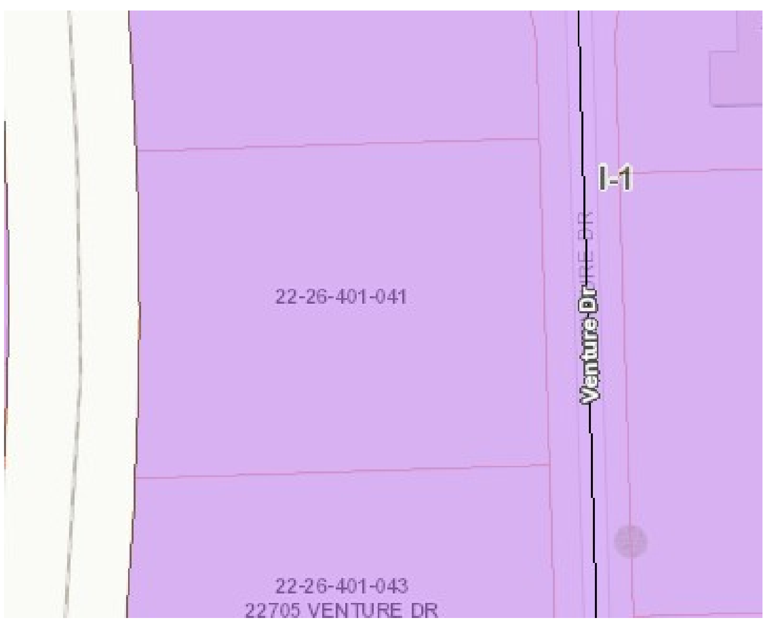
No soil or subsoil tests were reviewed by the appraisers. The viability of the soils and environmental assumptions appear to be reasonable, based on our visual observations of development in the immediate area surrounding the subject site. *Interested parties are encouraged to contact soils and environmental experts in this matter. The appraisers are not soils or environmental experts and are not qualified to report on these matters*

No title report was reviewed. We are unaware of any easements, encroachments or restrictions other than public utility easements that would adversely affect the site's use. According to the FEMA Flood Insurance Program, map #26125C0629F, dated 9/29/06, the subject site lies in a Zone X, an area of minimal flooding. See map on following page.

ENVIRONMENTAL HAZARDS

The appraisers have not been informed, nor have the appraisers any knowledge of the existence of any environmental or health impediment, which if known, could have a negative impact on the market value of the subject property. The valuation contained herein is not valid if any hazardous items are found in the subject property and not stated within the appraisal report, including but not limited to: Mold, Urea-formaldehyde Foam Insulation, Radon Gas, Asbestos Products, Lead or Lead Based Products, and Toxic Waste Contaminants.

ZONING



The site underlying the subject improvements is zoned I-1 Light Industrial District. As shown on the map taken from the City of Novi zoning map

SUBJECT PHOTOS

Subject lot

Entrance to industrial subdivision

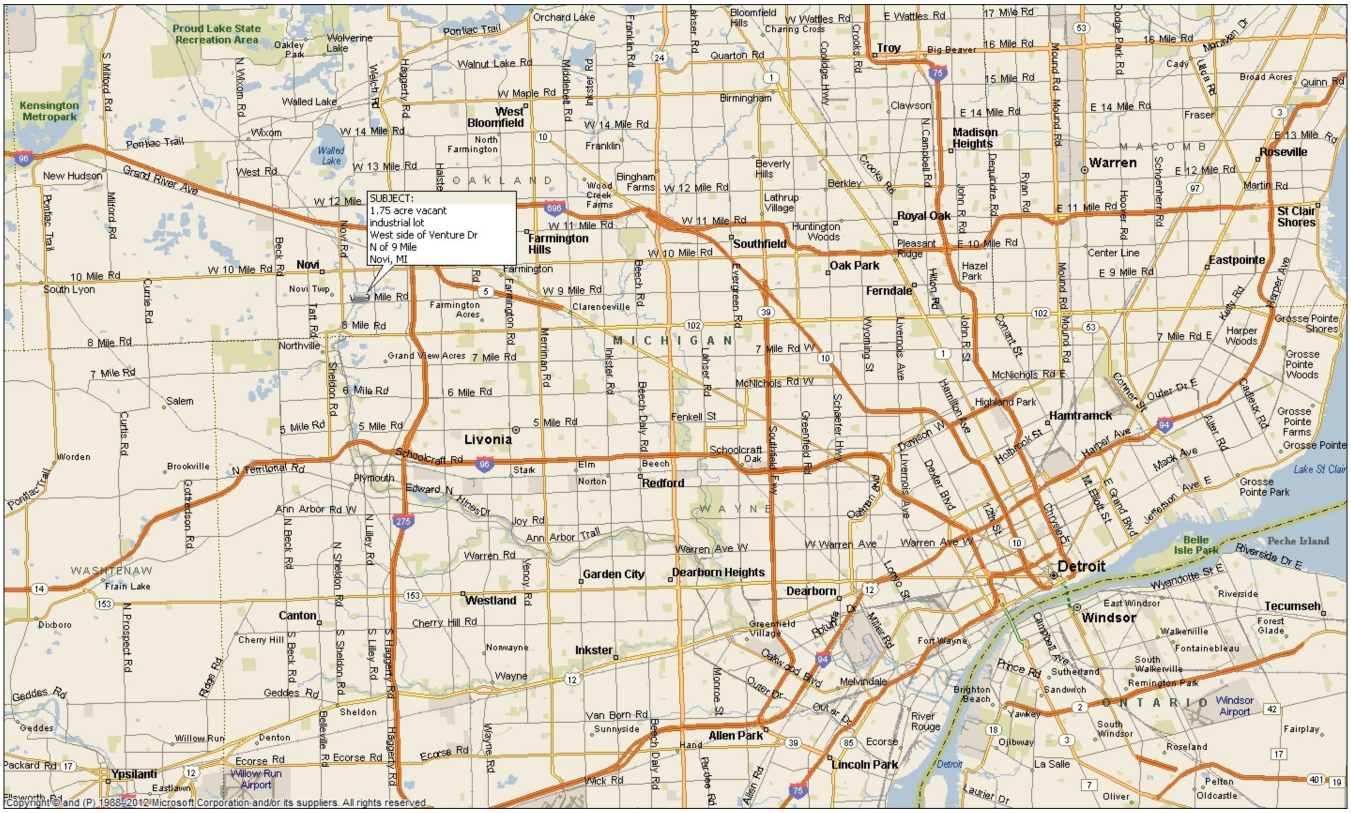
Looking south along Venture Drive

Building located direct across from subject

Typical building in subdivision

Available lots in subdivision

LOCATION MAP



COMMUNITY DATA

Background and Location

Although not formally a city until 1968, Novi's history is rich with significant ties to transportation and Grand River Road. Originally an Indian trail, Grand River grew in size and importance, as it became a primary route between Detroit and Lansing in the mid 1800's. Following the Civil War, Grand River was used less frequently as railroads gained in popularity. Interestingly, the City of Novi took its name from the railroad stop located in the area. It was stop Number Six (NO.VI) between Detroit and Lansing. With the invention of the automobile and its increasing usage, Grand River once again became a busy thoroughfare.

The City of Novi is situated in the southwest sector of Oakland County. Novi is eight miles from the northwest corner of the City of Detroit, and about 25 miles from its central business district. The city is bordered; on the north by Commerce Township, Walled Lake, and Wixom; on the south by Northville Township and the City of Northville; on the east by Farmington Hills; and on the west by Lyon Township and Wixom.

Population

The city has demonstrated a steady population growth rate with perhaps the most dramatic growth beginning in the 1970's. In 1970, Novi's population was 9,668. By the year 2010, Novi's population increased 55,224 persons. This represented an increase of nearly 475%. SEMCOG has estimated that in July 2019, Novi's population had grown to a level of 64,962; another 17.6% increase since 2010 levels. This is significant, since many communities in the SEMCOG region have registered declines in their population levels. However, SEMCOG forecasts that growth will be minimal between now and 2045. Population and Household growth for Novi is indicated in the following table developed by SEMCOG:

Population and Households

Population and Households	Census 2010	Change 2000-2010	Pct Change 2000-2010	SEMCOG Jul 2019	SEMCOG 2045
Total Population	55,224	7,838	16.5%	64,962	67,417
Group Quarters Population	360	93	34.8%	697	740
Household Population	54,864	7,552	16.0%	64,265	66,677
Housing Units	24,226	4,509	22.9%	27,248	-
Households (Occupied Units)	22,258	3,466	18.4%	26,132	27,345
Residential Vacancy Rate	8.1%	3.4%	-	4.1%	-
Average Household Size	2.46	-0.05	-	2.46	2.44

According to the 2010 Census, the largest concentration of people was between 25 and 54 years in age. This group represented 43% of the city's population. The Census also indicated that approximately 23% of the population was under 18 years of age. Another telling characteristic of Novi is that more than 55% of its population, 25 years and older, have a bachelor's degree or higher. Again, pointing to the upscale nature of the community.

Age Group	2015	2020	2025	2030	2035	2040	2045	Change 2015 - 2045	Pct Change 2015 - 2045
Under 5	3,089	3,707	3,901	4,063	4,027	3,841	3,732	643	20.8%
5-17	10,883	11,268	10,881	10,883	11,074	11,296	11,160	277	2.5%
18-24	4,334	4,194	3,840	3,236	3,039	3,206	3,273	-1,061	-24.5%
25-54	25,831	25,436	25,432	25,654	25,972	25,851	26,081	250	1%
55-64	7,571	8,898	8,401	7,700	6,951	7,113	7,383	-188	-2.5%
65-84	7,159	8,847	10,696	12,080	12,828	12,386	11,868	4,709	65.8%
85+	1,591	1,616	1,650	2,022	2,718	3,368	3,920	2,329	146.4%
Total	60,458	63,966	64,801	65,638	66,609	67,061	67,417	6,959	11.5%

Highest Level of Education

Highest Level of Education*	ACS 2010	ACS 2018	Percentage Point Chg 2010-2018
Did Not Graduate High School	4.2%	4.1%	0%
High School Graduate	14.3%	13.6%	-0.6%
Some College, No Degree	18.6%	14.9%	-3.7%
Associate Degree	7.3%	6.9%	-0.3%
Bachelor's Degree	32.1%	32.7%	0.6%
Graduate / Professional Degree	23.5%	27.7%	4.1%

* Population age 25 and over

Housing

Along with the population growth, the number of housing units has also increased, demonstrating a steady growth rate. The table, shown below, illustrates the consistent level of growth and the sharp decline in 2005 and the rise beginning in 2010. (SEMCOG compiled the data.)

Building Permits 2000 - 2020

Year	Single Family	Two Family	Attach Condo	Multi Family	Total Units	Total Demos	Net Total
2000	208	0	391	0	599	2	597
2001	180	0	134	10	324	16	308
2002	212	0	134	512	858	15	843
2003	277	0	116	340	733	13	720
2004	394	0	223	119	736	16	720
2005	355	28	227	24	634	4	630
2006	185	0	60	0	245	26	219
2007	130	0	42	0	172	6	166
2008	82	0	20	100	202	5	197
2009	54	0	10	0	64	4	60
2010	159	0	22	0	181	5	176
2011	189	0	76	0	265	8	257
2012	230	0	125	0	355	6	349
2013	213	0	0	114	327	7	320
2014	143	0	13	0	156	2	154
2015	157	0	0	277	434	5	429
2016	165	0	4	0	169	9	160
2017	139	0	47	327	513	0	513
2018	113	0	27	132	272	0	272
2019	117	0	73	53	243	0	243
2020	28	0	16	0	44	0	44
2000 to 2020 totals	3,730	28	1,760	2,008	7,526	149	7,377

Although the supply of raw land is diminishing, the city continues to attract developers as the school districts are among the top in the State of Michigan.

Income

The U. S. Census bureau published a 5-Yr American Community Survey in 2010, regarding household income levels throughout the United States. The following table compares household income levels in Novi in 2000 and 2010.

Household Income

Income (in 2018 dollars)	ACS 2010	ACS 2018	Change 2010-2018	Percent Change 2010-2018
Median Household Income	$92,300	$92,410	$110	0.1%
Per Capita Income	$48,881	$49,122	$241	0.5%

The city's income characteristics are indicative of a middle and upper-middle class population. As measured in the 2010 5-Yr ACS of 2010, the average median household income, for Novi was $92,300. This was approximately 21% above the median household income for Oakland County of $76,453.

Transportation

I-96 traverses the northern portions of Novi. This is an important transportation artery, connecting with I-696 and I-275 in the northeast corner of the city. These two freeways lead to some of the areas larger employment centers in Southfield, Farmington, and Livonia. In addition I-96 continues to the western side Michigan, traveling through Lansing, the state capitol. There are two other important linkages in Novi, Grand River and the M-5 Connector. Not only is Grand River a transportation artery linking Detroit and Lansing, portions of it are center for the new Main Street Developments in the City of Novi. The M-5 Connector runs north and south along the northeastern boundary of Novi. It is a 3-Mile combination of freeway and divided highway. Although short in length, it has become a key transporter of commuters traveling from their homes in the Lakes area (to the north in West Bloomfield and Commerce Township) to employment centers in Southfield, Farmington Hills, and Livonia.

Like many communities in the area, local transportation routes follow the 1 square mile grid patterns that define the sections of the township. As such, the main east/west roads are the mile roads; 8 Mile through 14 Mile. The north/south arteries are Haggerty, Meadowbrook, Novi, Taft, Beck, Wixom, and Napier.

Economic Development

Growth in Novi is a result of its proximity to the I-96, I-696, and I-275 freeways and the "spillover" effect of growth in the Oakland County communities of Farmington Hills and Southfield, located east of Novi. With the shrinking availability of land in the cities of Southfield and Farmington Hills, new impetus was brought to the Novi area relative to its development; not only in housing, but also in retail and commercial venues. Office and industrial parks, along with retail facilities are being developed along major arteries that have convenient access to freeway interchanges, particularly in the northern portion of the city along either side of I-96.

The Twelve Oaks Mall, located at the intersection of Twelve Mile Road and Novi Road, is one of the larger regional malls within the State of Michigan, encompassing approximately 1.4 million square feet of retail area. Nordstrom's recently added another 145,000 sq. ft. to its department store at Twelve Oaks. They will become the 5th anchor store at that mall, joining the likes of Macy's, Lord & Taylor, J.C. Penny's, and Sears. The success of this mall has given rise to other quality retail facilities, such as West Oaks II, Acorn Plaza, the Novi Town Center, which also includes a hotel and a 93,000 square foot luxury office facility and most recently, the Fountain Walk.

Summary

The City of Novi offers many solid advantages, combining an outstanding blend of highly visible land development opportunities in office, high-tech and industrial areas. Novi is well connected to highway, rail, and air transportation routes. With more and more development, it is becoming recognized for its commercial and industrial opportunities. Novi is also recognized as a very desirable place to live for the educational and municipal services afforded its citizens, its quality of housing, and convenient location and accessibility.

NEIGHBORHOOD DATA

The subject is generally located in the southeast portion of the City of Novi. More specifically it is located on Venture Driver which extends north off of 9 Mile Road and dead ends at a cul-de-sac approximately one-half mile north of 9 Mile Road. This represents a small industrial subdivision.

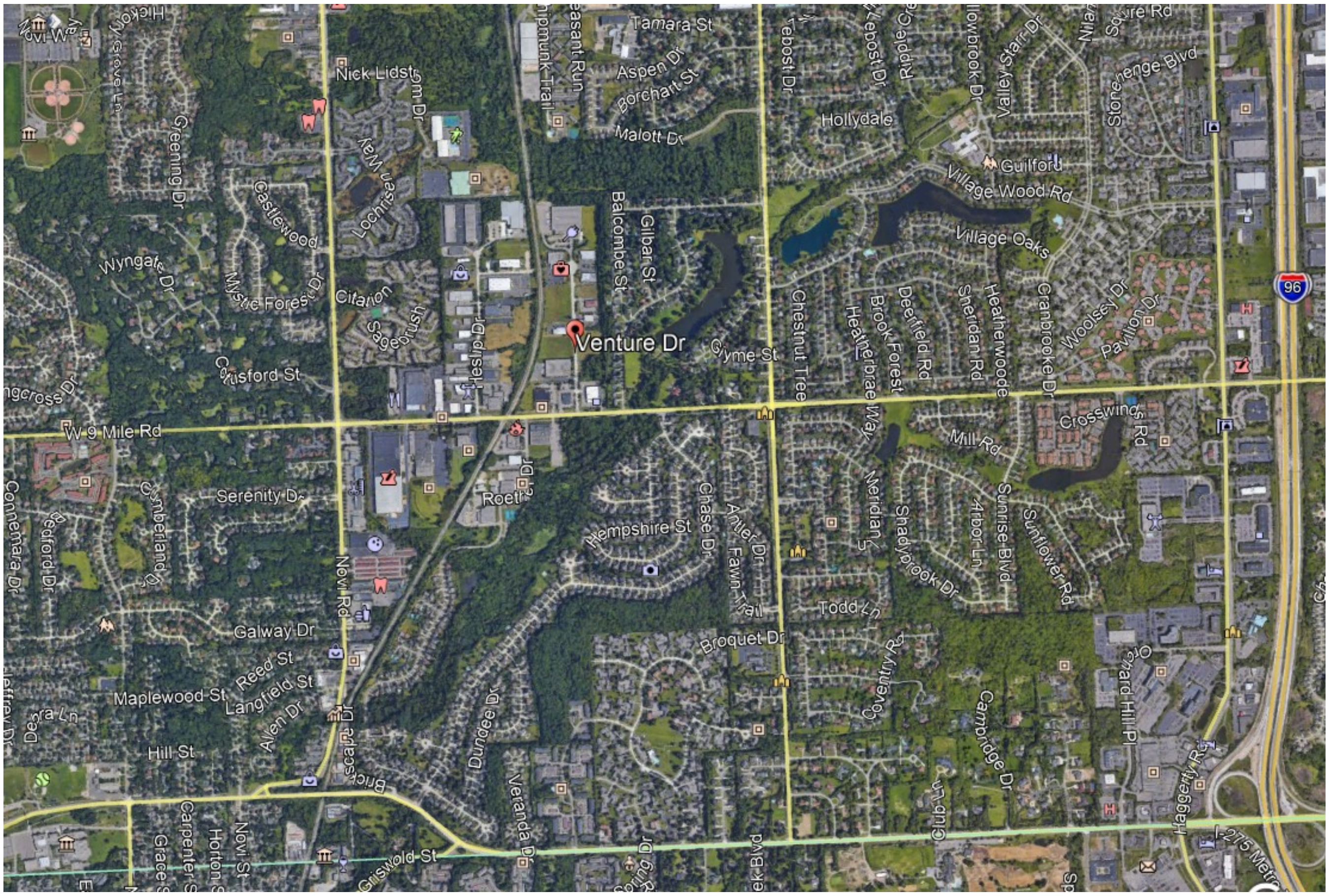
Venture Drive is located approximately equidistant between Novi Road to the west and Novi Road to the east. The overall character of the neighborhood is predominately residential, however, there are two small industrial subdivisions in this immediate area which extend north from 9 Mile Road. Further, there is some industrial development along the south side of 9 Mile Road mostly clustered near Novi Road to the west. The subject subdivision is about 50% improved with light industrial/flex type buildings. There remains a fair amount of vacant land (industrial lots).

The overall location is rated as fair to good for industrial purposes. This is definitely a secondary industrial location within the City of Novi, as this location lacks proximity and easy access to either the I-275 Freeway to the east or the I-696 Freeway to the north. The location characteristics may provide insight as to why this subdivision is not fully developed with buildings at this point in time.

The aerial photograph of the subject neighborhood within the following pages, was taken from Google Earth and shows the various types of developments in the immediate subject area. It is obvious that there are numerous multi-family developments as well as single family residential subdivisions. The quality of the housing is extremely good with the vast majority of the inventory having been constructed since the 1990s and with property values generally in the $300,000 to $600,000 range.

Utilizing the website, Site To Do Business, a demographic report for the subject including a 1, 3 and 5 mile radius was produced and an executive summary has been included in the following pages.

In summary, the subject is an industrial lot within a secondary industrial subdivision but is located within a highly desirable community and is therefore expected to remain a stable to growing state in the foreseeable future.



The aerial photograph of the subject's neighborhood shown above was taken from Google Earth and shows the various types of development near the subject.

esri

Executive Summary

Venture Dr, Novi, Michigan, 48375
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 42.45494
Longitude: -83.46332

	1 mile	3 miles	5 miles
Population			
2000 Population	9,490	59,919	142,661
2010 Population	8,894	61,141	153,693
2019 Population	8,914	62,005	160,730
2024 Population	8,991	62,792	163,849
2000-2010 Annual Rate	-0.65%	0.20%	0.75%
2010-2019 Annual Rate	0.02%	0.15%	0.49%
2019-2024 Annual Rate	0.17%	0.25%	0.39%
2019 Male Population	49.7%	47.7%	47.9%
2019 Female Population	50.3%	52.3%	52.1%
2019 Median Age	41.8	42.1	43.6

In the identified area, the current year population is 160,730. In 2010, the Census count in the area was 153,693. The rate of change since 2010 was 0.49% annually. The five-year projection for the population in the area is 163,849 representing a change of 0.39% annually from 2019 to 2024. Currently, the population is 47.9% male and 52.1% female.

Median Age

The median age in this area is 41.8, compared to U.S. median age of 38.5.

Race and Ethnicity			
2019 White Alone	72.4%	69.7%	72.3%
2019 Black Alone	7.9%	8.2%	8.0%
2019 American Indian/Alaska Native Alone	0.1%	0.2%	0.2%
2019 Asian Alone	16.6%	19.2%	16.8%
2019 Pacific Islander Alone	0.0%	0.0%	0.0%
2019 Other Race	0.7%	0.5%	0.6%
2019 Two or More Races	2.2%	2.2%	2.2%
2019 Hispanic Origin (Any Race)	3.5%	2.9%	2.8%

Persons of Hispanic origin represent 2.8% of the population in the identified area compared to 18.6% of the U.S. population. Persons of Hispanic Origin may be of any race. The Diversity Index, which measures the probability that two people from the same area will be from different race/ethnic groups, is 47.4 in the identified area, compared to 64.8 for the U.S. as a whole.

Households			
2019 Wealth Index	183	170	180
2000 Households	3,572	23,921	57,125
2010 Households	3,535	25,413	63,575
2019 Total Households	3,583	25,995	66,849
2024 Total Households	3,628	26,391	68,307
2000-2010 Annual Rate	-0.10%	0.61%	1.08%
2010-2019 Annual Rate	0.15%	0.25%	0.54%
2019-2024 Annual Rate	0.25%	0.30%	0.43%
2019 Average Household Size	2.47	2.37	2.40

The household count in this area has changed from 63,575 in 2010 to 66,849 in the current year, a change of 0.54% annually. The five-year projection of households is 68,307, a change of 0.43% annually from the current year total. Average household size is currently 2.40, compared to 2.41 in the year 2010. The number of families in the current year is 43,541 in the specified area.

Executive Summary

Venture Dr, Novi, Michigan, 48375
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 42.45494
Longitude: -83.46332

	1 mile	3 miles	5 miles
Mortgage Income			
2019 Percent of Income for Mortgage	14.6%	16.2%	15.7%
Median Household Income			
2019 Median Household Income	$104,076	$98,293	$97,236
2024 Median Household Income	$111,947	$108,070	$107,547
2019-2024 Annual Rate	1.47%	1.91%	2.04%
Average Household Income			
2019 Average Household Income	$133,620	$127,458	$129,520
2024 Average Household Income	$149,027	$142,794	$145,365
2019-2024 Annual Rate	2.21%	2.30%	2.34%
Per Capita Income			
2019 Per Capita Income	$54,238	$53,571	$53,914
2024 Per Capita Income	$60,735	$60,171	$60,659
2019-2024 Annual Rate	2.29%	2.35%	2.39%

Households by Income

Current median household income is $97,236 in the area, compared to $60,548 for all U.S. households. Median household income is projected to be $107,547 in five years, compared to $69,180 for all U.S. households

Current average household income is $129,520 in this area, compared to $87,398 for all U.S. households. Average household income is projected to be $145,365 in five years, compared to $99,638 for all U.S. households

Current per capita income is $53,914 in the area, compared to the U.S. per capita income of $33,028. The per capita income is projected to be $60,659 in five years, compared to $36,530 for all U.S. households

	1 mile	3 miles	5 miles
Housing			
2019 Housing Affordability Index	148	131	134
2000 Total Housing Units	3,728	24,888	59,286
2000 Owner Occupied Housing Units	2,449	16,494	40,791
2000 Renter Occupied Housing Units	1,123	7,427	16,333
2000 Vacant Housing Units	156	967	2,162
2010 Total Housing Units	3,802	27,237	68,012
2010 Owner Occupied Housing Units	2,359	16,719	44,433
2010 Renter Occupied Housing Units	1,176	8,694	19,142
2010 Vacant Housing Units	267	1,824	4,437
2019 Total Housing Units	3,839	27,647	70,652
2019 Owner Occupied Housing Units	2,391	16,916	46,322
2019 Renter Occupied Housing Units	1,191	9,079	20,528
2019 Vacant Housing Units	256	1,652	3,803
2024 Total Housing Units	3,881	27,968	71,980
2024 Owner Occupied Housing Units	2,456	17,454	47,970
2024 Renter Occupied Housing Units	1,172	8,937	20,337
2024 Vacant Housing Units	253	1,577	3,673

Currently, 65.6% of the 70,652 housing units in the area are owner occupied; 29.1%, renter occupied; and 5.4% are vacant. Currently, in the U.S., 56.4% of the housing units in the area are owner occupied; 32.4% are renter occupied; and 11.2% are vacant. In 2010, there were 68,012 housing units in the area - 65.3% owner occupied, 28.1% renter occupied, and 6.5% vacant. The annual rate of change in housing units since 2010 is 1.71%. Median home value in the area is $312,137, compared to a median home value of $234,154 for the U.S. In five years, median value is projected to change by 1.49% annually to $336,110.

HIGHEST & BEST USE

Highest and best use is a fundamental concept in real estate valuation. The analysis of highest and best use considers those forces, which impact the market, and imminently the market value of the subject. The results from the highest and best use analysis form the basis for the application of the three approaches to value.

There are four primary criteria that must be met in determination of highest and best use. The highest and best use must be:

1. Physically Possible: What uses of the site in question are physically possible?
2. Legally Permissible: What uses of the site are permitted by zoning and deed restrictions?
3. Financially Feasible: Which possible and permissible uses will produce a net return to the owner of the site?
4. Maximally Productive: Among the uses, which use will produce the highest and best use of the site?

UNDERLYING SITE AS IF VACANT

Legally Permissible: The only legal restrictions that apply to the parcel are the public restrictions of zoning. The subject site underlying the building improvements is zoned I-L Light Industrial Service District. The principal permitted uses under this zoning classification includes a variety of light industrial uses.

Physically Possible: Given that the subject can be legally developed, the next step in the analysis is to establish what can physically be developed on the site. The physical aspects of the parcel dictate the first constraint on the possible use of a parcel. In general, the larger the parcel, the greater it's potential to achieve economies of scale and flexibility in development. The size of the site, coupled with access to public utilities, makes a wide variety of developments physically possible.

The subject site is nearly square in shape with 310 feet of frontage along the west side of Venture Drive and an average depth of approximately 310 feet. The site is approximately 1.75 acres in size or 76,230 sq. ft. All public utilities are available and the site does not lie in a flood hazard area and no wetlands are noted on the property. The rectangular shape of the site provides a desirable building envelope for an office or commercial development which might include several buildings.

The subject is easily accessed from 9 Mile Road to the south There are major thoroughfares in the neighborhood that provide access to the supporting services and to area residential developments.

Financially Feasible: The next step in the process is to examine the most financially feasible use. This is defined earlier as being which of the physically possible and legally permissible uses will produce the highest net return to the owner of the parcel.

Financial feasibility is typically measured by a comparison between the market value of an improved property and the cost-new of producing a similar improved property (including land cost and development fees).

The vacancy rate for industrial buildings within this submarket falls below 5%. Development with a new industrial property may be a financially feasible use of the subject site, particularly if the building is pre- leased/pre- sold or constructed on a build to suit basis.

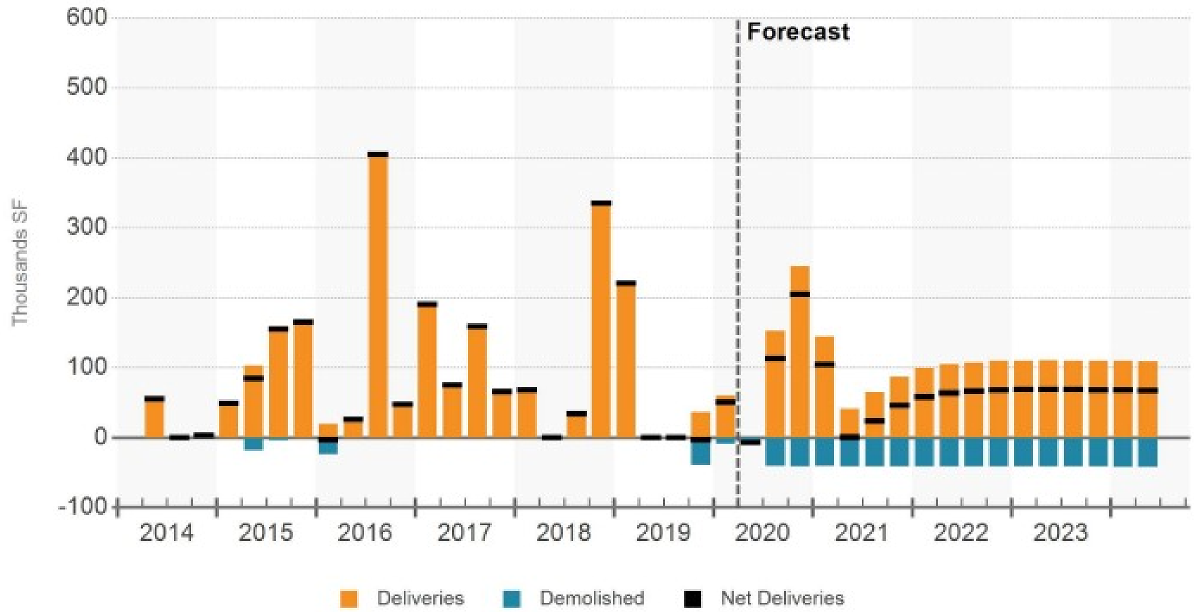
Maximally Productive: Of the previous uses determined to be physically possible, legally permissible, and financially feasible, the use that provides maximum productivity of a parcel results in the highest and best use, as vacant. Based on an analysis of the marketplace, a parcel similar to the subject would be maximally utilized if developed for light industrial purposes when market demand improves resulting in rental rates that can support the cost of new construction.

Construction

Central I-96 Corridor Industrial

There is close to 34 million SF of industrial space in the Central I-96 Corridor, which makes up 5% of inventory in the greater Detroit market. Given the proximity to the Interstates 96, and 275, as well as quick access to the Detroit International Airport, half of the market is made up of properties specializing in logistics. That leaves specialized industrial properties controlling 25% of the market and flex controlling another fifth of the market share. Developers are bringing new properties to the market at a quick pace, which is concerning given the contraction that the manufacturing sector is currently experiencing. Still over 720,000 SF was delivered in the last eight quarters with another 450,000 SF scheduled to be delivered in the next two years. Morgan Harbour Construction is developing the 128,000 SF Fountain Corporate Park in Novi. This 6.6-acre site will have 58,000 SF of warehouse space and an additional 34,000 SF of flex space to be used either as administrative office space or as more warehouse space. A123 Systems will occupy the entire building and will manufacture lithium iron phosphate batteries and energy storage systems. In December of 2018, Zeiss USA began construction of a 3-Star manufacturing site on Lyon Oaks Drive in Wixom. This 82,800 SF site will be used by Zeiss USA to manufacture equipment for the optics and optoelectronics industries. This 44.6 million investment will consolidate four of their existing southeast Michigan facilities into one single location to provide room for future expansion and growth.

DELIVERIES & DEMOLITIONS



Overview

Central I-96 Corridor Industrial

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
95.7 K	(133 K)	4.7%	6.0%

With a $2.7 billion asset value and 32 million SF of inventory, the Central I-96 Corridor district maintains itself as an integral cog in the industrial powerhouse that is Detroit. A vibrant industrial market takes advantage of the proximity to the Detroit International Airport; interstates 96, 275, and 696 which run through the market; and the Detroit International Seaport, all of which allow for the tradable economy to be exported to the international market at great speed. The vacancy rate has been rising since the trough of 2.9% was reported in 18Q2, recently hitting 4.5%. But it is expected to decrease and eventually go below 4% by the end of 2020. Market rents continue to climb and are sitting just above $9/SF with increases expected over the next several quarters. Annual rent growth remains productive, running past 5% and is expected to hit the 6% mark by the end of the 20Q2. Over the past 12 months, $92 million worth of inventory traded hands with an average market sale price of $78/SF. Cap rates have been holding steady at just above 9% for the entirety of 2019.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	18,409,116	3.7%	$8.45	5.4%	(44,996)	0	48,750
Specialized Industrial	8,715,448	6.1%	$8.27	7.2%	8,730	0	82,800
Flex	6,818,906	5.8%	$12.16	9.1%	(26,185)	0	302,861
Submarket	**33,943,470**	**4.7%**	**$9.17**	**6.6%**	**(62,451)**	**0**	**434,411**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.5%	11.2%	4.9%	24.8%	2010 Q1	2.6%	2015 Q4
Net Absorption SF	(133 K)	177,287	171,444	1,831,822	2001 Q1	(4,268,630)	2007 Q2
Deliveries SF	95.7 K	458,040	407,896	2,055,984	2001 Q1	25,996	2014 Q1
Rent Growth	6.0%	0.7%	1.4%	6.9%	2017 Q4	-5.2%	2009 Q4
Sales Volume	$43 M	$42.5M	N/A	$79.2M	2019 Q1	$15.7M	2010 Q1

SALES COMPARISON APPROACH

The Direct Sales Comparison Approach attempts to measure value by comparing the subject's land area to reasonably similar parcels that have sold recently. Typically, the comparable data is identified and attempts are then made to relate this comparable data to the subject site with the adjustments being made for the differences that exist between them and the subject. The resultant adjusted range will presumably offer a reasonable indication of a range in which the value of the subject property could be expected to fall.

Utilizing various data sources including Costar.com, realcomponline.com, Oakland County records and broker's websites, we have identified a few recent land sales for sites in with office or general business zoning classifications in the subject's community and in the neighboring communities. A summary of the sales considered reasonably similar to the subject are shown below:

COMPARABLE LAND SALES SUMMARY TABLE

No.	Location	Sale Date	Size/Acres	Sale Price Price/Sq. Ft.
1.	Magellan Dr Novi, MI	10/19	8.68	$2,200,000 $5.82/sf
2.	41120 W 11 Mile Road Novi, MI	7/18	2.05	$300,000 $3.36/sf
3.	Giddings Road Orion Township, MI	6/19	5.30	$1,309,300 $5.67/sf
4.	45390 Grand River Novi, MI	10/17	8.48	$1,105,000 $2.99/sf
5.	Venture Drive Novi, MI	Current Listing	3.65	$475,000 $2.96/sf
Subject: Venture Drive, Novi			1.75	

The above listed comparables set forth an unadjusted range between $2.96 and $5.81 per square foot with overall average of $4.28 per sq. ft. Given the differences that exists between the subject and the various comparables, a discussion of each comparable is warranted.

Comparable #1 involves an October 2019 sale of an 8.68 acre parcel of industrially zoned land located on Magellan Road near the intersection of Beck Road and 12 Mile Road in the City of Novi. The property sold for $2,200,000 or the equivalent of $5.82 per square foot. The location is considered superior to the subject. Magellan is a strategically located street within an significant industrial area in close proximity to freeways. Accordingly a downward adjustment of 20% was applied. The comparable is much larger than the subject and there is a tendency for larger parcels to command lower unit prices. Accordingly, a 10% upward adjustment was applied. After adjustment, this comparable suggests a value for the subject of $5.24 per sq. ft.

Comparable #2 involves a July 2018 of a 2.05 acre parcel located at 41120 W 11 Mile Road which places it east of Meadowbrook Road in the City of Novi. This property sold for

$300,000 or the equivalent of $3.36 per sq. ft. Given the date of sale and the improvement in market conditions, an upward adjustment of 10% has been applied. The location of the comparable is considered superior to that of the subject. It is located near the I-696 Freeway but tucked back somewhat such that a 15% downward adjustment is appropriate. No other adjustments were required and after adjustment, this comparable suggest a value for the subject at $3.19 per sq. ft.

Comparable #3 involves a June 2019 sale of a 5.30 acre parcel located on Giddings Road at Liberty Drive in Orion Township. This property sold for $1,309,300 or the equivalent of $5.67 per sq. ft. The location of this comparable is considered much superior to that of the subject. It is located in Orion Township which is one of the most desirable industrial/flex office markets in southeast Michigan Orion Township lies adjacent to Auburn Hills which is the premiere industrial community which houses many Fortune 500 companies. Accordingly a 20% downward adjustment has been applied. An upward adjustment of 5% has been applied given the size differences between the subject and the comparable. After adjustment, this comparable suggest a value for the subject at $4.82 per sq. ft.

Comparable #4 involves an October 2017 sale of an 8.48 acre parcel located at 45390 Grand River Avenue at Taft Road in the City of Novi. This property sold for $1,105,000 or $2.99 per sq. ft. Given the improvement in market conditions since the date of this sale and an upward adjustment of 15% has been applied. An offsetting downward adjustment of 15% has been applied for the superior location enjoyed by the comparable over the subject. After adjustment, this comparable suggest a value of the subject at $3.14 per square foot.

Comparable #5 involves a current listing of three lots located in the same subdivision and almost across the street from the subject. These three lots collectively encompasses 3.65 acres and are listed for $475,000 or the equivalent of $2.99 per sq. ft. The appraiser spoke with the listing broker Mr. Gary Sallen of Signature Associates. He indicated that this property currently owned by an elderly widow whose children are anxious to divest themselves of this property and they have priced the property well its current market value in an effort to effect a quick sale. Accordingly, an upward adjustment of 25% has been applied to reflect the strong motivations of the current owner. Because this is a current listing, a downward adjustment of 5% has been applied. A 5% upward adjustment has been made to the comparable for size difference between the comparable and the subject. After adjustment, this comparable suggests a value for the subject of $3.73 per sq. ft.

After adjustment, the comparables offer an overall range between a low of $3.14 and a high of $5.24 per sq. ft. within an overall average of $4.02 per sq. ft. It seems reasonable to select a value estimate which approximates the average at $4.00 per sq. ft. The subject is currently listed at almost $5.00 per square foot and is obviously over priced.

Accordingly, applying $4.00 per square foot the subject's 76,230 sq. ft., a value indication results at $304,920 which has been rounded to:

THREE HUNDRED THOUSAND DOLLARS
($300,000)

VACANT LAND ADJUSTMENT GRID
West Side Venture Dr North of 9 Mile Rd
Novi, MI

Characteristics	**Subject Parcel** Venture Dr N of 9 Mile Rd Novi	**Comparable #1** Magellan Dr near Beck & 12Mile Novi		**Comparable #2** 41120 W 11 Mile e of Meadow brook Novi		**Comparable #3** Giddingd Rd at Liberty Dr. Orion Tw p.		**Comparable #4** 45390 Grand River at Taft Rd Novi		**Comparable #5** East side Venture Dr N of 9 Mile Rd. Novi	
Property Rights	Fee Simple	Fee Simple		Fee Simple		Fee Simple		Fee Simple		Fee Simple	
Sale Price		$2,200,000		$300,000		$1,309,300		$1,055,000		$475,000	
Buyer?Seller Motivations	Normal	Normal		Normal		Normal		Normal		Highly Motivated Seller	25%
Adjusted Sales Price		$2,200,000		$300,000		$1,309,300		$1,055,000		$593,750	
Number of Acres	1.75	8.68		2.05		5.30		8.48		3.65	
Price Per SF	$0.00	$5.82		$3.36		$5.67		$2.86		$3.73	
Date of Sale		Oct-19	0.0%	Jul-18	10%	Jun-19	0.0%	Oct-17	15%	Current Listing	-5%
Terms/conditions		cash or equiv.		cash or equiv.		cash or equiv.		cash or equiv.		cash or equiv.	0%
Location	Fair-Good	Superior	-20%	Superior	-15%	Superior	-20%	Superior	-15%	Similar	0%
Size	1.75	8.68	10%	2.05	0%	5.30	5%	8.48	10%	3.65	5%
Zoning	I-L Indust	Similar	0%	Similar	0%	Similar	0%	Similar	0%	Similar	0%
Utilities	All Available	Similar	0%	Similar	0%	Similar	0%	Similar	0%	Similar	0%
Total Adjustments			-10%		-5%		-15%		10%		0%
Adjusted Price Per SF		$5.24		$3.19		$4.82		$3.14		$3.73	
High Adjusted $/SF	$5.24										
Low Adjusted $/SF	$3.14										
Average Adjusted $/SF	$4.02										

LAND SALE COMPARABLE LOCATION MAP

Land Sale No. 1

Property Identification	
Record ID	4
Property Type	Industrial
Property Name	Industrial Lot
Address	East Side of Magellan Dr, Oakland County, Michigan
Location	N of 12 Mile Road
Tax ID	22-09-176-008; -009;-010
Sale Data	
Grantor	Nadlan 7
Grantee	Lineage Logistics
Sale Date	October 17, 2019
Deed Book/Page	53554:297
Property Rights	Fee Simple
Conditions of Sale	Arms length
Verification	CBRE Inc; 248-353-5400, April 13, 2020; Costar
Sale Price	$2,200,000
Cash Equivalent	$2,200,000
Land Data	
Zoning	I-2, Light Industrial
Utilities	All public available
Land Size Information	
Gross Land Size	8.680 Acres or 378,101 SF
Indicators	
Sale Price/Gross Acre	$253,456
Sale Price/Gross SF	$5.82

Land Sale No. 2

Property Identification

Record ID	5
Property Type	Industrial
Property Name	Industrial Lot
Address	41120 W 11 Mile Road, Novi, Oakland County, Michigan
Location	E of Meadowbrook
Tax ID	22-13-352-002

Sale Data

Grantor	Bridge Centre
Grantee	11 Mile Two
Sale Date	July 10, 2018
Deed Book/Page	52016:442
Property Rights	Fee simple
Conditions of Sale	Arms length
Verification	Costar; April 13, 2020; City records

Sale Price	$300,000

Land Data

Zoning	I-L, Light Industrial, Light Industrial
Utilities	All public available

Land Size Information

Gross Land Size	2.050 Acres or 89,298 SF
Front Footage	230 ft 11 Mile Road;

Indicators

Sale Price/Gross Acre	$146,341
Sale Price/Gross SF	$3.36

Land Sale No. 3

Property Identification	
Record ID	6
Property Type	Industrial
Property Name	Industrial Land
Address	W/S of Giddings Road, at Liberty Road, Orion Township, Oakland County, Michigan
Tax ID	09-34-100-016 & 300-016
Sale Data	
Grantor	HRN Corporation
Grantee	NTBS Properties
Sale Date	June 21, 2019
Deed Book/Page	53138:757
Property Rights	Fee simple
Conditions of Sale	Arms length
Verification	Public records; December 16, 2019; Costar

Sale Price	$1,309,300
Cash Equivalent	$1,309,300

Land Data

Zoning	IV, Industrial, Light Industrial
Utilities	All public available

Land Size Information

Gross Land Size	5.298 Acres or 230,781 SF

Indicators

Sale Price/Gross Acre	$247,131
Sale Price/Gross SF	$5.67

Remarks

Investment buyer

Land Sale No. 4

<u>Property Identification</u>

Record ID	7
Property Type	Industrial
Property Name	Industrial Land
Address	45390 Grand River Avenue, Novi, Oakland County, Michigan
Location	Taft & Grand River

<u>Sale Data</u>

Grantor	Hayes Sand & Gravel Inc
Grantee	Servman
Sale Date	October 02, 2017
Property Rights	Fee simple
Conditions of Sale	Arms length
Verification	Mark Szerlag, Thomas Duke Co; 248-476-3700, April 13, 2020; Costar
Sale Price	$1,080,000
Cash Equivalent	$1,080,000
Downward Adjustment	$25,000
Adjusted Price	$1,055,000

Land Data

Zoning	I-L, Light Industrial
Utilities	All public available

Land Size Information

Gross Land Size	8.480 Acres or 369,389 SF

Indicators

Sale Price/Gross Acre	$124,410 Adjusted
Sale Price/Gross SF	$2.86 Adjusted

Remarks

3 buildings on site - demolition deduct of $25,000. Effective price + $1,105,000

Land Listing No. 5

Property Identification

Record ID	8
Property Type	Industrial
Property Name	Industrial Lots
Address	E/S Venture Drive,, Novi, Oakland County, Michigan
Location	North of 9 Mile Road
Tax ID	22-26-401-021; -022; -023

Sale Data

Grantor	KEL Investments, LLC
Survey Date	April 13, 2020
Property Rights	Fee simple
Conditions of Sale	Arms length
Verification	Gary Sallen, Signature Associates; April 13, 2020; Other sources: Costar
Listing Price	$475,000
Cash Equivalent	$475,000

Land Data

Zoning	Light Industrial
Utilities	All public available
Dimensions	458' x 349'

Land Size Information
Gross Land Size 3.650 Acres or 158,994 SF

Indicators
Sale Price/Gross Acre $130,137
Sale Price/Gross SF $2.99

Remarks
Listing broker indicated that property is owned by an elderly widow whose children are very anxious to sell the property. They have reduced the asking price by 25% in an effort to effect a quick sale. Comprised of three lots

GENERAL ASSUMPTIONS & LIMITING CONDITIONS

In compliance with USPAP and to assist the reader in interpreting this report, such general assumptions and limiting conditions are set forth:

The Appraiser(s) Has Assumed:

1. The report is to be used in whole and not in part. No part shall be used in conjunction with any other appraisal, and it is invalid if so used.

2. Possession of this report, or copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by anyone but the client.

3. The signatories shall not be required to give testimony or attend court or be at any governmental hearing with references to said properties unless prior arrangements have been made with the client.

4. No opinion as to the title of the subject property is rendered. Title is assumed to be marketable and free and clear of all liens, encumbrances, easements and restrictions except those specifically discussed in the report.

5. The property is appraised assuming it to be under responsible ownership and competent management, and available for its highest and best use.

6. The appraiser is not familiar with any engineering studies made to determine the bearing capacity of the land. It is therefore assumed that soil and subsoil conditions are stable unless specifically outlined in this analysis.

7. The legal description is assumed to be correct and should be verified by legal counsel before being relied upon or used in any conveyance or other document.

8. Unless otherwise stated, the subject property is appraised assuming it to be in full compliance with all applicable zoning and land use regulations and restrictions.

9. No opinion is expressed as to the value of subsurface oil, gas or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials, except as is expressly stated.

10. Unless stated, the property is appraised assuming that all required licenses, permits, certificates, consents or other legislative and/or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained herein is based.

11. All areas and dimensions have been checked on the ground, where practical. If furnished by the client or from public records, it is assumed that areas and dimensions are reasonably accurate. In the absence of registered surveys, land areas may be

based upon representations made, and no responsibility is assumed for discrepancies that may become evident from a licensed survey of the property.

12. Any proposed improvements are assumed completed in a good workmanlike manner in accordance with the submitted plans and specifications.

13. The value estimates described in this report are based upon current and anticipated future market conditions. Actual future market conditions can, and most likely will, vary from those anticipated and foreseen as of the date the appraisal is prepared. The appraisers cannot be held responsible for significant events that alter market conditions after the effective date of the report.

14. It is agreed that our liability to the client is limited to the amount of the fee paid as liquidated damages. Our responsibility is limited to the client and use of this report by third parties shall be solely at the risk of the client and/or third parties.

15. Acceptance and/or use of this appraisal report constitutes acceptance of the general assumptions and limiting conditions, hypothetical conditions and/or extraordinary assumptions, as noted. Data, definitions and assumptions on which the appraisers analyses is based, are set forth in the appropriate sections of this report. They are to be considered part of these conditions as if included herein their entirety.

16. Portions of the market data that is included in this report was furnished by sources that requested the information be treated as confidential. As such, dissemination of data to other parties would be inconsistent with their request and the client is, therefore, not to use the information in this matter.

17. This valuation analysis assumes that any income and expense data provided by the client, owner and/or management company is accurate. This appraisal and valuation analysis is conducted with this data information as its foundation. In the event that the data is not accurate or false in nature, then an alternative value may be applicable for the subject.

18. The projections of income and expenses, including the reversions at the time of resale, are not predictions of the future. Rather, they are the best estimate of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of the appraiser to estimate the conditions or a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of rental rates, expenses and supply and demand.

19. If there are any adjustments to the original appraisal report after it has been delivered due to changes in data provided to the appraiser by the client and/or property owner, an additional fee will be charged

ADDENDA

ZONING ORDINANCE EXCERPT
DEFINITIONS
QUALIFICATIONS OF THE APPRAISERS

Temporary entrances and exits may be approved for individual sites provided money is placed in escrow to assure elimination of temporary entrances and exits. Occupancy permits shall not be issued until monies have been deposited with the City.

In determining which entrances and exits will be permanent and which will be temporary, the Planning Commission shall generally be guided by a minimum distance of six-hundred (600) feet between entrances and exits and the location of existing drives on the opposite side of the street.

3.14 I-1 DISTRICT REQUIRED CONDITIONS

All uses within the I-1 district shall be subject to the Site Plan Review Requirements as set forth in **Section 6.1** and must comply with the following required conditions:

1. Uses which may take place within or outside of a completely enclosed building:
   - A. Except as provided in subpart (B), below, all uses shall be conducted wholly within a completely enclosed building.
   - B. The following uses may be conducted outside of a completely enclosed building:
     - i. Off-street parking.
     - ii. Outdoor placement of above-ground storage tanks of not more than a six-hundred gallon capacity per tank and accessory to an otherwise permitted use. Placement and use of the above-ground storage tanks shall be in compliance with the City's adopted fire prevention code and any State of Michigan regulations related to such use.

       All such storage tanks must be enclosed or screened from public view. Such screening shall consist of a wall not less than one (1) foot higher than the height of the storage tank placed therein, which completely conceals the tank from public view. The inside dimensions of the enclosure shall be such as will permit adequate access to the tank, as well as completely enclose the tank so that it does not project outside of the enclosure.

       Screening materials shall consist of masonry, consisting of those materials permitted under the exterior building wall material standards contained in **Section 5.15**, herein, or reinforced concrete. Other materials may be used for the gate or doorway to the enclosure.
     - iii. Outdoor storage of recreational equipment, provided that:
       - a. The equipment is licensed or registered as required under state law and has affixed to it a current registration plate, sticker, or other proof of required registration;
       - b. The equipment is operable and must either have wheels making it moveable or must be on a trailer with wheels that are moveable;
       - c. The equipment is owned by the owner or occupant of the property;
       - d. No more than three (3) vehicles or other such piece of equipment is stored on the property; a boat or similar vehicle that is on a trailer shall be considered a single piece of equipment: and
       - e. The equipment shall be stored only in an area where an accessory structure is permitted; and
       - f. The property is developed with a building of at least five-thousand (5000) square feet and the equipment is clearly accessory to the principle permitted use of the site.

       Before storing any recreational equipment under this subsection, the owner or occupant of the property shall secure a temporary special exception permit from the Building Official in accordance with the procedures and requirements of **Section 7.6.1**, including the submission of an application as provided under **7.6.1.A.ii**. The Building Official shall review the application in accordance with the requirements of **Section 7.6**, including **Section 7.6.3.A-K**.
2. Unless otherwise provided, dealing directly with consumer at retail, is prohibited.
3. For all uses permitted in the I-1 district, there shall be a finding by the Planning Commission that:
   - A. The scale, size, building design, facade materials, landscaping and activity of the use is such that current and future

1 Purpose and Introduction
2 Definitions
3 Zoning Districts
4 Use Standards
5 Site Standards
6 Development Procedures
7 Admin and Enforcement

adjacent residential uses will be protected from any adverse impacts.

B. The intended truck delivery service can be effectively handled without long term truck parking on site.

C. The lighting, noise, vibration, odor and other possible impacts are in compliance with standards and intent of this article and performance standards of **Section 5.14**

D. The storage and/or use of any volatile, flammable or other materials shall be fully identified in application and shall comply with any city ordinances regarding toxic or hazardous materials.

E. There is compliance with the City's hazardous materials checklist for required submittal data.

4. Where a permitted use abuts a freeway right-of-way the following special conditions apply: licensed motor vehicles related to activities of a permitted use, such as repair, delivery, loading/ unloading and transport may be parked on site provided they shall be parked not closer than twenty (20) feet from any freeway right-of-way and shall be screened by a four and one-half (4.5) foot brick-on-brick wall or landscaped berm pursuant to requirements at **Section 5.5**.

5. Where a permitted use abuts a residential district the following special conditions apply:

A. No truck well, loading dock or door, shall be permitted on or in the wall of the building which faces the abutting residential district and only pedestrian exits or emergency doors shall be allowed on such wall. All loading/unloading docks and truck wells shall be placed on or in the wall of the building that is opposite the boundary of the residential district or on the wall that lies approximately at a ninety (90) degree angle to the residential district boundary. If such dock, truck well and/or dock faces the front street, then such dock, truck well or door shall be recessed by not less than sixty (60) feet from the front wall of the building in order to provide that a semitrailer truck tractor and cab shall not, when in place for loading or unloading at the dock or well, project past the front wall of the building. Also the site plan and driveways shall be designed in such a manner to discourage semi-trailer truck traffic access to that portion of the lot or site that is adjacent to a residential district.

B. The following provisions shall apply to refuse pick-up, off-street parking and areas used for vehicular repair, delivery, loading/ unloading and transport:

i. No outside storage of any materials, equipment, trash or waste shall be permitted, except that dumpsters may be permitted outdoors where properly screened pursuant to the requirements of this Ordinance, as amended, or revised. Refuse pick-up shall be limited to the hours of 7:00 a.m. to 5:00 p.m., prevailing time.

ii. All off-street parking and areas used for vehicular repair, delivery, loading/ unloading and transport shall be not closer than one-hundred (100) feet from the boundary of a residential district and effectively screened from view from said residential district by landscaping, walls or berms pursuant to the requirements of **Section 3.14.5.E**. Notwithstanding the restriction of **Section 3.6.2.E-F**, the Planning Commission may permit front yard and side yard parking where necessary to maintain the separation required by this subsection.

C. The maximum heights of any building constructed on a lot or site adjacent to a residential district shall be twenty-five (25) feet, except where there is a street, road, highway or freeway between said lot or site and the abutting residential district.

D. Exterior site lighting as regulated by **Section 5.7**. In addition, where a building wall faces an abutting residential district there shall be no floodlighting of such facade. This shall not preclude the lighting of doorways on such facades.

E. For I-1 districts, adjacent to any residential district, an earth berm and plantings are required, except that no additional berm shall be required along a street, road, highway or freeway that lies between said use and an abutting residential district. The requirements supersede standards at **Section 5.5**, provided, however, that pursuant to **Section 5.5.3.A.vii** the Planning Commission may waive or modify the requirements for an earth berm or obscuring wall when adjacent to a woodland. Woodland areas shall be of sufficient width and density to provide the visual and audio screening that the berm or wall would provide. Generally, berms shall be of a continuous undulating, serpentine form. They shall have a maximum slope ratio of three (3) feet horizontal to one (1) foot vertical. A flat horizontal area at the crest is required to be six (6) feet in width. Berms shall be no less than ten (10) feet in height. Opacity requirements are to be eighty (80) percent in winter and ninety (90) percent in summer within two (2) years after planting.

If existing trees are six (6) inches d.b.h. or greater, the berm may be designed in a natural format. The berm itself may be divided and formed on either side or continue around the existing trees. The plantings are to be primarily evergreen trees on the crest of the berm. These may be supplemented with shrubs that regenerate on each side of the berm, (i.e. Red Twig Dogwood, Fragrant Sumac, Arrowood Viburnum). The berm shall be hydroseeded.

If there are no existing trees the berm is to be sodded and irrigated. The plantings are to be primarily evergreen trees with supplemental deciduous tress, shrubs and evergreen shrubs. The landscape screening method shall be developed to protect the needs of the adjacent residential area. The minimum sizes of all plants when planted are to be seven (7) feet in height for evergreen trees, three (3) inch caliper for deciduous trees, two (2) inch caliper for small deciduous trees, thirty (30) inch - thirty-six (36) inch for large deciduous shrubs, twenty four (24) inch - thirty (30) inch for small shrubs. Spacing to be in a triple spacing or equilateral triangle format. Evergreen trees shall be a minimum of ten (10) feet on center, deciduous trees thirty-five (35) feet O.C., small deciduous trees fifteen (15) feet O.C., large deciduous shrubs four (4) feet O.C., and small shrubs three (3) feet O.C. All plants are to be mulched with four (4) inch shredded hardwood bark.

F. Windows and doors of non-office use areas of structures in an I-1 district may not be left open.

3.15 I-2 DISTRICT REQUIRED CONDITIONS

1. I-2 General Regulations

A. Where a site is located within a planned industrial park of not less than forty (40) acres, the building setback requirements on individual sites may be reduced as follows, provided, that the park is designed so as to be enclosed and screened in accordance with the requirements of **Sections 3.15.2.A, 3.15.2.C, 5.5, 5.10, and 3.6.2.F and 3.6.2.H**:

3.15 Building Setback Reduction Permitted	
Yard	Distance (In Feet)
Front	50
Side	30 (each)
Rear	30

Furthermore, where portions of an I-2 industrial park (forty (40) acres or more) are adjacent to land zoned for I-2 use (and not therefrom separated by a road, street or highway), the landscape screening otherwise required may be modified per **Section 3.15.2**.

B. Where portions of an I-2 industrial site or park are adjacent to land zoned for I-2 use which is not currently used for residential purposes (and the I-2 industrial site or park is not separated therefrom by a road, street or highway), and screening is required pursuant to **Section 3.15.2**, the landscaped screening otherwise required between individual sites may be modified adjacent to such neighboring I-2 land as follows: provide a three (3) foot high landscaped berm meeting requirements of **Section 5.5**, a five (5) foot high wall of masonry construction, a five (5) foot wall of poured concrete with a brick texture or a five (5) foot decorative fence of treated lumber, cedar or redwood. Provided, the Planning Commission, in reviewing the site plan or plat for such a park or site shall require such berming and screening as will otherwise protect any residentially-zoned property beyond the adjacent I-2 land.

DEFINITIONS

Client: The party or parties (i.e., individual, group, or entity) who engage an appraiser by employment or contract in a specific assignment, whether directly or through an agent.

Cash Equivalent: The price of a property with above- or below-market financing expressed in terms of the price that would have been paid in an all-cash sale. (Source: The Dictionary of Real Estate Appraisal, 5th Edition, Published by the Appraisal Institute)

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their 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.

(Source: The Dictionary of Real Estate Appraisal, 5th Edition, Published by the Appraisal Institute, 2010)

Prospective Market Value "Upon Completion": The prospective value of a property as of that future date that all construction is anticipated to be completed, based upon market conditions forecasted to exist as of the completion date. This premise assumes that project is complete and ready to lease to individual tenants. Certain types of property, i.e., office buildings, shopping centers, may only be in a shell stage (may or may not have tenant finish installed at this point). It may be the value upon completion and stabilized occupancy, adjusted for the costs necessary to achieve stabilized occupancy, discount for time.

Definition of "Stabilized Occupancy": An expression of the expected occupancy of a property in its particular market considering current and forecasted supply and demand, assuming it is priced at market rent. (Source: The Dictionary of Real Estate Appraisal, 5th Edition, Published by the Appraisal Institute)

"Disposition/Liquidation" Value: The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale will occur within a future exposure time specified by the client.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer it typically motivated.

6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time specified by the client.
8. Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
9. 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." (Source: The Dictionary of Real Estate Appraisal, 5th Edition, Published by the Appraisal Institute)

"Hypothetical Conditions" A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of the analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (Source: USPAP 2020 Edition)

"Extraordinary Assumptions" an assignment-specific assumption, as of the effective date regarding uncertain information used in an analysis, which is found to be false, could alter the appraiser's opinions or conclusions. (Source: USPAP 2020 Edition)

"Federally Related Transaction" (FRT) Under Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA), any real estate-related financial transaction that a Federal Financial Institutions Regulatory Agency (FFIRA) engages in, contracts for, or regulates, and that requires the services of an appraiser. (Source: The Dictionary of Real Estate Appraisal, 5th Edition, Published by the Appraisal Institute)

"Real Estate-Related Transaction" Under Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA), any transaction involving 1) the sale, lease, purchase, investment in, or exchange of real property or interests in property, and the financing thereof; 2) the refinancing of real property or interests in property; and 3) the use of real property or interests in property, and the financing thereof; 2) the refinancing of real property or interests in property; and 3) the use of real property or interests in property as security for a loan or investment, including mortgage-backed securities. (Source: The Dictionary of Real Estate Appraisal, 5th Edition, Published by the Appraisal Institute)

"Financial Institution" The term "financial institution" means an insured depository institution as defined in section 3 of the Federal Deposit Insurance Act or an insured credit union as defined in section 101 of the Federal Credit Union Act. (Source: Title XI Section 1121. Definitions (7))

"Written Appraisal" The term "written appraisal" means a written statement used in connection with a federally related transaction that is independently and impartially prepared by a licenses or certified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by presentation and analysis of relevant market information. (Source: Title XI Section 1121. Definitions (10))

"Effective Date and Date of the Report" Two dates are essential to an appraisal report. Standards require that each appraisal report specify the effective date of the appraisal and the date of the report. The date of the report indicates the perspective from which the appraiser is examining the market. The effective date of the appraisal is the date to which an appraiser's analyses, opinions, and conclusions apply; also referred to as date of value. Three categories of effective dates – retrospective, current, or prospective – may be used, according to the intended use of the appraisal assignment.

Retrospective appraisals (effective date of the appraisal prior to the date of the report) may be required for property tax matters, estate or inheritance tax matters, condemnation proceedings, suits to recover damages, and similar situations.

Current appraisals occur when the effective date of the appraisal is contemporaneous with the date of the report. Since most appraisals require current value opinions, the importance of specifying both the date of the report and the effective date of the analysis is sometimes lost.
Prospective appraisals (effective date of the appraisal subsequent to the date of the report) may be required for valuations of property interests related to proposed developments, as the basis for value at the end of a cash flow projection, proposed improvements to real property and for other reasons.

Stabilized Value

1. A value estimate that excludes from consideration any abnormal relationship between supply and demand such as is experienced in boom periods, when cost and sale price may exceed the long-term value, or during periods of depression, when cost and sale price may fall short of long-term value.

2. A value opinion that excludes from consideration any transitory condition that may cause excessive construction costs, e.g., a bonus or premium for material, the abnormal inefficiency of labor, the cost of delay or an excessive sale price, e.g., a premium paid due to a temporary shortage of supply.

Stabilized Occupancy

An expression of the expected occupancy of a property in its particular market considering current and forecasted supply and demand, assuming it is priced at market rent. (Source: The Dictionary of Real Estate Appraisal, 5th Edition, Published by the Appraisal Institute)

Intended Use

The use(s) of an appraiser's reported appraisal or appraisal review assignment results as identified by the appraiser based on communication with the client at the time of the assignment. (Source: USPAP 2020 Edition)

Intended User

The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment. (Source: USPAP 2020 Edition)

Personal Property

Any tangible or intangible article that is subject to ownership and not classified as real property, including identifiable tangible objects that are considered by the general public as being "personal," such as furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment; and intangible property that is created and stored electronically such as plans for installation art, choreography, emails, or designs for digital tokens. (Source: USPAP, 2020 Edition)

Leased Fee Estate

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).
(The Dictionary of Real Estate Appraisal, 5th Edition, Chicago: Appraisal Institute, 2010)

Fee Simple Interest

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat. (The Dictionary of Real Estate Appraisal, 5th Edition, Chicago: Appraisal Institute, 2010)

Highest and Best Use

Highest and best use is defined as:

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.
(The Dictionary of Real Estate Appraisal, 5th Edition, (Chicago: Appraisal Institute, 2010)

Highest and best use of land or a site <u>as though vacant</u> is defined as:

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. (The Dictionary of Real Estate Appraisal, 5h Edition, (Chicago: Appraisal Institute, 2010)

Highest and best use of property <u>as improved</u> is defined as:

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one. (The Dictionary of Real Estate Appraisal, 5th Edition, (Chicago: Appraisal Institute, 2010)

QUALIFICATIONS OF DONALD D. WIEME, MAI, SRA

Employment

1981 to Present	President, WIEME, RENDE & ASSOCIATES, P.C. Troy, Michigan Independent Fee Appraisers (specializing in income-producing properties)
1978-1981	Partner, THE LINDON COMPANIES Real Estate Investors/Developers
1974-1978	President, DONALD D. WIEME & ASSOCIATES Independent Fee Appraisers
1973-1974	Ass't. Vice President, FORT WAYNE MORTGAGE CO.
1968-1973	Ass't. Vice President, CITIZENS MORTGAGE CORP.
1964-1968	PIERCE-FOSTER & CO. Independent Fee Appraisers (specializing in condemnation appraisal work)

Professional Memberships

Certified General Real Estate Appraiser - Michigan (License #1201000153)

Licensed Real Estate Broker - Michigan

Member Appraisal Institute - MAI & SRA Designations

Education

BA - Wayne State University

Courses I, II, & III - American Institute of Real Estate Appraisers

Courses 101, 102 & 105 - Realtors National Marketing Institute

Course 1 - Real Estate Securities and Syndication Institute

Applied Appraisal Techniques - American Institute of Real Estate Appraisers

Standards of Professional Practice - American Institute of Real Estate Appraisers

Various Seminars, including Risk Analysis, Subdivision Analysis, Highest and Best Use Analysis, R 41-b & R 41-c seminars, Appraising from Plans and Specifications, Comprehensive Real Estate Appraisal Workshop, Discounted Cash Flow Analysis, Operating the HP-12C, Appraising Troubled Properties, Rates, Ratios & Reasonableness, Appraising Retail Properties, etc.

Listing of Teaching and Lecture Assignments

Instructor, Society of Real Estate Appraisers Course 101

Co-Instructor, Wayne State University Extension School, Income Property Analysis and Taxation

Mortgage Bankers Association of Michigan, Discounted Cash Flow Analysis and After Tax Internal Rate of Return Analysis

Detroit Real Estate Board, Income Property Appraisal

Society of Industrial and Office Realtors, Discounted Cash Flow Analysis

Guest Lecturer - University of Michigan Graduate School of Business Administration

Society of Real Estate Appraisers, Appraising a Proposed Residential Subdivision

Appraisal Institute Great Lakes Chapter - Co-instructed 7-hour seminars including Appraising Distressed Michigan Properties and Challenging Michigan Highest & Best Use Properties

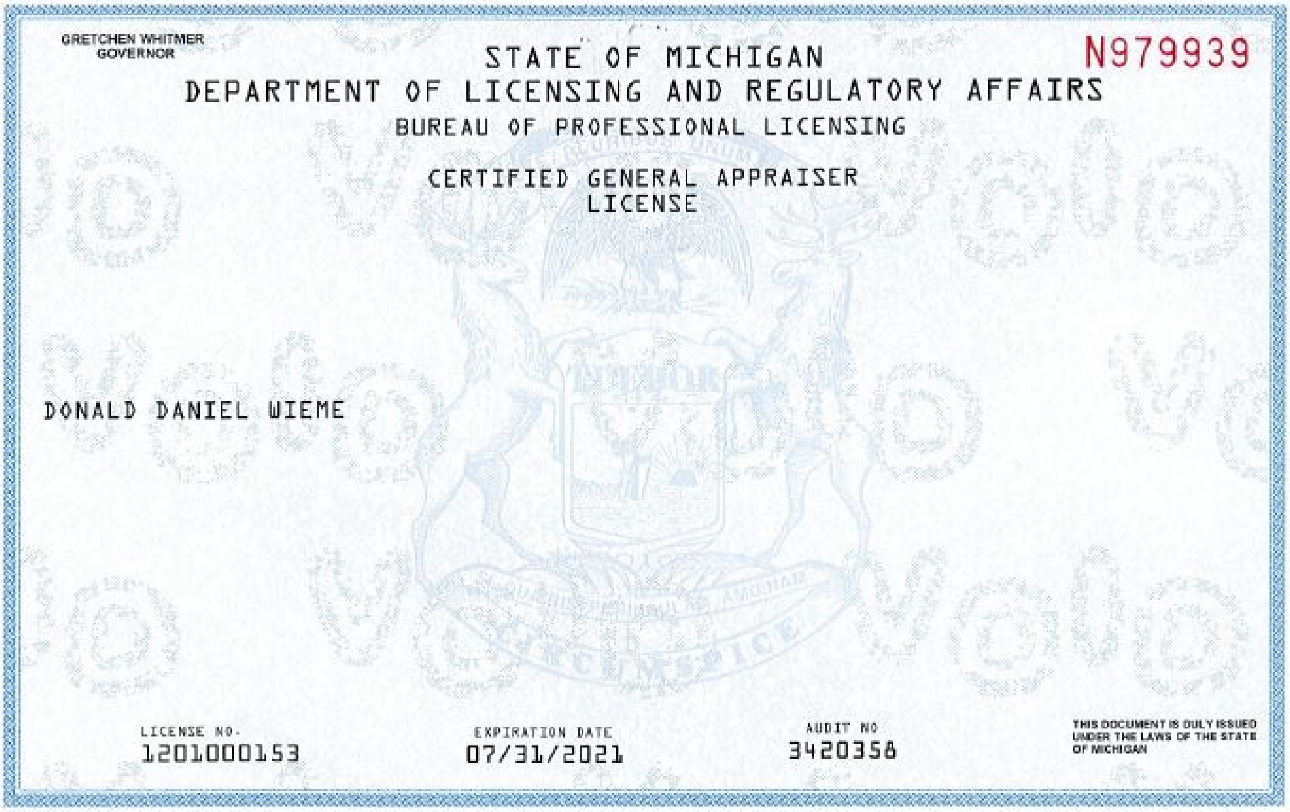
Officer Positions Previously Held with Professional Organizations

Society of Real Estate Appraisers, Michigan Chapter No. 13, Former President, First Vice President, Second Vice President, and Secretary/Treasurer

Appraisal Institute, President, First Vice President, Second Vice President, Secretary, Treasurer, Appraisal Review Committee, and Candidate Guidance Chairman of Great Lakes Chapter

Sample Client List

MDOT
City of Centerline Urban Renewal Dept.
City of Lansing Urban Renewal Dept.
City of Roseville
Chesterfield Township
Wayne County Road Commission
Shell Oil Company
General Motors Corporation
Ohio State Life Ins. Co. of New York
American National Life Ins. Co.
Guarantee Mutual Life Ins. Co.
National Life of Vermont
Citizens Bank
Federal National Mortgage Association
Bank of America
Federal Home Loan Bank Board
Federal National Mortgage Association
Canada Life Insurance Co.
Plante Moran
Wayne County Emp. Retirement Fund
City of Troy
Honigman Miller Schwartz & Cohn LLP
Fifth Third Bank
Edsel B Ford II
TCF Bank
Bank of Ann Arbor
PNC Bank
Bodman Longley
Canton Fitzgerald
(Canton Commercial Real Estate)
Detroit Housing Commission
City of Clawson Urban Renewal Dept.
City of St. Clair Shores Urban Ren. Dept.
Washington Township
Clinton Township
Macomb County Road Commission
Chrysler Corporation
John Hancock Mutual Life Insurance
City of Warren
City of Sterling Heights
City of Midland
Occidental Life Insurance Co.
Teachers Insurance & Annuity Assoc.
The Private Bank
New York Life Insurance Co.
Comerica Bank
Talmer Bank & Trust
Citicorp
City of Mt. Clemens
Nomura Asset Capital
Column Financial
Dykema Gossett
Oxford Bank
Huntington Bank
Flagstar Bank
Lapeer Bank
JP Morgan Chase Bank
Maddin Hauser
Prudential Life Insurance Company
Greenwich Capital



GRETCHEN WHITMER
GOVERNOR

N979939

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF PROFESSIONAL LICENSING

CERTIFIED GENERAL APPRAISER
LICENSE

DONALD DANIEL WIEME

LICENSE NO.	EXPIRATION DATE	AUDIT NO	
1201000153	07/31/2021	3420358	THIS DOCUMENT IS DULY ISSUED UNDER THE LAWS OF THE STATE OF MICHIGAN