

MEMORANDUM



TO: Interested Users/Developers/Purchasers

FROM: Dr. Jennifer Green, Superintendent

DATE: April 10, 2025

SUBJECT: Request For Information/Ideas for Use of or Development of Southfield Public Schools' Surplus, Vacant Real Property

Southfield Public Schools (the "School District") through issuance of this Request For Information is seeking information/ideas from interested entities/developers/purchasers for potential use or development of the following surplus, vacant School District real property for the benefit of the School District and the Community-at-Large:

Former Bussey Early Childhood Center

- Location: 19080 West 12 Mile Road
- Size of Property: 9/10 +/- Acres
- Size of Building: Built in 1968 – 38.840 Square Feet

For your information, attached to this Memorandum are the following documents relating to the subject Property:

- ALTA Survey prepared by Kem-Tec & Associates dated May 22, 2017
- Appraisal Report prepared by BBG., Inc. dated August 5, 2012

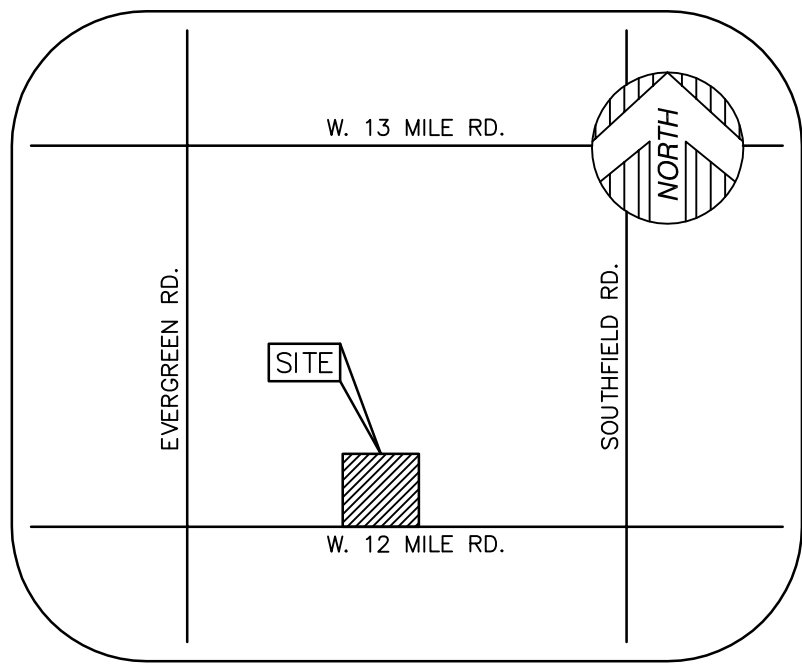
Please note that all information/ideas must include a proposed concept plan for the use/development of the property, as well as a proposed consideration/financial package, relative to the subject real property. It is also expected that any potential entity/developer/purchaser shall meet with the City of Southfield prior to submitting a proposed concept plan to the School District to confirm that such plan will, in concept, be acceptable to the City. Notwithstanding the foregoing, **the School District reserves the right to accept or reject any and all information/ideas, in whole or in part, at any time.**

Please submit all information/ideas to:

Southfield Public Schools

Email: surplusproperty@southfieldk12.org

Thank you for your interest. We are looking forward to receiving your Information.



VICINITY MAP
(NOT TO SCALE)

PARKING

HANDICAP PARKING = 8 STALLS
STANDARD PARKING = 138 STALLS

PARCEL AREA

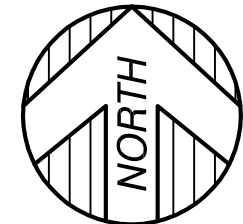
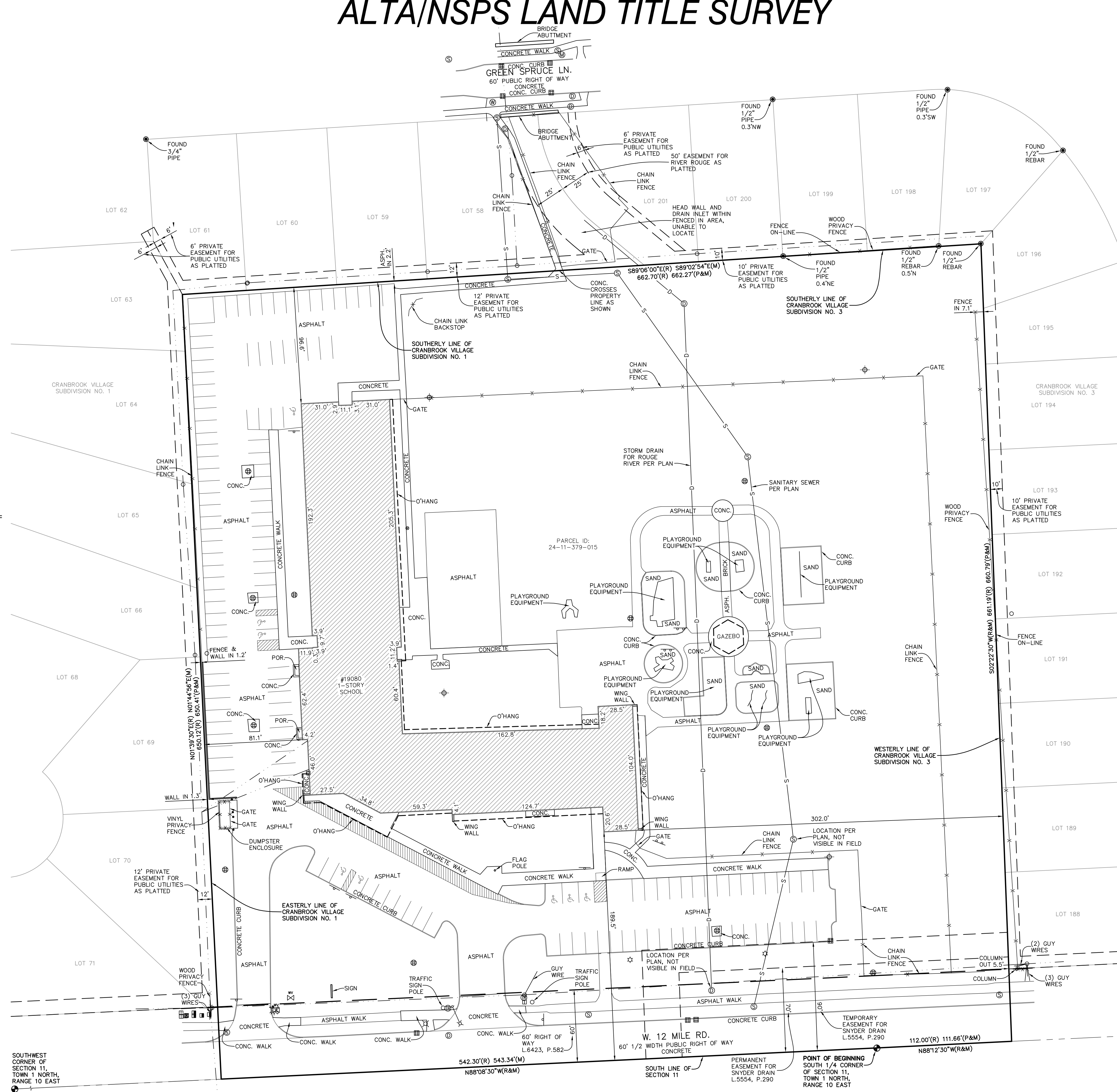
431,787± SQUARE FEET = 9.913± ACRES

BASIS OF BEARING

NORTH 88°08'30" WEST, BEING THE SOUTH LINE OF SECTION 11, TOWN 1 NORTH, RANGE 10 EAST, AS DESCRIBED.

LEGEND

●	FOUND MONUMENT (AS NOTED)
⊙	FOUND SECTION CORNER (AS NOTED)
(P)	PLATTED DIMENSION
(R)	RECORD DIMENSION
(M)	MEASURED DIMENSION
⊕	ELECTRIC METER
⊖	ELECTRIC PANEL
⊙	UTILITY POLE
⊙	GAS METER
⊙	LIGHT POLE WITH STREET LAMP
⊙	TELEPHONE RISER
⊙	TRAFFIC SIGNAL
⊙	TRAFFIC SIGNAL MANHOLE
⊙	CLEANOUT
⊙	SANITARY MANHOLE
⊙	ROUND CATCH BASIN
⊙	SQUARE CATCH BASIN
⊙	STORM DRAIN MANHOLE
⊙	FIRE HYDRANT
⊙	WATER GATE MANHOLE
⊙	WATER VALVE
⊙	UNKNOWN MANHOLE
⊙	BOLLARD
⊙	FLAGPOLE
⊙	LIGHTPOST/LAMP POST
⊙	SINGLE POST SIGN
⊙	DOUBLE POST SIGN
⊙	SOIL BORING
⊙	HANDICAP PARKING
⊙	PARCEL BOUNDARY LINE
⊙	PLATTED LOT LINE
⊙	ADJOINER PARCEL LINE
⊙	SECTION LINE
⊙	RIGHT-OF-WAY
⊙	BUILDING
⊙	BUILDING OVERHANG
⊙	BUILDING HATCH
⊙	CONCRETE CURB
⊙	EDGE OF CONCRETE (CONC.)
⊙	EDGE OF ASPHALT (ASPH.)
⊙	FENCE (AS NOTED)
⊙	WALL (AS NOTED)
⊙	OVERHEAD UTILITY LINE



GRAPHIC SCALE



(IN FEET)
1 inch = 40 ft.

PROPERTY DESCRIPTION

LAND LOCATED IN THE CITY OF SOUTHFIELD, COUNTY OF OAKLAND, STATE OF MICHIGAN, AND DESCRIBED AS FOLLOWS:

ALL THAT CERTAIN PIECE OR PARCEL OF LAND SITUATED IN THE SOUTH 1/2 OF SECTION 11, TOWN 1 NORTH, RANGE 10 EAST, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTH 1/4 CORNER; THENCE NORTH 88 DEGREES 8' 30" WEST 542.30 FEET; THENCE NORTH 1 DEGREES 39' 30" EAST 650.12 FEET; THENCE SOUTH 89 DEGREES 6' EAST 662.70 FEET; THENCE SOUTH 2 DEGREES 22' 30" WEST 661.19 FEET; THENCE NORTH 88 DEGREES 12' 30" WEST 112.0 FEET TO THE POINT OF BEGINNING. SAID LAND BOUNDED ON THE WESTERLY SIDE AND PARTIALLY ON THE NORTHERLY SIDE BY THE PLAT OF "CRANBROOK VILLAGE SUBDIVISION NO. 1", ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 78 OF PLATS, PAGES 28 AND 29 AND BOUNDED ON THE EASTERLY SIDE AND PARTIALLY ON THE NORTHERLY SIDE BY THE PLAT OF "CRANBROOK VILLAGE SUBDIVISION NO. 3", ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 81 OF PLATS, PAGES 24 AND 25, OAKLAND COUNTY RECORDS.

TITLE REPORT NOTE

ONLY THOSE EXCEPTIONS CONTAINED WITHIN THE LIBERTY TITLE AGENCY FILE No. 0M25604, DATED MARCH 27, 2017, AND RELISTED BELOW WERE CONSIDERED FOR THIS SURVEY. NO OTHER RECORDS RESEARCH WAS PERFORMED BY THE CERTIFYING SURVEYOR.

4. RIGHT OF WAY IN FAVOR OF SNYDER DRAIN DRAINAGE DISTRICT, AS RECORDED IN LIBER 5554, PAGE 290, OAKLAND COUNTY RECORDS. (AS SHOWN)

6. SUBJECT TO THE RIGHTS OF THE PUBLIC OR ANY GOVERNMENTAL UNIT IN ANY PART OF SUBJECT PROPERTY TAKEN, DEEDED OR USED FOR ROAD, STREET OR HIGHWAY PURPOSES AS TO W 12 MILE ROAD. (AS SHOWN)

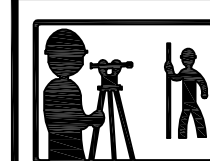
SURVEYOR'S CERTIFICATION

TO SOUTHFIELD PUBLIC SCHOOLS, A MUNICIPAL CORPORATION, LIBERTY TITLE AGENCY, AND CHICAGO TITLE INSURANCE COMPANY:

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2016 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/NSPS LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDED ITEMS 2, 4, 7A, 8, AND 9 OF TABLE A, THEREOF. THE FIELD WORK WAS COMPLETED ON MAY 11, 2017.

DATE OF PLAT OR MAP: MAY 22, 2017

ANTHONY T. SYCKO, JR., P.S.
PROFESSIONAL SURVEYOR
MICHIGAN LICENSE NO. 47976



KEM-TEC & ASSOCIATES
PROFESSIONAL SURVEYORS - PROFESSIONAL ENGINEERS

22556 GRATIOT AVE. • EASTPOINTE, MICHIGAN 48021
(586)772-2222 • (800)295-7222 • FAX (586)772-4048

PREPARED FOR: SOUTHFIELD PUBLIC SCHOOLS

DATE: MAY 22, 2017 JOB #: 17-01645

SCALE: 1" = 40' SHEET: 1 OF 1

DRW. BY: JDM REV.:

BBG



Third-party reports by a true third party

Appraisal Report

Bussey Early Childhood Center

Public School
19080 West 12 Mile Road
Southfield, Michigan 48076

BBG File #0121013087
Purchase Order #P2200046

Prepared For

Ms. Felicia Venable
Director of Operations
Southfield Public Schools
24661 Lahser Road
Southfield, MI 48033

Report Date

August 5, 2021

Prepared By

BBG, Inc., Detroit Office
42 Watson Street
Detroit, MI 48201
734-462-0700

Client Manager: Frank Segura
fsegura@bbgres.com



VALUATION



ADVISORY



ASSESSMENT



ZONING



August 5, 2021

Ms. Felicia Venable
Director of Operations
Southfield Public Schools
24661 Lahser Road
Southfield, MI 48033

Re: Appraisal of Real Property
Bussey Early Childhood Center
19080 West 12 Mile Road
Southfield, Michigan 48076
BBG File #0121013087
Purchase Order # P2200046

Dear Ms. Venable:

In accordance with your authorization (per the engagement letter found in the addenda of this report), we have prepared an Appraisal Report of the above-referenced property.

The subject property consists of the former Bussey Early Childhood Center, originally built in 1968 containing 38,840 square feet (gross building area) on a 9.10-acre site. The site is located along West 12 Mile Road, a major commercial corridor. The property consists of 21 classrooms, a multi-purpose room, media center, and various offices and storage spaces. In addition to the improvements, the site contains paved surfaces, grass areas, and two sports fields. School operations have ceased in 2011 and the property has not been adequately maintained. Overall, the improvements are in poor condition and the current mechanicals require significant maintenance. Building materials consists of masonry construction, with brick and block exteriors, and a flat, sealed-membrane roof.

The subject is currently vested to Southfield Public Schools. To our knowledge, no sales, listings, offers, conveyances of title or pending sales involving the subject have occurred within three years of the effective date of appraisal.

This appraisal report was prepared to conform with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), the appraisal guidelines set forth in Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and the December 2010 Interagency Appraisal and Evaluation Guidelines. This report has been written in accordance with the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute. In addition, this report is intended to be in compliance with additional requirements of Southfield Public Schools (client). The report is intended to be used for purchase price negotiation purposes and is only intended for Southfield Public Schools. No other party may rely upon the findings in this report.

Note: Our opinion of market value is subject to the following Extraordinary Assumptions and/or Hypothetical Conditions:

EXTRAORDINARY ASSUMPTION(S) AND HYPOTHETICAL CONDITION(S)

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice Standards Rule 2-2(a)(xi), it is stated here that the use of any extraordinary assumptions might have affected the assignment results.

Extraordinary Assumption(s)

We are appraising the subject under the extraordinary assumption that information provided by the Client and that available from public resources is accurate. If the actual size of the land or building is significantly different than that utilized within this report, the value conclusions could be impacted.

The subject property has been vacant since 2011. During our physical inspection of the property, the mechanical systems and electrical systems appeared to require additional maintenance and expenditure for typical operations. We are assuming that these mechanical systems will require significant maintenance and expenditure to return to typical operations.

Hypothetical Condition(s)

This appraisal employs no hypothetical conditions.

Based on our inspection of the property and the investigation and the analysis undertaken, we have concluded the following value opinion(s).

MARKET VALUE CONCLUSION(S)			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value - As Is	Fee Simple	July 22, 2021	\$700,000

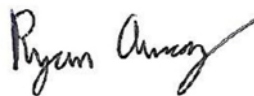
This letter must remain attached to the report, which should be transmitted in its entirety, in order for the value opinion set forth to be considered valid.

Our firm appreciates the opportunity to have performed this appraisal assignment on your behalf. If we may be of further service, please contact us.

Sincerely,
BBG, Inc.



Frank Segura
Managing Director
MI Certified General Appraiser
License #: 1201074272
734-462-0700
fsegura@bbgres.com



Ryan Andrusz
Appraiser
MI Certified General Appraiser
License #: 1201076279-Renewal Pending
734-853-3468
randrusz@bbgres.com

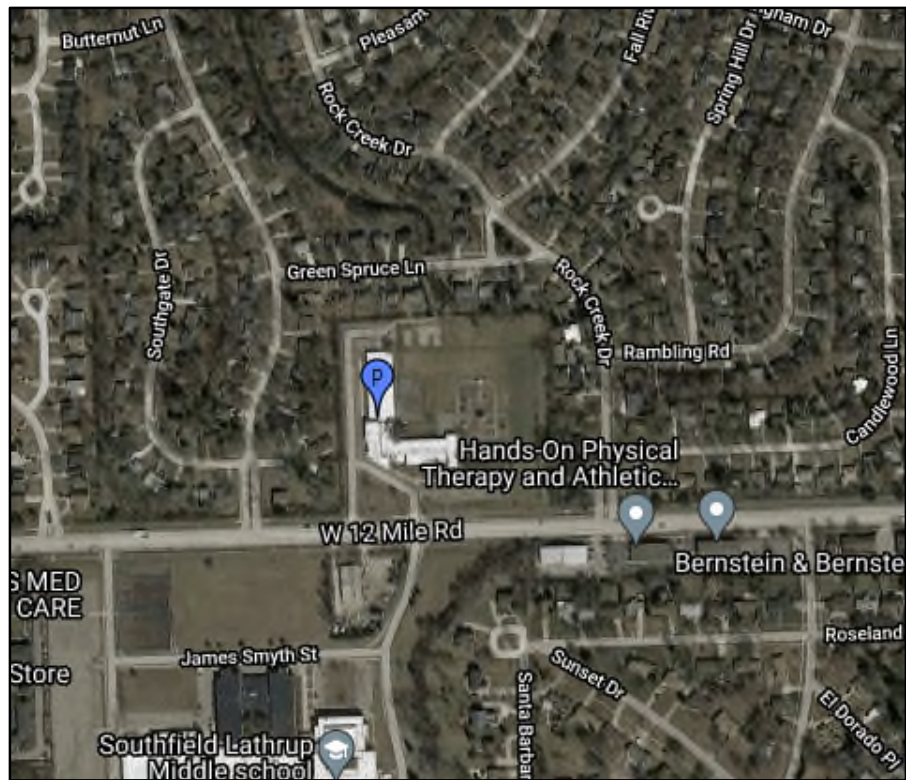
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SUBJECT PROPERTY



AERIAL PHOTOGRAPHS



SUMMARY OF SALIENT FACTS

PROPERTY DATA	
Property Name	Bussey Early Childhood Center
Address	19080 West 12 Mile Road Southfield, Michigan 48076
Location	The subject property is located on the north side of West 12 Mile Road in the northern portion of Southfield.
Property Description	Special (Public School (Grade, Middle, High)) Public School
County	Oakland
Parcel Number	76-24-11-379-015
Census Tract No.	0203.15
Legal Description	T1N,R10E,SEC 11 176BPART OF S 1/2 OF SEC BEG AT S 1/4 COR, TH N 88-08-30 W 542.30 FT, TH N 01-39-30 E 650.12 FT, TH S 89-06-00 E 662.70 FT, TH S 02-22-20 W 661.19 FT, TH N 88-12-30 W 112 FT TO BEG EXC S 60 FT IN RD 9.010A 000000
Site Area	
Primary Site	396,396 square feet (9.10 acres)
Zoning	R-3; Single-Family Residential District
Flood Status	Zone X (unshaded) is a Non-Special Flood Hazard Area (NSFHA) of minimal flood hazard, usually depicted on Flood Insurance Rate Maps (FIRM) as above the 500-year flood level. This is an area in a low to moderate risk flood zone that is not in any immediate danger from flooding caused by overflowing rivers or hard rains. In communities that participate in the National Flood Insurance Program (NFIP), flood insurance is available to all property owners and renters in this zone.
Year Built	1968
Type of Construction	Masonry construction with brick and block exteriors, with a flat, sealed membrane roof
Number of Buildings	1
Gross Building Area	38,840 square feet
Overall Condition	Poor
Overall Quality	Average
Overall Design/Functionality	Average

VALUE INDICATIONS			
As Is as of July 22, 2021			
Cost Approach	Not Developed		
Sales Comparison Approach (Land Value)	\$700,000	\$1.77	Per Square Foot of Land
Income Capitalization Approach	Not Developed		
Approach Reliance	Sales Comparison Approach		
Value Conclusion - As Is	\$700,000	\$1.77	Per Square Foot of Land
Exposure Time	12 months		
Marketing Time	12 months		

PROPERTY HISTORY

The subject is currently vested to Southfield Public Schools. To our knowledge, no sales, listings, offers, conveyances of title or pending sales involving the subject have occurred within three years of the effective date of appraisal.

SCOPE OF WORK

APPRAISAL INFORMATION

Client	Southfield Public Schools 24661 Lahser Road, Southfield, MI 48033
Intended User(s)	This appraisal report may only be relied upon by the client and intended user(s) named herein Southfield Public Schools.
Intended Use	This appraisal is to be used for Asset Valuation purposes.
Premise Summary	As Is Market Value - July 22, 2021
Date of Inspection	July 22, 2021
Report Date	August 4, 2021
Marketing Time	12 months
Exposure Time	12 months
Owner of Record	Southfield Public Schools
Most Probable Purchaser	Owner-User
Highest and Best Use	
If Vacant	Hold for Retail Development, if Rezoned
As Improved	Raze Improvements and Rezone to Commercial Use

PROPERTY IDENTIFICATION

Property Name	Bussey Early Childhood Center
Address	19080 West 12 Mile Road Southfield, Michigan 48076
Location	The subject property is located on the north side of West 12 Mile Road in the northern portion of Southfield.
Latitude Longitude	42.50313, -83.23395
Property Description	Public School (Grade, Middle, High)
Parcel Number	76-24-11-379-015
Census Tract No.	0203.15
Legal Description	T1N,R10E,SEC 11 176BPART OF S 1/2 OF SEC BEG AT S 1/4 COR, TH N 88-08-30 W 542.30 FT, TH N 01-39-30 E 650.12 FT, TH S 89-06-00 E 662.70 FT, TH S 02-22-20 W 661.19 FT, TH N 88-12-30 W 112 FT TO BEG EXC S 60 FT IN RD 9.010A 000000

SCOPE OF THE INVESTIGATION																	
General and Market Data Analyzed	- Regional economic data and trends - Market analysis data specific to the subject property type - Published survey data - Neighborhood demographic data - Comparable cost, sale, rental, expense, and capitalization rate data - Floodplain status - Zoning information - Assessor's information - Interviewed professionals knowledgeable about the subject's property type and market																
Inspection Details	Ryan Andrusz inspected the subject property on July 22, 2021.																
Property Specific Data Requested and Received	<table> <tr> <th colspan="2">PROPERTY DATA RECEIVED</th></tr> <tr> <td colspan="2">Building plan</td></tr> </table>	PROPERTY DATA RECEIVED		Building plan													
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Data Requested, but not Provided	<table> <tr> <th colspan="2">DATA REQUESTED, BUT NOT PROVIDED</th></tr> <tr> <td colspan="2">Site plan</td></tr> <tr> <td colspan="2">ALTA survey</td></tr> </table>	DATA REQUESTED, BUT NOT PROVIDED		Site plan		ALTA survey											
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Data Sources	<table> <tr> <th colspan="2">DATA SOURCES</th></tr> <tr> <td>Site Size</td><td>Building Sketches, Assessor's Records</td></tr> <tr> <td>Building Size</td><td>Assessor's Records</td></tr> <tr> <td>Tax Data</td><td>Assessor's Records</td></tr> <tr> <td>Zoning Information</td><td>Planning Dept</td></tr> <tr> <td>Flood Status</td><td>FEMA</td></tr> <tr> <td>Demographics Reports</td><td>Spotlight Demographics</td></tr> <tr> <td>Comparable Improved Sales</td><td>Listing Brokers, Appraisal Files, Public Record</td></tr> </table>	DATA SOURCES		Site Size	Building Sketches, Assessor's Records	Building Size	Assessor's Records	Tax Data	Assessor's Records	Zoning Information	Planning Dept	Flood Status	FEMA	Demographics Reports	Spotlight Demographics	Comparable Improved Sales	Listing Brokers, Appraisal Files, Public Record
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VALUATION METHODOLOGY	
Most Probable Purchaser	To apply the most relevant valuation methods and data, the appraiser must first determine the most probable purchaser of the subject property. The most probable purchaser of the subject "As Is" is an owner-user as this type of specialty property is not sold based on underlying lease income.
Valuation Methods Utilized	This appraisal employs only the Sales Comparison Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that this approach would be considered necessary and applicable for market participants. The subject's age makes it difficult to accurately form an opinion of depreciation and tends to make the Cost Approach unreliable. Furthermore, because the subject property is a specialized land use, it is not typically marketed, purchased or sold on the basis of anticipated lease income. Therefore, we have employed neither the Cost Approach nor the Income Capitalization Approach to develop an opinion of market value.

EXTRAORDINARY ASSUMPTION(S) AND HYPOTHETICAL CONDITION(S)

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice Standards Rule 2-2(a)(xi), it is stated here that the use of any extraordinary assumptions might have affected the assignment results.

Extraordinary Assumption(s)

We are appraising the subject under the extraordinary assumption that information provided by the Client and that available from public resources is accurate. If the actual size of the land or building is significantly different than that utilized within this report, the value conclusions could be impacted.

The subject property has been vacant since 2011. During our physical inspection of the property, the mechanical systems and electrical systems appeared to require additional maintenance and expenditure for typical operations. We are assuming that these mechanical systems will require significant maintenance and expenditure to return to typical operations.

Hypothetical Condition(s)

This appraisal employs no hypothetical conditions.

DEFINITIONS

Pertinent definitions, including the definition of market value, are included in the glossary, located in the Addenda to this report. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States:

Market Value

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 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]

LEVEL OF REPORTING DETAIL

Standards Rule 2-2 (Real Property Appraisal, Reporting) contained in USPAP requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report.

This report is prepared as an **Appraisal Report**. An Appraisal Report must at a minimum summarize the appraiser's analysis and the rationale for the conclusions. This format is considered most similar to what was formerly known as a Self-Contained Appraisal Report in prior versions of USPAP.

^[1] (Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472)

RECENT PERFORMANCE

Warren-Troy-Farmington Hills' recovery is fragile and uneven. Following the steepest decline among the 150 most populous metro areas or divisions last spring, more than two-thirds of lost jobs have come back, but employment has flatlined since the summer. Leisure/hospitality payrolls backtracked in November and December because of stricter mitigation protocols. Losses there offset continued recovery in professional/business services and retail. The unemployment rate fell sharply in January to 4.3%, but this vastly underestimates the extent of job dislocation, as it is driven by a 7% drop in the size of the labor force. Meanwhile, house prices are surging, although growth remains behind the national pace.

VACCINATION

As inoculations increase, leisure/hospitality will make a slow comeback from pandemic-induced devastation. Like much of the country, new per capita COVID-19 cases in the metro area have fallen substantially since their January peak. The drop in new cases has prompted Michigan to loosen some business restrictions, providing a boost to consumer spending. This is pivotal, because leisure/hospitality has recovered a smaller share of lost jobs than the rest of the nation. High-frequency mobility data show that travel to retail locations, grocery stores and workplaces has recovered lately, shifting closer to pre-pandemic levels. The vaccine rollout and coincident rise in consumer confidence will spur spending, but it will take years to recoup all of the jobs that were lost.

AUTOMAKERS

Automakers will remain the driving force behind the MSA's economy. Manufacturing payrolls grew at a stronger clip than in the Midwest and U.S. for most of the summer following an especially sharp initial downturn, but employment has barely budged since September amid supply chain disruptions and a microchip shortage. As of January, headcounts remain down by 7% relative to their pre-pandemic peak. But auto manufacturing has benefited from pent-up demand and a reluctance by consumers to use public transportation. U.S. vehicle sales rose to 16.6 million annualized units in the fourth quarter of 2020, close to their pre-pandemic level. Pent-up demand will help keep factories buzzing and the outlook for 2021 has new-vehicle sales well above 17 million units, putting the auto industry in a stronger position than it found itself in after the financial crisis. Moreover, the MSA's automakers have continued with their expansion plans. For example, Fiat Chrysler invested \$1.5 billion to retool its Warren Truck Assembly Plant and will hire about 1,400 production workers this year.

HOUSING

House price appreciation will cool in the short term, but housing will still positively contribute to the recovery. Growth in the Case-Shiller single-family index surged to 8% year over year because of extremely low inventories and mortgage rates. According to the Greater Metropolitan Association of Realtors, homes are spending significantly less time on the market than they were a year earlier, mirroring a national trend. Meanwhile, housing starts stumbled in early 2020 but have since rebounded. High prices and strong demand are drawing builders, with major single-family developments in the works. As mortgage rates rise, demand will cool over the coming quarters. This, combined with additional housing supply, will put a damper on price gains.

CONCLUSION

Warren-Troy-Farmington Hills' recovery will pick up speed in 2021 as COVID-19 cases abate and the vaccination rollout expands. Automakers will benefit from stronger demand in the near term, but growth in leisure/hospitality will remain muted. Long term, high exposure to secularly declining manufacturing and below-average population growth will hurt the MSA's relative performance.

SITE DESCRIPTION

INTRODUCTION

The description of the site is based upon our physical inspection of the property, information available from the client, and public sources. See the *Data Sources Used Within This Appraisal* table in the Scope of Work section for more detail.

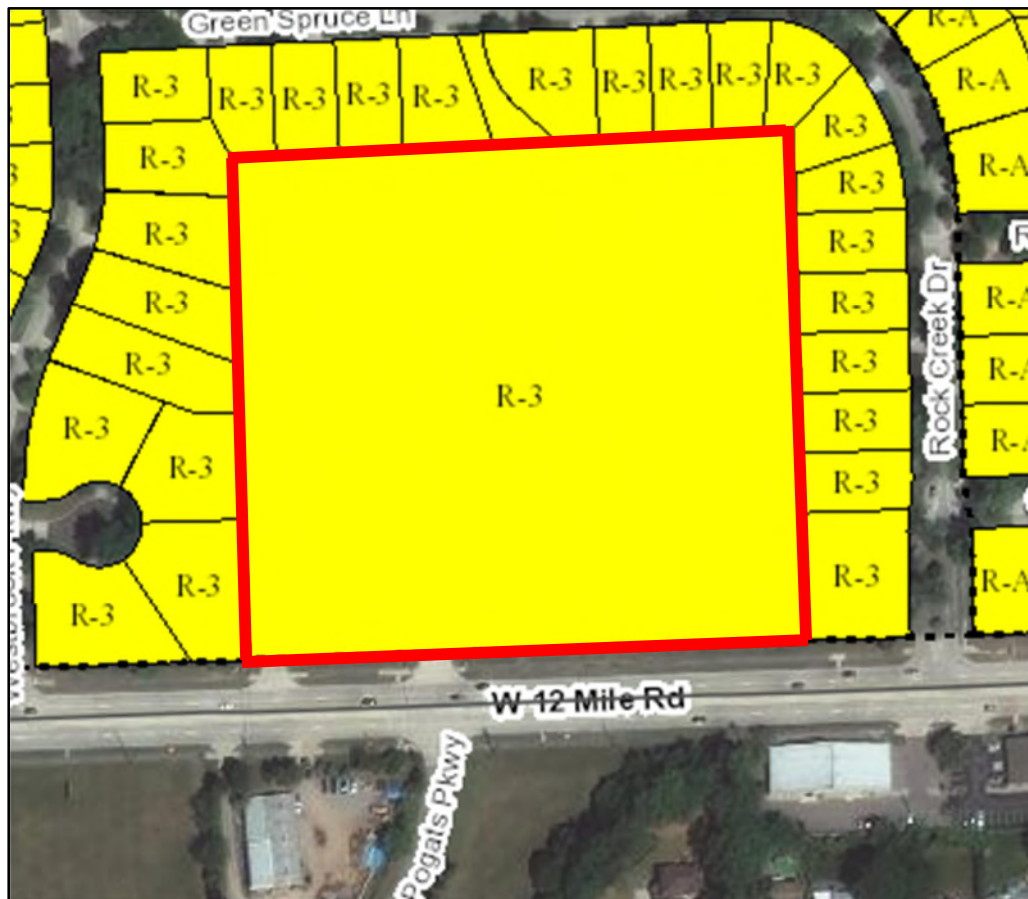
GENERAL DESCRIPTION OVERVIEW			
Location	The subject property is located on the north side of West 12 Mile Road in the northern portion of Southfield.		
Parcel Number	76-24-11-379-015		
Legal Description	T1N,R10E,SEC 11 176BPART OF S 1/2 OF SEC BEG AT S 1/4 COR, TH N 88-08-30 W 542.30 FT, TH N 01-39-30 E 650.12 FT, TH S 89-06-00 E 662.70 FT, TH S 02-22-20 W 661.19 FT, TH N 88-12-30 W 112 FT TO BEG EXC S 60 FT IN RD 9.010A 000000		
Site Area			
Primary Site	396,396 square feet (9.10 acres)		
Configuration	Rectangular		
Topography	Generally Level		
Drainage	Appears adequate		
Utilities/Municipal Services	Typical utilities and municipal services available to site.		
Floodplain	Zone	Map	Date
	Zone X (Unshaded)	26125C0538F	September 29, 2006
	Zone X (unshaded) is a Non-Special Flood Hazard Area (NSFHA) of minimal flood hazard, usually depicted on Flood Insurance Rate Maps (FIRM) as above the 500-year flood level. This is an area in a low to moderate risk flood zone that is not in any immediate danger from flooding caused by overflowing rivers or hard rains. In communities that participate in the National Flood Insurance Program (NFIP), flood insurance is available to all property owners and renters in this zone.		
Census Tract No.	0203.15		
Soil/Subsoil Conditions	We did not receive nor review a soil report. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property.		
Environmental Concerns	No unusual conditions observed. No studies provided. Site is assumed to be free of any environmental concerns.		
Hazards Nuisances	None observed during our physical inspection of the property.		
Frontage	West 12 Mile Road		
Access	Two curb cuts along West 12 Mile Road		
Visibility	Average		
Surrounding Land Uses	Single-family residences abut the subject to the north, east, and west. A school is located south of the subject property, along with additional single-family residences. Furthermore, medical office uses are located south of the subject property, as well.		
Enterprise Zone	The subject property is not located in an opportunity zone or any other enterprise zone.		
Traffic Counts	West 12 Mile Road: 21,380 (2020 MPSI)		
Transportation Facilities	There are multiple public bus stops within walking distance of the subject property, along West 12 Mile Road.		
Comments	The subject site conforms to the adjacent uses and surrounding neighborhood. There are no known adverse conditions in regard to flood plain, environmental contaminants, or soil/subsoil conditions. The subject is not located in an opportunity zone or any other enterprise zone.		

ZONING	
Jurisdiction	City of Southfield
Date of Last Update	April 22, 2021
Designation	R-3
Description	Single-Family Residential District
Zoning Intent	These residential districts are intended to provide areas in the city for single-family dwellings as permitted uses and residentially related uses subject to special approval. The districts are designed to encourage the continued use of land for single-family dwellings and discourage any land use which would create excessive or unsafe traffic on local streets.
Compliance	The subject property appears to be a legal, conforming use within the R-2: Single-Family Residential District, as it was granted a special permit to be improved as a school.
Reconstruction Clause	Nothing in this chapter shall prevent the restoration of a building destroyed by fire, explosion, act of God, or act of the public enemy, subsequent to the effective date of this chapter or shall prevent the continuance of the use of such buildings or part thereof as such use existing at the time of such impairment of such building or part thereof, provided that said restoration is made within one (1) year from the time of destruction and that same use is made of the premises.
ZONING REQUIREMENTS	
Permitted Uses	Single-Family Residences
Special Permitted Uses	Public and Private Schools
Minimum Lot Size Per Dwelling Unit	9,000 SF
Minimum Floor Area	1,200 SF
Minimum Lot Width	70 ft
Maximum Coverage Ratio	25%
Minimum Floor Area	%
Minimum Front Yard Setback	40 ft
Minimum Rear Yard Setback	35 ft
Minimum Side Yard Setback	8 ft
Maximum Height	25 ft, 2 stories
Required No. Parking Spaces	2 parking spaces per classroom + assembly space; 46 parking spaces
Subject's Total Parking Spaces	150

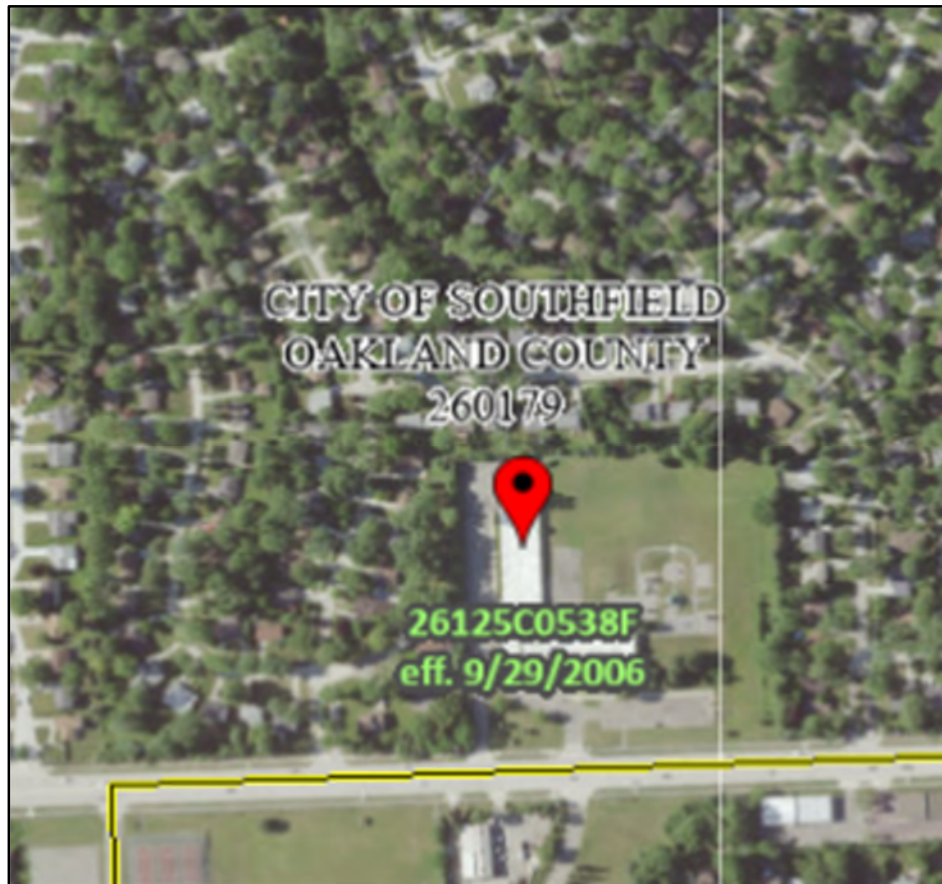
GIS AERIAL



ZONING MAP



FLOOD MAP



IMPROVEMENTS DESCRIPTION

GENERAL DESCRIPTION OVERVIEW

Address	19080 West 12 Mile Road Southfield, Michigan 48076
Property Description	Special (Public School (Grade, Middle, High)) Public School
Year Built	1968
Number of Buildings	1
Number of Stories	1
Building Construction Class	C
Gross Building Area	38,840 square feet
Building Footprint	38,840 square feet
Floor-Area Ratio	0.10
Coverage Ratio	9.8% (38,840 SF Bldg Footprint ÷ 396,396 SF Primary Site)
Land-to-Building Ratio	10.21 : 1
Ingress/Egress	Two curb cuts along West 12 Mile Road
Parking	
Surface Parking Spaces	150
Parking Ratio	1.93 spaces per 500 SF of gross building area.
ADA Compliance	The property was constructed prior to implementation of Federal ADA regulations; we assume the property is not fully ADA compliant.

CONSTRUCTION DETAIL

General Layout	The subject consists of a single-story public school, with 21 classrooms, a multi-purpose room, media center, and various offices and storage spaces
Foundation	Poured concrete slab
Construction	Masonry
Floor Structure	Reinforced concrete
Exterior Walls	Brick and block
Roof Type	Flat
Roof Cover	Sealed membrane

INTERIOR DETAIL

Interior Walls	Mix of drywall and brick
Ceilings	2 x 2 acoustical tile
Floor Coverings	Commercial-grade tile
Lighting	Fluorescent and Incandescent

MECHANICAL DETAIL

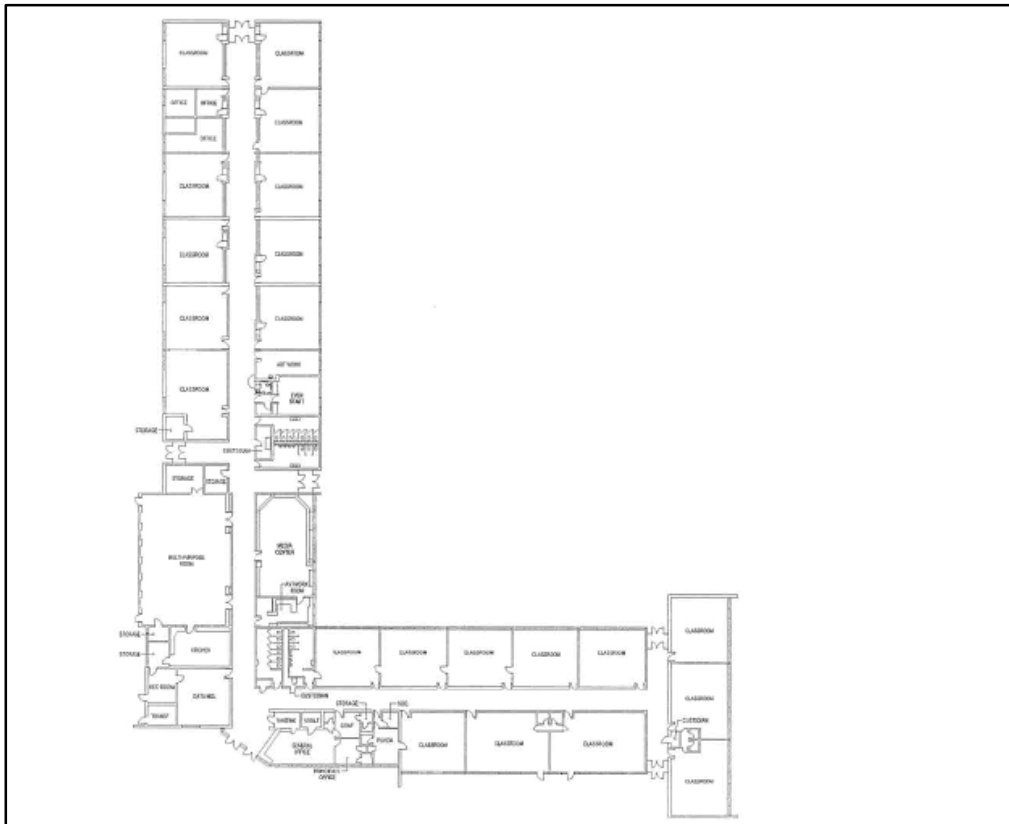
Heating	Forced Air
Cooling	HVAC
Plumbing	Appears inoperable.
Electrical	Appears inoperable.
Fire Protection	No sprinkler system observed.

SITE IMPROVEMENTS

Parking Type	Surface
Landscaping	A variety of trees, shrubbery and grass
Signage	Monument signage along Winchester Street
Fencing	Chain-link and wooden fencing along the surrounds the subject property to the west, north, and east; abutting the single-family residences.

SUMMARY

Building Condition	Poor We did not inspect the roof of the building(s) nor make a detailed inspection of the mechanical systems. We are not qualified to render an opinion as to the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed about the adequacy and condition of mechanical systems.
Building Quality	Average
Design and Functionality	Average
Actual Age	53 years
Expected Economic Life	45 years
Effective Age	35 years
Remaining Economic Life	10 years
Comments	The subject property appeared to be in poor condition during our physical inspection of the property. Furthermore, the mechanical, electrical, and plumbing systems appeared to be inoperable. Significant capital improvements/renovations are required to make the property habitable.



PROPERTY TAX ANALYSIS

PROPERTY ASSESSMENT

Assessment and real estate tax information were provided by local municipality assessment records. In the State of Michigan, commercial properties are assessed at 50% of the actual market appraised value, as estimated by the local assessor.

Property taxation in the State of Michigan was reformed in 1994. The Michigan Legislature abolished the mills assessed by local school districts to support local school systems. To replace this funding, the State reinstated 18.0 mills of school property taxes for non-homestead property. In addition, the method of taxation was modified as well. Property taxes are determined by applying a mandated millage rate for a given township, city, or school district to the taxable value of the property. The taxable value is based upon the lower of the assessed value (state equalized value -- SEV) or the capped value.

Property assessment is an annual, three-step process:

- First, the local assessor determines the assessed value of property based on the condition of the property on December 31 of the previous year. This is 50 percent of what the assessor determines to be the market price.
- Second, the board of commissioners in each county equalizes, or applies an adjustment factor, to ensure that property owners in all cities, townships, villages, or school districts in the county pay their fair share of that unit's taxes. Equalization serves to bring the total valuation across assessing units as close to the 50 percent level as possible.
- Third, the State Tax Commission applies an adjustment factor to the county assessments to bring the total valuation across counties as close to the 50 percent level as possible. This process produces the property's state equalized value, or SEV.

The capped value is increased at a rate equal to the lesser of 5.0% or the annual consumer price index change. When a property sells, the SEV at the time of the sale becomes the property's capped value. The SEV is generally 50 percent of true cash value as estimated by the local assessor. The 1994 SEV became the capped value for all properties in the State of Michigan when this change was instituted. Implicit in the determination of market value by this appraisal is the consummation of a sale. Upon the sale of a property in Michigan, the local assessor is notified of its selling price. At that point, the local assessor may adjust the assessed value (SEV) upward or downward as indicated by the selling price. The assessor is prohibited from arbitrarily raising the SEV for one property because of one sale; the sold property must remain fairly assessed relative to similar properties.

The Southfield Public School owned subject is exempt from ad valorem taxes and does not have current or historical assessments. However, upon transfer, the subject property will be reassessed at 50% of its market value, if sold to an entity that is subject to ad valorem taxes. In the Highest and Best Use section later in this report, we determined that razing the current improvements and rezoning the subject site to permit commercial uses. Thus, to project a reliable tax liability, we have collected assessment data of comparable, nearby vacant commercial land parcels.

TAX COMPARABLES

The following chart summarizes the assessments of nearby vacant commercial land parcels. Note that we also included a few of the sales comparables, which we analyze later in this report, which were subject to ad valorem taxes.

REAL ESTATE TAX COMPARABLES				
Property Address	Zoning	Site Size	2021 SEV	SEV per SF
Subject Property	-	396,396	-	-
15840 West 12 Mile Road	O-S: Office Services District	44,562	\$113,520	\$2.55
West 12 Mile Road Parcel	O-S: Office Services District	88,601	\$225,880	\$2.55
Southfield Road Parcel	B-3: General Business District	42,689	\$178,760	\$4.19
31665 Southfield Road	B: Business District	65,601	\$164,530	\$2.51
Comps Low		42,689	\$113,520	\$2.51
Comps High		88,601	\$225,880	\$4.19
Comps Average		60,363	\$170,673	\$2.95

As noted earlier, in the State of Michigan, the local assessor is prohibited from arbitrarily raising the SEV for one property because of one sale; the sold property must remain fairly assessed relative to similar properties. When a property sells, the SEV at the time of the sale becomes the property's capped value.

With the exception of tax comparable 3, which is seen as an outlier, a tight range emerges among the last three parcels. Thus, an assessment near the central tendency of these properties appears reasonable and we have projected an assessment of \$2.55 per SF of land.

CONCLUSION

Taxes for the following 12 months, if the improvements were to be razed and the property would be sold and subject to ad valorem taxes, are as shown in the following table.

TAX PROJECTION	
Tax ID No.	Pro Forma
Projected SEV (\$2.55 per SF of Land)	\$1,010,810
Millage Rate per \$1,000	73.2360
Property Taxes	\$74,028
Admin Fee (1%)	\$740
Total Taxes	\$74,768
Total Taxes Per SF of Land	\$0.19

MARKET AREA ANALYSIS

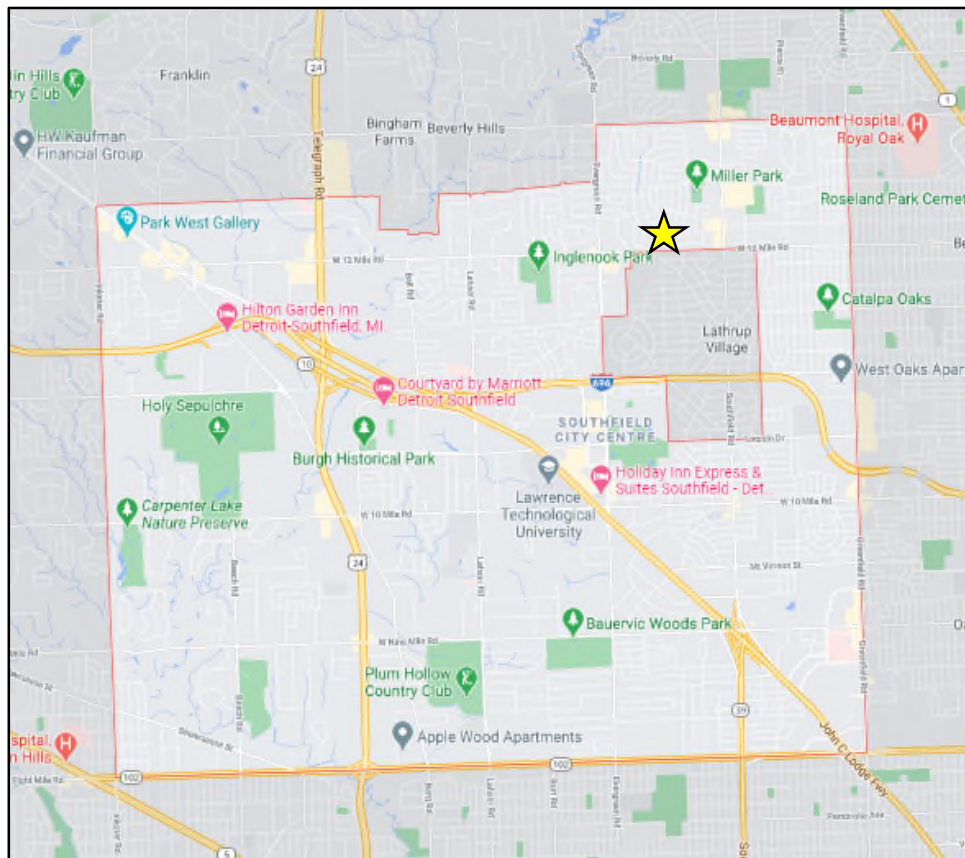
A market area is defined as being, “a group of complementary land uses. Social, economic, governmental, and environmental forces influence property values in the vicinity of a subject property, which, in turn, directly affect the value of the subject property itself. Therefore, the boundaries of the area of influence must be delineated to conduct a thorough analysis. The area of influence is the area within which the forces affect all surrounding properties in the same way they affect the property being appraised. Although physical boundaries may be drawn, the significant boundaries are those that fix the limits of influences on property values. By coincidence, these limits may be physically observable.

The purpose of a market area analysis is to provide a bridge between the study of general influences on all property values and the analysis of a particular subject. Market area boundaries are identified by determining the area in which the four forces that affect value (social, economic, governmental and environmental) operate in the same way they affect the subject property.

GENERAL DESCRIPTION

The subject’s market area is generally described as the city of Southfield and Lathrup Village, both in Oakland County in Michigan. The property is located to the northern side of I-696, a primary link to Detroit, Farmington Hills, Ann Arbor and west Metro Detroit. The subject market area, Southfield City borders, is shown below:

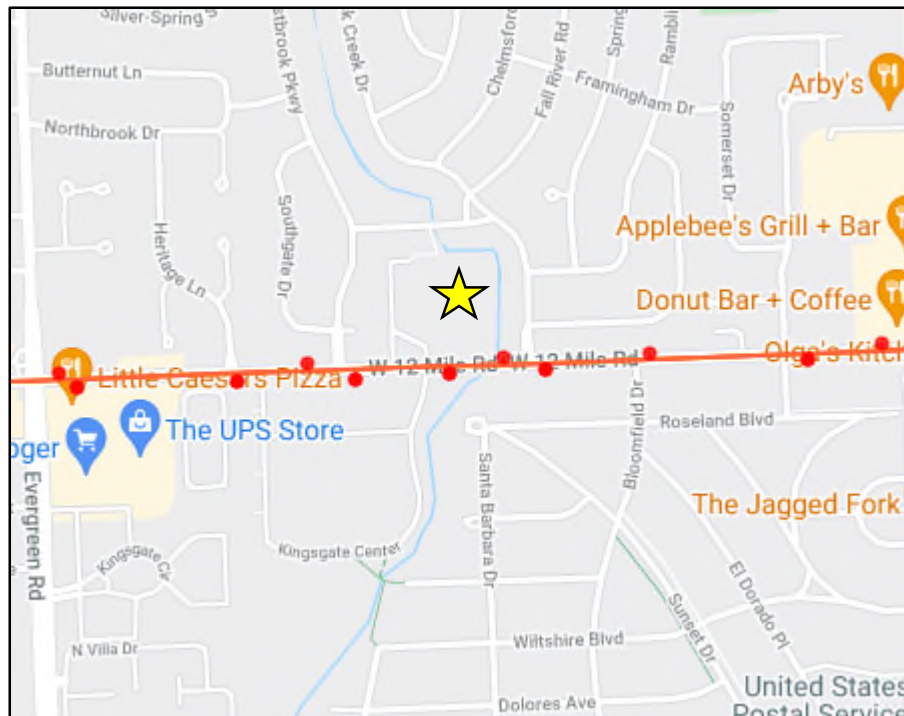
MARKET AREA MAP



ACCESS AND MAJOR ROADWAYS

Access to the neighborhood is considered good and is accessible by major roadways. The subject is located to the north of I-696; W 11 Mile Rd, Franklin Rd, and Inkster Rd are the primary roadways connecting the neighborhood with the rest of metropolitan area and the region. The secondary roadways include American Dr, Beech Rd and US 10. The general accessibility of the neighborhood to the surrounding area is good.

Public transportation is provided by the Suburban Mobility Authority of Regional Transportation. This service provides access to the entire Detroit MSA with 47 bus routes and 5,300 bus stops. Over 9 million people utilize this public transportation system. Bus route 740, which travels along Twelve Mile Road, possesses multiple bus stops within walking distance from the subject property. The route and the subject property are included in the picture below.



LAND USE AND SUPPORTIVE DEVELOPMENT

NORTHWESTERN HIGHWAY EMPLOYMENT CORRIDOR

The subject property's market area, the city of Southfield, serves as one of the major primary suburban employment centers in the Detroit MSA. CoStar estimates that within a five-mile radius around the subject property, which encompasses the majority of the market area, that there is nearly 200k daytime employees. In addition, the market area is home to nearly 10k different business, which include more than 100 Fortune 500 companies. The city boasts more than 27 MM square feet of office space, supported by 7 MM square feet of retail space. Although the subject property has benefited from a strong day-time employment base, the Covid-19 pandemic has jeopardized the market's short- and long-term stability. During the Covid-19 pandemic, white-collar and FIRE (financial, insurance, and real estate) employers have adapted to work-from-home model. In response, office tenants have consolidated their space and sought subtenants for their remaining lease terms. The office market has been negatively influenced by the Covid-19 pandemic, with decreased rental rates and higher vacancies. Although we expect the employment corridor to recover as the fight against the Covid-19 pandemic improves, we expect a long-term effects in response to the Covid-19 pandemic, which includes an increase in remote working, which will negatively influence the suburban employment center.

NORTHLAND CENTER REDEVELOPMENT

Once one of the largest and premier shopping centers in the Detroit MSA, the Northland Center now sits vacant and fenced off. In 2015, the enclosed shopping mall was officially closed to the public and defaulted to the city of Southfield's ownership. After various redevelopment proposals, with none resulted in fruition, the most recent proposal entails the largest multifamily development the state of Michigan has ever seen. Backed by Contour Companies LLC, the entity envisions 2,885 apartment units, coupled with 337k SF of commercial space, on the 97-acre site, where the vacant shopping mall still sits. In July of 2021, the development was granted \$26 MM in brownfield tax credits and partial demolition and construction start is expected in the later summer of 2021. The three-phase development is expected to be completed by 2026/2027, with the first phases expected to be completed by 2024.



VICINITY TO THE SUBJECT

The following chart denotes nearby supportive uses and their vicinity to the subject.

DISTANCE TO SUPPORTIVE USES / ACCESS			
Type	Distance	Direction	
Interstate/Freeways			
M-10 (John C. Lodge Freeway)	2.70 miles	SW	
US-24 (Telegraph Road)	2.60 miles	W	
Interstate 696	1.00 miles	S	
Transportation Centers			
Detroit Metropolitan Wayne County Airport	20.00 miles	SW	
West 12 Mile Road Public Bus Stop	0.10 miles	S	
Shopping Facilities			
Evergreen Plaza Shopping Center	0.40 miles	SW	
Southfield Plaza	0.80 miles	NE	
Southfield Plaza	2.50 miles	SW	
Education Centers			
Oakland Community College - Southfield Campus	3.30 miles	SE	
Lawrence Technological University	2.10 miles	SW	
Employment Centers			
Ascension Providence Hospital - Southfield	3.50 miles	SE	
Northwestern Highway Employment Corridor	3.80 miles	W	
I-696/12 Mile Road Employment Corridor	6.40 miles	W	
Downtown Detroit	15.30 miles	SE	

DEMOGRAPHIC DATA

The following table summarizes the select neighborhood demographics in the 1-mile, 3-mile, and 5-mile concentric circles from the subject as well as our market area, provided by Spotlight Demographics. The demographics table below depicts stagnant population growth. However, this data is a combination of the population decline expected in the city of Southfield and the growing populations of the adjacent municipalities of Royal Oak, Berkely, and Beverly Hills. Overall, stagnant to slight decline is expected in the market area population figures.

COMPARATIVE DEMOGRAPHIC ANALYSIS FOR PRIMARY TRADE AREA			
Description	1-Mile Radius Totals	3-Mile Radius Totals	5-Mile Radius Totals
Population			
2025 Projection	11,585	96,262	258,311
2020 Estimate	11,556	96,265	258,396
2010 Census	11,389	95,465	257,231
2000 Census	12,992	100,821	275,484
2020 Est. Median Age	46.1	43.3	42.4
2020 Est. Average Age	44.3	42.9	42.3
Households			
2026 Projection	4,785	42,287	115,447
2021 Estimate	4,725	41,998	114,650
2010 Census	4,507	40,746	111,442
2000 Census	4,932	42,429	116,861
2021 Percentage of Owner-Occupied Housing	86%	68%	65%
2021 Percentage of Renter-Occupied Housing	14%	32%	35%
2021 Est. Average Household Size	2.43	2.25	2.23
2021 Est. Households by Household Income			
Income Less than \$15,000	7.7%	8.0%	8.5%
Income \$15,000 - \$24,999	5.1%	6.7%	7.4%
Income \$25,000 - \$34,999	6.4%	6.8%	7.3%
Income \$35,000 - \$49,999	9.7%	10.7%	11.0%
Income \$50,000 - \$74,999	16.8%	15.7%	15.6%
Income \$75,000 - \$99,999	15.1%	12.6%	12.3%
Income \$100,000 - \$124,999	12.6%	10.8%	10.0%
Income \$125,000 - \$149,999	9.1%	8.1%	7.3%
Income \$150,000 - \$199,999	9.9%	8.3%	8.0%
Income \$200,000 - \$249,999	4.0%	4.1%	4.0%
Income \$250,000 - \$499,999	3.1%	4.9%	5.1%
Income \$500,000 and more	0.7%	3.4%	3.6%
2021 Est. Average Household Income	\$98,731	\$112,584	\$111,301
2021 Est. Median Household Income	\$82,007	\$78,991	\$75,391
2021 Est. Median All Owner-Occupied Housing Value	\$206,944	\$248,201	\$246,851

Source: 2020 Claritas, LLC 2020

CONCLUSION

Highway access to the market area is good, both on a local and regional level. The market area has asserted itself as a primary suburban employment center with strong employment opportunities in both professional offices and multiple nearby hospitals. However, we expect the market area to be negatively influenced by the Covid-19 pandemic, with an increased adoption of remote working in both the short-term and long-term. Population figures of the market area are expected to decline in the next five years. However, the potential Northland Mall redevelopment can generate a reversal of the expected declining populations and increase commercial synergy.

COVID-19 DISEASE; SARS-CoV-2 VIRUS ANALYSIS

Covid-19 vaccines in the US have been a resounding success as death and new case rates continue to plummet. Americans are traveling again, and mobility should continue to increase as consumers spend more money. Strong economic growth is expected throughout 2021 and into 2022 as rates are expected to remain near historical lows. Given recent bond yield increases, investors have expressed worries over upward pressure on interest rates; however, rates remain well below historical norms.

Medium and long-term outlooks are favorable and interest rates are expected to remain low into 2023, which could bode well for commercial real estate. Over the short-term hotels, restaurants without drive-thru windows and non-credit retail have taken the brunt of the declines while industrial, self-storage and multi-family have been the least affected. Office demand has faced downward pressures due to remote working trends and elevated levels of unemployment, which are declining. We will continue to interview market participants regarding changes in market conditions.

Please refer to our detailed analysis of the impact of this pandemic on the various markets and property types within the addenda to this report. We are keenly mindful of the effect of the national, state, and local economies as they relate to the subject property. Key indicators have been addressed with the appropriate sections of this report.

HIGHEST AND BEST USE

INTRODUCTION

The highest and best use is the reasonable, probable, and legal use of vacant land or an improved property that is physically possible, legally permissible, appropriately supported, financially feasible and that results in the highest value. These criteria are often considered sequentially. The tests of legal permissibility and physical possibility must be applied before the remaining tests of financial feasibility and maximal productivity. A financially feasible use is precluded if it is legally prohibited or physically impossible. If a reasonable possibility exists that one of the prior, unacceptable conditions can be changed, is it appropriate to proceed with the analysis with such an assumption.

HIGHEST AND BEST USE CRITERIA

The site's highest and best use is analyzed both as vacant and as improved, and if improvements are proposed then an as proposed analysis is required. In all cases, the property's highest and best use must meet four criteria: (1) legally permissible; (2) physically possible; (3) financially feasible; and (4) maximally productive.

HIGHEST AND BEST USE AS VACANT

LEGALLY PERMISSIBLE

Legal restrictions include deed restrictions, CC&R's, lease encumbrances, zoning requirements, building codes, historic district controls and environmental regulations, and were previously analyzed to determine legally permitted uses. Legally, the subject is zoned R-2: Single-Family Residential Development. Permitted by-right uses include single-family residences. No other legal restrictions have been identified that would limit development of the property beyond the development standards stipulated by municipal code.

PHYSICALLY POSSIBLE

Size, shape, topography, soil condition, availability of utilities, transportation access, surrounding uses, and locational characteristics were previously analyzed to determine which legal land uses are physically possible and which are best to conform to the physical and locational aspects of the site and its setting with respect to the neighborhood and community. There are no known adverse conditions in regard to flood plain, environmental contaminants, or soil/subsoil conditions. Overall, the physical site attributes result in adequate utility, and the property could be developed with a variety of legally conforming single-family residential uses. Given the surrounding uses and location, the site is best suited for single-family residential use.

FINANCIALLY FEASIBLE

Financial feasibility is determined by the relationship of supply and demand for the legally probable land uses versus the cost to create them. There has been a lack of new construction of single-family residences within the market area, with a median year built of single-family residences of 1965. Furthermore, population decline within the greater market area also hinders new single-family residential construction. Given the expected population decline in the market area and lack of single-family residential construction, single-family residential development does not appear to be financially feasible.

MAXIMALLY PRODUCTIVE

The final test of highest and best use of the site as vacant is that the use be maximally productive, yielding the highest return to the land. As previously stated, single-family residential development is not financially feasible given current market fundamentals. Thus, the maximally productive use of the site, as vacant, is to hold for single-family residential development.

HIGHEST AND BEST USE AS IMPROVED**PHYSICALLY POSSIBLE**

The subject is currently improved with a 38,840 square foot school on a 9.10-acre site that conforms to its surrounding uses. However, the improvements, as are uninhabitable and require significant expenditure and maintenance. Thus, the subject property in its current condition is unable to continue its current use.

LEGALLY PERMISSIBLE

The subject property appears to be a legal, conforming use within the R-2: Single-Family Residential District, as it was granted a special permit to be improved as a school.

FINANCIALLY FEASIBLE

Financial feasibility as an income-producing investment is based on the amount of rental income it can generate net of the required operating expenses. If the resulting net operating income motivates continued operation, then the land is being put to a productive and financially feasible use.

The subject property has formerly been used as an Elementary School. However, the subject property in its current condition would not be marketable given the supply of other vacant schools that would require much less capital improvements/renovations. The subject is near the end of its economic life. Therefore, continued operation and maintenance is not considered financially feasible. We must consider the following alternative uses of the existing improvements:

- Demolish the existing improvements and redevelop the site.
- Convert, renovate, or alter the existing improvements to enhance the current use or changes the use of the property to a more productive use.

In our analysis of schools in similar condition, with similar necessary capital improvements/renovation, the value of the subject property in its current condition amounts to \$390,000. Now, we will compare this reconciled figure with the value of the land, less demolition costs.

We do recognize the subject's current zoning designation as R-2: Single-Family Residential District, which permits single-family residences. However, as noted in the previous section, new construction of single-family homes within the market area does not appear to be financially feasible, given the lack of new construction and stagnant population figures. Thus, the value of the land as it is currently zoned, will not support the expected demolition costs of the current improvements.

However, we recognize that the subject property is located along Twelve Mile Road, a high-traffic commercial and retail corridor within the market area. Furthermore, the city of Southfield has been lenient in rezoning various vacant schools and city-owned parcels. In our later analysis, we have determined, that if the property were to be rezoned to permit commercial uses, the reconciled value of the site, as if vacant would amount to \$891,891. With the most recent edition of the Marshall & Swift cost index, we estimate that the demolition costs of the current improvements would amount to \$194,200 or \$5.00 per SF of GBA. Thus, our reconciled value (rounded) of the subject site if rezoned to permit commercial uses, less demolition costs amounts to \$700,000. This figure surpasses the value of the

improvements in their current condition and demolition of the current improvements is considered financially feasible.

MAXIMUM PRODUCTIVITY

The maximally productive use should conform to neighborhood trends and be consistent with existing nearby land uses. The single use that produces the greatest return on investment and usually the highest price and value is typically the highest and best use. As indicated in the previous paragraph, demolition of the current improvements and rezoning the site to permit commercial uses would be the maximally productive use of the subject site.

VALUATION PROCESS

Valuation in the appraisal process generally involves three techniques, including the Cost Approach, Sales Comparison Approach and the Income Capitalization Approach.

These three valuation methods are defined in the following table:

VALUATION METHODS	DEFINITION
Cost Approach	In this approach, value is based on adding the contributing value of any improvements (after deductions for accrued depreciation) to the value of the land as if it were vacant based on its highest and best use. If the interest appraised is other than fee simple, additional adjustments may be necessary for non-realty interest and/or the impact of existing leases or contracts. ¹
Sales Comparison Approach	In this approach, recent sales of similar properties in the marketplace are compared directly to the subject property. This comparison is typically accomplished by extracting "units of comparison", for example, price per square foot, and then analyzing these units of comparison for differences between each comparable and the subject. The reliability of an indication found by this method depends on the quality of the comparable data found in the marketplace.
Income Capitalization Approach	In this approach, a property is viewed through the eyes of a typical investor, whose primary objective is to earn a profit on the investment principally through the receipt of expected income generated from operations and the ultimate resale of the property at the end of a holding period.

VALUATION METHODS UTILIZED

This appraisal employs only the Sales Comparison Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that this approach would be considered necessary and applicable for market participants. The subject's age makes it difficult to accurately form an opinion of depreciation and tends to make the Cost Approach unreliable. Furthermore, because the subject property is a specialized land use, it is not typically marketed, purchased or sold on the basis of anticipated lease income. Therefore, we have employed neither the Cost Approach nor the Income Capitalization Approach to develop an opinion of market value.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

SALES COMPARISON APPROACH – LAND VALUATION, AS IF VACANT

METHODOLOGY

In the Sales Comparison Approach, we developed an opinion of value by comparing similar, recently sold properties in the surrounding or competing area to the subject property. In order to determine the value of the subject property, these comparable sales and/or listings are then evaluated and adjusted based on their differences when compared to the subject property. Inherent in this approach is the principle of substitution, which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

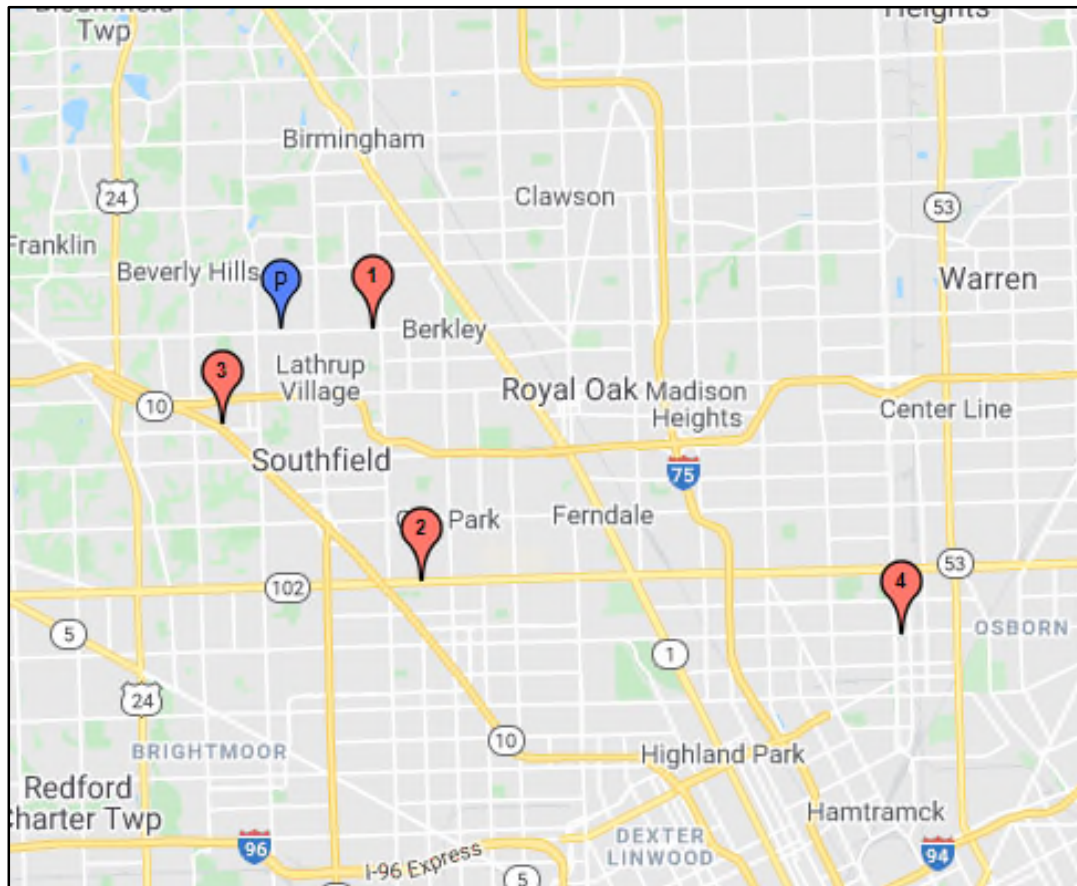
The Sales Comparison Approach to value requires the following sequential steps:

Unit of Comparison	A unit of comparison (i.e. price per square foot, price per dwelling unit) must be selected for comparable analysis of the sales and the subject. The selected unit of comparison must be consistent with market behavior.
Search for Sales	Research must be done to locate comparable sales, listings and contracts of properties that are similar to the subject. Similarities may include property type, size, physical condition, location and the date of the sale.
Confirmation	All sales must be confirmed to verify that the data used is accurate, and that all of the sales, listings or contracts represent arm's-length transactions.
Comparison	Each of the improved sales that are chosen for this valuation is considered generally similar to the subject. Therefore, each difference between the comparables and the subject must be identified, and then adjusted for the various differences. All adjustments are made to the comparables as they relate to the subject property.
Reconciliation	Once all of the comparables have been adjusted, a single-value must be concluded based on the indications produced from the analysis of the comparables.

COMPARABLE LAND SALES

We have analyzed two recent comparable sales, which were located in the subject property's market area. We then expanded our search to adjacent markets, to analyze an adequate number of comparable sales.

On the following pages, we present a summary of the comparable land sales that we compared to the subject property, a map showing their locations, and the adjustment process.



COMPARABLE LAND SALES SUMMARY

SUMMARY OF LAND SALES							
No.	Property / Location	Date of Sale	Transaction Status	Site Size (SF)	Zoning	Cash Equiv Sales Price	Price per SF
1	15840 West 12 Mile Road Commercial Land 15840 West 12 Mile Road Southfield, MI	May-21	Closed	44,562	O-S, Office Services District	\$345,000	\$7.74
2	15000 Eight Mile Road Commercial Land 15000 Eight Mile Road Oak Park, MI	Jan-20	Closed	445,618	PUD, Planned Unit Development District	\$1,108,230	\$2.49
3	Land 21700 Civic Center Drive Southfield, MI	May-19	Closed	218,671	RC, Regional Center	\$2,088,000	\$9.55
4	7026 Seven Mile Road Commercial Land 7026 Seven Mile Road Detroit, MI	Apr-19	Closed	16,117	B4, General Business	\$7,000	\$0.43
Subj.	Bussey Early Childhood Center 19080 West 12 Mile Road Southfield, Michigan	—	—	396,396	—	—	—

COMPARABLE LAND SALES ADJUSTMENT GRID

COMPARABLE LAND SALE ADJUSTMENTS					
	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Property / Location	Bussey Early Childhood Center 19080 West 12 Mile Road Southfield, Michigan	15840 West 12 Mile Road Land 15840 West 12 Mile Road Southfield, MI	15000 Eight Mile Road Road Commercial Land 15000 Eight Mile Road Oak Park, MI	Land 21700 Civic Center Drive Southfield, MI	7026 Seven Mile Road Road Commercial Land 7026 Seven Mile Road Detroit, MI
Transaction Status	-----	Closed	Closed	Closed	Closed
Date of Sale	-----	May-21	Jan-20	May-19	Apr-19
Site Size (SF)	396,396	44,562	445,618	218,671	16,117
Cash Equiv Sale Price	-----	\$345,000	\$1,108,230	\$2,088,000	\$7,000
Zoning	R-3, Single-Family Residential District	O-S, Office Services District	PUD, Planned Unit Development District	RC, Regional Center	B4, General Business
Unadjusted Price per SF (Net)	-----	\$7.74	\$2.49	\$9.55	\$0.43
Transactional Adjustments					
Property Rights Conveyed					
Adjustment		0%	0%	0%	0%
Financing					
Adjustment		0%	0%	0%	0%
Terms/Conditions of Sale					
Adjustment		0%	0%	0%	0%
Expenditures After Sale					
Adjustment		0%	0%	0%	0%
Market Conditions	Mar-20	May-21	Jan-20	May-19	Apr-19
Adjustment		0%	0%	2%	3%
Total Transactional Adjustments		0%	0%	2%	3%
Adjusted Price per SF (Net)		\$7.74	\$2.49	\$9.74	\$0.45
Property Adjustments					
Location		0%	0%	-10%	10%
Net Site Size (SF)	396,396	44,562	445,618	218,671	16,117
		-15%	0%	-5%	-20%
Zoning / Intended Use		0%	-10%	0%	0%
Shape / Configuration		-10%	0%	-10%	-10%
Utilities / Infrastructure		0%	0%	0%	0%
Topography		0%	0%	0%	0%
Total Property Adjustments		-25%	-10%	-25%	-20%
Indication for Subject		\$5.81	\$2.24	\$7.30	\$0.36

SALES SUMMARY	Unadjusted	Adjusted
Minimum	\$0.45	\$0.36
Maximum	\$9.74	\$7.30
Average	\$5.10	\$3.93
Median	\$5.11	\$4.02
Standard Deviation	\$4.30	\$3.19

ADJUSTMENT PROCESS

The sales that we have utilized represent the best available information that could be compared to the subject property. The major elements of comparison for an analysis of this type include the property rights conveyed, the financial terms incorporated into a particular transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

DISCUSSION OF ADJUSTMENTS

PROPERTY RIGHTS CONVEYED

This adjustment accounts for any impact that the property rights transferred to the buyer may have on sale price. For leased fee properties, the length of leases in place and the relationship of market to contract rent could impact value. Some properties may have stronger appeal to an owner-user or an investor, resulting in a premium or discount associated with fee simple property rights. If a buyer acquires the leasehold interest in a comparable, then an adjustment may be necessary that accounts for the impact to the of ground rent and/or risk associated with the expiration of the ground lease to the sale price.

All of comparable sales were sold on a Fee Simple basis, with no underlying leased income. Thus, no adjustments were warranted for this category.

FINANCING

This category accounts for differences in financing terms associated with the transaction. Financing arrangements that may require an adjustment include mortgage assumptions (at favorable interest rates), seller buydowns, installment sales, wrap-around loans, or any other atypical financing arrangements that do not represent cash-equivalent terms.

To the best of our knowledge, none of the comparable sales involved non-market-oriented financing. Thus, no adjustments were warranted for this category.

TERMS/CONDITIONS OF SALE

Adjustments for conditions of sale typically reflect various motivations of the buyer and/or seller. This may include such factors as seller distress (short sale, REO, auction) or buyer motivation (assemblage, etc.). In some situations, the conditions of sale may significantly affect transaction prices. Properties that are listed for sale may require adjustments herein to account for any disparity between asking prices and the achievable sale price anticipated.

All of the comparables were considered closed, valid arm's length transactions.

EXPENDITURES AFTER SALE

In order to arrive at the effective sale price, the actual sale price of each comparable is adjusted to account for any expenditures planned by the buyer immediately after sale, such as capital expenditures, cost to cure deferred maintenance, or lease-up costs.

None of the comparable sales involved atypical expenditure after sale and no adjustments were warranted for this category.

MARKET CONDITIONS

This adjustment category accounts for differences in economic conditions between the effective date of appraisal and the transaction date of the comparable, such as may be caused by changing supply and demand factors, rental rates, vacancy rates and/or capitalization rates.

Prior to Covid-19, there was a general uptrend in the commercial real estate market surrounding the land comparable sales, which included increasing rental rates and consistent new inventory deliveries. However, the Covid-19 pandemic has halted new construction, due to increase volatility and an increase in construction costs. To account for the upward trending market conditions, prior to the Covid-19 pandemic, we have applied a pro-rate annual adjustment of 3.0% up until March of 2021, rounded to the nearest 1.0%.

PROPERTY ADJUSTMENTS

LOCATION

The appeal of a property's location to users of and/or investors in a particular property type can influence value significantly. This factor broadly considers the impact of demographics, geographical attributes, access to transportation networks and local land use trends on pricing. Comparisons of location can often be derived, or even quantified, by examining rent, vacancy, capitalization rate, and land value trends in the subject and directly competitive areas.

In determining the quality of the sale comparables' locations, compared to the subject property, we have analyzed both median household incomes and traffic counts, which are included in the table below.

	Location Adjustment	
	One-Mile Med. HH Incomes	Traffic Counts
Subject	\$82,007	21,380
Sale 1	\$74,144	24,712
Sale 2	\$44,127	38,540
Sale 3	\$69,976	108,683
Sale 4	\$30,371	13,208

Sale 1 exhibits similar median household incomes and traffic counts and no adjustments were warranted for this sale for this category. Sale 2 exhibits lower median household incomes, but higher traffic counts. Due to the conflicting data points, we have decided not to apply a location adjustment for this sale. Sale 3 exhibits similar median household incomes and significantly higher traffic counts, within the primary commercial node within the city of Southfield. Thus, this sale requires a downward adjustment. Sale 4 exhibits both lower median household incomes and traffic counts. Thus, this sale requires an upward adjustment.

NET SIZE (SF)

Size and pricing typically have an inverse relationship, whereby larger sites tend to achieve lower pricing on a per-square-foot basis. This is attributable to economies of scale, as well as the narrower pool of prospective buyers for a larger property.

We applied a 5.0% adjustment for each doubling or halving of the subject site. Thus, Sales 1, 3, and 4 warrant their respective adjustments. Sale 2 did not require an adjustment, as it is similar in size compared to the subject property.

ZONING / INTENDED USE

The value of vacant land is largely contingent upon its potential use. This factor considers the uses permitted by the applicable development standards, per the subject's zoning designation. The maximum density to which a property can be developed typically impacts total value positively; however, depending upon property type, location, and

type of construction higher permitted densities can have an inverse relationship to pricing on a per-unit or per-square-foot basis.

In this adjustment category, we are assuming that the subject property will be rezoned to permit commercial uses on the site, consistent with the current zoning ordinance. Thus, Sales 1, 3, and 4 did not warrant any adjustment for this category, as they permit similar commercial uses. Sale 2 is located in a PUD: Planned Unit Development District, with more lenient zoning restrictions and uses, compared to the typical commercial zoning district. Thus, this sale warrants a downward adjustment.

SHAPE/CONFIGURATION

The configuration, shape, dimensions and depth of a site determine its developability and overall utility. These factors can impact development costs, usable area of the site, and thereby, achievable pricing. The subject site is comprised of a single parcel.

Although, the subject property possesses frontage along Twelve Mile Road, its significant depth would require either multiple parcel splits or larger properties, as opposed to smaller parcels, located along Twelve Mile Road. Sales 1, 3, and 4 consist of more narrow parcels along their respective commercial corridors, more attractive than larger parcels. Thus, these sales require downward adjustments. Sale 2 exhibits a similar configuration, with significant depth, and no adjustments were warranted for this sale for this category.

UTILITIES/INFRASTRUCTURE

Infrastructure adjustments may reflect differences in utility availability/capacity, developmental plans or other outside influences.

All of the comparables exhibit similar utilities and infrastructure as the subject property and no adjustments were warranted for this category.

TOPOGRAPHY

Topography characteristics can influence pricing, as sites with more radical elevation changes typically increase site preparation/development costs when compared to a level site.

All of the comparables exhibit similar topography as the subject site and no adjustments were warranted for this category.

CONCLUSION OF SALES COMPARISON APPROACH – LAND VALUE, AS IF VACANT

After adjustments the land sales reflect a tight range from \$0.36 to \$7.30 per square foot with an average adjusted price of \$3.87 per square foot and median adjusted price of \$3.91 per square foot. Furthermore, the standard deviation was reduced from \$4.30 per square foot to \$3.15 per square foot, adding credibility to the appraiser's adjustments. Sale 2 required the fewest number adjustments, as it exhibits a similar location and configuration. Thus, we will give primary reliance to this sale, with secondary reliance given to the central tendency of the data set. All things considered; we conclude that the indicated value by the Sales Comparison Approach is \$2.25 per square foot of land. We also deducted the cost of demolition (estimated at \$5.00/SF rounded), which we derived from the most updated Marshall Valuation Services report.

SALES SUMMARY	Unadjusted	Adjusted
Minimum	\$0.45	\$0.36
Maximum	\$9.74	\$7.30
Average	\$5.10	\$3.93
Median	\$5.11	\$4.02
Standard Deviation	\$4.30	\$3.19

VALUE INDICATION FROM SALES COMPARISON – LAND VALUE, AS IF VACANT

Our conclusion via the Sales Comparison Approach is as follows, as previously discussed.

LAND VALUE CONCLUSION - AS IS IF VACANT	
Indicated Value per SF	\$2.25
Net Site Area (SF)	x 396,396
Indicated Value	\$891,891
Less Demolition Costs (\$5.00 per SF of GBA)	\$194,200
Indicated Value, Less Demolition Costs	\$697,691
Rounded to nearest \$10,000	\$700,000
Per SF	\$1.77

RECONCILIATION AND FINAL VALUE

SUMMARY OF VALUE INDICATIONS

VALUE INDICATIONS			
As Is as of July 22, 2021			
Cost Approach	Not Developed		
Sales Comparison Approach (Land Value)	\$700,000	\$1.77	Per Square Foot of Land
Income Capitalization Approach	Not Developed		
Approach Reliance	Sales Comparison Approach		
Value Conclusion - As Is	\$700,000	\$1.77	Per Square Foot of Land
Exposure Time	12 months		
Marketing Time	12 months		

MARKET VALUE - VALUATION RELIANCE

This appraisal employs only the Sales Comparison Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that this approach would be considered necessary and applicable for market participants. The subject's age makes it difficult to accurately form an opinion of depreciation and tends to make the Cost Approach unreliable. Furthermore, because the subject property is a specialized land use, it is not typically marketed, purchased or sold on the basis of anticipated lease income. Therefore, we have employed neither the Cost Approach nor the Income Capitalization Approach to develop an opinion of market value.

FINAL OPINION(S) OF VALUE

Based on the inspection of the property and the investigation and the analysis undertaken, we have developed the following value opinion(s).

MARKET VALUE CONCLUSION(S)			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value - As Is	Fee Simple	July 22, 2021	\$700,000

MARKETING TIME AND EXPOSURE TIME

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local office market, it is our opinion that the probable exposure time for the subject at the concluded market value stated previously is 12 months.

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. As we foresee no significant changes in market conditions in the near term, it is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 12 months.

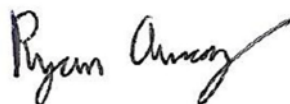
CERTIFICATION

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 our personal, impartial, and 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 no personal interest with respect to the parties involved with this assignment.
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 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.
7. This appraisal assignment was not based upon 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, as well as the requirements of the state of Michigan.
9. The reported analyses, opinions, and Value Indications were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, Frank Segura has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.
12. As of the date of this report, AI Practicing Affiliate Ryan Andrusz has completed the Standards and Ethics Education Requirements/education program for Practicing Affiliates of the Appraisal Institute.
13. Frank Segura has not and Ryan Andrusz has made a personal inspection of the property that is the subject of this report.
14. No one provided significant real property appraisal assistance to the person signing this certification.
15. Frank Segura and Ryan Andrusz have not provided services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
16. Appraisers are required to be licensed and are now regulated by the Michigan Department of Licensing and Regulatory Affairs. Frank Segura and Ryan Andrusz are State Certified Appraisers under this act of the Michigan Legislature. The address of the Michigan Department of Licensing and Regulatory Affairs is: P.O. Box 30018, Lansing, MI 48909.



Frank Segura
Managing Director
MI Certified General Appraiser
License #: 1201074272
734-462-0700
fsegura@bbgres.com



Ryan Andrusz
Appraiser
MI Certified General Appraiser
License #: 1201076279-Renewal Pending
734-853-3468
randrusz@bbgres.com

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

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

- 1) Notwithstanding that Appraiser may comment on, analyze or assume certain conditions in the appraisal, BBG, Inc. shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations or other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise. Accordingly:
 - a) The Appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the Appraiser or the Appraiser's staff or was obtained or taken from referenced sources and is considered reliable. The Appraiser and BBG, Inc. shall not be monetarily liable or responsible for or assume the costs of preparation or arrangement of geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
 - b) Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment. Further, unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Further, unless otherwise stated, it is assumed that there are no rights associated with extraction or exploration of such elements considered. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
 - c) Any legal description or plats reported in the appraisal are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. BBG, Inc. has made no survey of the property and assumes no monetary liability or responsibility in connection with such matters.
 - d) Title is assumed to be good and marketable, and in fee simple, unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated. Further, BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
 - e) The appraisal report is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the appraisal report; additionally, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the appraisal report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value opinion. Moreover, unless otherwise stated herein, it is assumed that there are no encroachments or violations of any zoning or other regulations affecting the subject property, that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there are no trespasses or encroachments.
 - f) The American Disabilities Act (ADA) became effective January 26, 1992. The Appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity

- with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would 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 impact upon the value of the property. Since the Appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
- g) No monetary liability or responsibility is assumed for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.
 - h) It is assumed the subject property is not adversely affected by the potential of floods, unless otherwise stated herein. Further, it is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
 - i) Unless otherwise stated within the appraisal report, the depiction of the physical condition of the improvements described therein is based on visual inspection. No monetary liability or responsibility is assumed for (a) the soundness of structural members since no engineering tests were conducted; (b) the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made; and (c) hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during the Appraiser's inspection.
 - j) If building improvements are present on the site, it is assumed that no significant evidence of termite damage or infestation was observed during physical inspection, unless so stated in the appraisal report. Further, unless so stated in the appraisal report, no termite inspection report was available. No monetary liability or responsibility is assumed for hidden damages or infestation.
 - k) Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No monetary liability or responsibility is assumed for such conditions or for engineering which may be required to discover them.
 - l) BBG, Inc. is not an expert in determining the presence or absence of hazardous substances, defined as all hazardous or toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. Appraiser is not qualified to detect such substances. The Client is urged to retain an expert in this field; however, Client retains such expert at Client's own discretion, and any costs and/or expenses associated with such retention are the responsibility of Client.
 - m) BBG, Inc. is not an expert in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The Appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions contained within the appraisal report based upon any subsequent endangered species impact studies, research, and investigation that may be provided. However, it is assumed that no environmental impact studies were either requested or made in conjunction with this analysis, unless otherwise stated within the appraisal report.
- 2) If the Client instructions to the Appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.

- 3) If provided, the estimated insurable value is included at the request of the Client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value purposes. The Appraiser is not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The Appraiser is not a cost expert in cost estimating for insurance purposes.
- 4) The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. This appraisal is based on market conditions existing as of the date of this appraisal.
- 5) The value opinions reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value opinions, unless such proration or division of interests is set forth in the report. Any division of the land and improvement values stated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
- 6) Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are BBG, Inc.'s best estimate of current market thinking of what future trends will be. No warranty or representation is made that such projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
- 7) The Appraiser assumes no monetary liability or responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
- 8) Any proposed or incomplete improvements included in the appraisal report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
- 9) If the appraisal report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the Appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- 10) Although the Appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the Appraiser either by the Client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the Appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or opinions of value.
- 11) The right is reserved by the Appraiser to make adjustments to the analyses, opinions, and conclusions set forth in the appraisal report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the Appraiser. The Appraiser shall have no monetary liability or responsibility for any unauthorized change(s) to the report.
- 12) The submission of the appraisal report constitutes completion of the services authorized and agreed upon. Such appraisal report is submitted on the condition the Client will provide reasonable notice and customary

compensation, including expert witness fees, relating to any subsequent required attendance at conferences, depositions, or judicial or administrative proceedings. In the event the Appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the Client immediately. The Client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files, and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to formulate the opinion of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the Client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.



Third-party reports by a true third party.

BBG OVERVIEW

BBG is one of the nation's largest real estate due diligence firms with more than 35 offices across the country serving more than 2,700 clients. We deliver best-in-class valuation, advisory and assessment services with a singular focus of meeting our clients' needs.

Our professional team offers broad industry expertise and deep market knowledge to help clients meet their objectives throughout the real estate life cycle.

BBG clients include commercial real estate professionals, investors, lenders, attorneys, accountants and corporations.

THE BBG DIFFERENCE

National Footprint. BBG is one of only two national firms offering in-house valuation and environmental and property condition assessment services for all commercial property types.

Customer-focused Growth. BBG is one of the largest national due diligence firms because we deliver best-in-class work product and provide excellent customer care.

Qualified Team. Over 50 percent of BBG appraisers are MAI designated and offer deep industry expertise gained through real-world experience.

Unbiased Independence. By focusing exclusively on due diligence services, BBG guarantees an independent perspective free from potential conflicts of interest.

Innovative Technology. BBG has made significant analytics and IT investments to continually improve our data and report quality.

SERVICES

Valuation

- + Single Asset Valuation
- + Portfolio Valuation
- + Institutional Asset Valuation
- + Appraisal Review
- + Appraisal Management
- + Lease and Cost Analysis
- + Insurance Valuation
- + Arbitration & Consulting
- + Feasibility Studies
- + Highest and Best Use Studies
- + Evaluation
- + Investment analysis
- + Tax appeals
- + Litigation Support

Advisory

- + ASC 805 Business combinations
- + ASC 840 Leases
- + Purchase Price Allocations
- + Portfolio Valuations for reporting net asset values (NAV)
- + Public and non-traded REIT valuations
- + Valuations for litigation and litigation support
- + Sale-leaseback valuation analysis
- + Valuations for bankruptcy/fresh start accounting
- + Cost segregation analysis

Assessment

- + Environmental due diligence
- + Property condition consulting
- + Small loan services
- + Energy consulting
- + Environmental consulting
- + Zoning
- + ALTA Surveys



VALUATION



ADVISORY



ASSESSMENT



ZONING

ADDENDA

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GLOSSARY

Assessed Value: The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.¹

Asset:

1. Any item, the rights to which may have economic value, including financial assets (cash or bonds), business interests, intangible assets (copyrights and trademarks), and physical assets (real estate and personal property).
2. In general business usage, something owned by a business and reflected in the owner's business sheet.

Asset: A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.²

Capital Expenditure: Investments of cash (or the creation of liability) to acquire or improve an asset, e.g., land, buildings, building additions, site improvements, machinery, equipment; as distinguished from cash outflows for expense items that are normally considered part of the current period's operations.¹

Cash Equivalency: An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.¹

Client:

1. The individual, group, or entity who engages a valuer to perform a service (USPAP)
2. The party or parties who engage, by employment or contract, an appraiser in a specific assignment. Comment: The client may be an individual, group, or entity, and may engage and communicate with the appraiser directly or through an agent (USPAP, 2016-17-ed).
3. Generally the party or parties ordering the appraisal report. It does not matter who pays for the work (CUSPAP, 2014-ed).¹

Condominium Ownership: A form of fee ownership of separate units or portions of multiunit buildings that provides for formal filing and recording of a divided interest in real property.³

Cost Approach: A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.¹

Credible:

1. Worthy of belief, supported by analysis of relevant information. Creditability is always measured in the context of intended use. (SVP)
2. Worthy of belief. Comment: Creditable assignment results require support, by relevant evidence and logic, to the degree necessary for the intended use. (USPAP, 2016-2017-ed.).¹

Deferred Maintenance: Needed repairs or replacement of items that should have taken place during the course of normal maintenance.¹

Disposition Value: The most probable price that a specified interest in real property should bring under the following conditions: 1) Consummation of a sale within a specific time, which is short than the typical exposure time for such a property in that market. 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 is 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. 8) Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration of the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.¹

Economic Life: The period over which improvements to real property contribute to property value.¹

Effective Date: 1) The date on which the analyses, opinions, and advice in an appraisal, review, or consulting service apply. 2) In a lease document, the date upon which the lease goes into effect.¹

Effective Gross Income Multiplier (EGIM): The ratio between the sale price (or value) of a property and its effective gross income.¹

Effective Rent: Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions, the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.¹

Exposure Time: 1) The time a property remains on the market. 2) The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market (USPAP 2016-2017-ed).¹

Extraordinary Assumptions: An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Extraordinary assumptions presume as fact otherwise uncertain information 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. (USPAP, 2016-2017 ed).¹

Fair Market Value: In nontechnical usage, a term that is equivalent to the contemporary usage of market value.¹

Fair Share: That portion of total market supply accounted for by a subject property. For example, a 100-key hotel in 1,000-key market has a fair share of 10%.¹

Fair Value:

1. The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (FASB)
2. The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties. (This does not apply to valuations for financial reporting.) (IVS).¹

Fair Value: The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.²

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.¹

Floor Area Ratio (FAR): The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.¹

Going-Concern Value: 1) 73. An established and operating business having an indefinite future life. 2) 74. An organization with an indefinite life that is sufficiently long that, over time, all currently incomplete transformations [transforming resources from one form to a different, more valuable form] will be completed.¹

Gross Building Area (GBA): 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. 2) Gross leasable area plus all common areas. 3) 16. For residential space, the total area of all floor levels measured from the exterior of the walls and including the super structure and substructure basement; typically does not include garage space.¹

Highest and Best Use: 1) The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. 2) The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS). 3) [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)¹

Hypothetical Condition: 1) 117. A condition that is presumed to be true when it is known to be false. (SVP). 2) 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 analysis. Comment: 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. (USPAP, 2016-2017 ed.)¹

Income Capitalization Approach: Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.¹

Inspection: Personal observation of the exterior or interior of the real estate that is the subject of an assignment performed to identify the property characteristics that are relevant to the assignment, such as amenities, general physical condition, and functional utility. Note that this is not the inspection process performed by a licensed or certified building inspector.¹

Insurable Value: A type of value for insurance purposes.¹

Intangible Assets: 1) A nonmonetary asset that manifests itself by its economic properties. It does not have physical substance but grants rights and economic benefits to its owner. (IVS). 2) A nonphysical asset such as a franchise, trademark, patent, copyright, goodwill, equity, mineral right, security, and contract (as distinguished from physical assets) that grant rights and privileges, and have value for the owner. (ASA). 3) An identifiable nonmonetary asset without physical substance. An asset is a resource that is controlled by the entity as a result of past events (for ex-ample, purchase or self-creation) and from which future economic benefits (inflows of cash or other assets) are expected. [IAS 38.8] Thus, the three critical attributes of an intangible asset are: identifiability, control (power to obtain benefits from the asset), 'future economic benefits (such as revenues or reduced future costs). (IAS 38)¹

Intangible property: Nonphysical assets, including but not limited to franchises, trademarks, patents, copyrights, goodwill, equities, securities, and contracts as distinguished from physical assets such as facilities and equipment. (USPAP, 2016-2017 ed.)¹

Intended Use: 1) The valuer's intent as to how the re-port will be used. (SVP) 2) The use or uses of an appraiser's reported appraisal or appraisal review assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment. (USPAP, 2016-2017 ed.)¹

Intended User: 1) The party or parties the valuer intends will use the report. (SVP) 2) The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser on the basis of communication with the client at the time of the assignment. (USPAP, 2016-2017 ed.)¹

Internal Rate of Return ("IRR"): The annualized yield rate or rate of return on capital that is generated or capable of being generalized within an investment of portfolio over a period of ownership. Alternatively, the indicated return of capital associated with a projected or pro forma income stream. The discount rate that equates the present value of the net cash flows of a project with the present value of the capital investment. It is the rate at which the Net Present Value (NPV) equals zero. The IRR reflects both the return on invested capital and the return of the original investment, which are basic considerations of potential investors. Therefore, deriving the IRR from analysis of market transactions of similar properties having comparable income

patterns is a proper method for developing market discount rates for use in valuations to arrive at Market Value. Used in discounted cash flow analysis to find the implied or expected rate of return of the project, the IRR is the rate of return which gives a zero net present value (NPV). See also equity yield rate (YE); financial management rate of return (FMRR); modified internal rate of return (MIRR); yield rate (Y).¹

Investment Value: 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (IVS)¹

Leasehold Interest: The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.¹

Leased Fee Interest: The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.¹

Liquidation Value: The most probable price that a specified interest in real property should bring under the following conditions: 1) Consummation of a sale within a short time period; 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 extreme compulsion to sell; 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time 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. This definition can also be modified to provide for valuation with specified financing terms.¹

Load Factor: A measure of the relationship of common area to useable area and therefore the quality and efficiency of building area layout, with higher load factors indicating a higher percentage of common area to overall rentable space than lower load factors; calculated by subtracting the amount of usable area from the rentable area and then dividing the difference by the usable area:¹

$$\frac{(\text{Rentable Area} - \text{Useable Area})}{\text{Useable Area}}$$

Market Value. The major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined.*

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash, or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, for self-interest, and assuming that neither is under duress.

2. Market value is described, not defined, in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal. Comment: Forming an opinion of market value is the purpose of many real property appraisal assignments, particularly when the client's intended use includes more than one intended user. The conditions included in market value definitions establish market perspectives for development of the opinion. These conditions may vary from definition to definition but generally fall into three categories:

- the relationship, knowledge, and motivation of the parties (i.e., seller and buyer);
- the terms of sale (e.g., cash, cash equivalent, or other terms); and
- the conditions of sale (e.g., expo- sure in a competitive market for a reasonable time prior to sale).

USPAP also requires that certain items be included in every appraisal report. Among these items, the following are directly related to the definition of market value:

- Identifications of the specific property rights to be appraised.
- Statement of the effective date of the value opinion.
- Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.
- If the appraisal is conditioned upon financing or other terms, specification as to whether the financing or terms are at, below, or above market interest rates and/or contain unusual conditions or incentives. The terms of above- or below-market interest rates and/or other special incentives must be clearly set forth; their contribution to, or negative influence on, value must be described and estimated; and the market data supporting the opinion of value must be described and explained.

3. The following definition of market

value is used by agencies that regulate federally insured financial institutions in the United States: 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 each 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.

(12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

4. The International Valuation Standards Council defines market value for the purpose of international standards as follows: The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. (IVS)

5. The Uniform Standards for Federal Land Acquisitions defines market value as follows: Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. (Uniform Appraisal Standards for Federal Land Acquisitions)¹

Market Value "As If Complete" On The Appraisal Date:

Market value as if complete on the effective date of the appraisal is an estimate of the market value of a property with all construction, conversion, or rehabilitation hypothetically completed, or under other specified hypothetical conditions as of the date of the appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value should reflect the market value of the property as if complete and prepared for occupancy by tenants.

Market Value "As Is" On The Appraisal Date: Value As Is -The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning. See also effective date; prospective value opinion.

Market Value of the Total Assets of the Business: The market value of the total assets of the business is the market value of all of the tangible and intangible assets of a business as if sold in aggregate as a going concern. This assumes that the business is expected to continue operations well into the future.⁴

Marketing Time: An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property Market Value Opinions" address the determination of reasonable exposure and marketing time.)³

Net Lease: A lease in which the landlord passes on all expenses to the tenant. See also lease.¹

Net Rentable Area (NRA): 1) The area on which rent is computed. 2) The Rentable Area of a floor shall be computed by measuring to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor. No deductions shall be made for columns and projections necessary to the building. Include space such as mechanical room, janitorial room, restrooms, and lobby of the floor.⁵

Penetration Ratio (Rate): The rate at which stores obtain sales from within a trade area or sector relative to the number of potential sales generated; usually applied to existing facilities. Also called: penetration factor.¹

Prospective opinion of value. A value opinion effective as of a specified future date. The term does not define a type of value. Instead it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.¹

Reconciliation: A phase of a valuation assignment in which two or more value indications are processed into a value opinion, which may be a range of value, a single point estimate, or a reference to a benchmark value.¹

Reliable Measurement: [The IAS/IFRS framework requires that] neither an asset nor a liability is recognized in the financial statements unless it has a cost or value that can be measured reliably.²

Remaining Economic Life: The estimated period over which existing improvements are expected to contribute economically to a property; an estimate of the number of years remaining in the economic life of a structure or structural components as of the effective date of the appraisal; used in the economic age-life method of estimating depreciation.¹

Replacement Cost: The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout.¹

Retrospective Value Opinion: A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."¹

Sales Comparison Approach: The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.¹

Scope of Work: 1) The type of data and the extent of research and analyses. (SVP). 2) The type and extent of research and analyses in an appraisal or appraisal review assignment. (USPAP, 2016–2017 ed.)¹

Stabilized value: A value opinion 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. It is also a value opinion that excludes from consideration any transitory condition that may cause excessive construction costs, e.g., a premium paid due to a temporary shortage of supply.

Substitution: The principle of substitution states that when several similar or commensurate commodities, goods, services are available, the one with the lowest price will attract the greatest demand and widest distribution. This is the primary principle upon which the cost and sales comparison approaches are based.³

Total Assets of a Business: Total assets of a business is defined by the Appraisal Institute as “the tangible property (real property and personal property, including inventory and furniture, fixtures and equipment) and intangible property (cash, workforce, contracts, name, patents, copyrights, and other residual intangible assets, to include capitalized economic profit).”

Use Value:

The value of a property assuming a specific use, which may or may not be the property’s highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually.¹

¹Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute 2010). ²Appraisal Institute, *International Financial Reporting Standards for Real Property Appraiser, IFRS Website*, www.ifrs-ebooks.com/index.html. ³Appraisal Institute, *The Appraisal of Real Estate*, 13th ed. (Chicago: Appraisal Institute 2008). ⁴ This definition is taken from “Allocation of Business Assets Into Tangible and Intangible Components: A New Lexicon,” *Journal of Real Estate Appraisal*, January 2002, Volume LXX, Number 1. This terminology is to replace former phrases such as: value of the going concern. ⁵Financial Publishing Company, *The Real Estate Dictionary*, 7th ed. ⁶ U.S. Treasury Regulations

LETTER OF ENGAGEMENT



July 21, 2021

Ms. Felicia M. Venable
Director of Operations
Southfield Public Schools
24661 Lahser Road
Southfield, Michigan 48033

Phone: 248-746-8500
Direct: 248-746-8582
Mobile: 248-251-4165
Email: Felicia.venable@southfieldk12.org

RE: Appraisal Report of 5 (five) separate school buildings below:
1.) 16300 Lincoln Drive, Southfield, MI (Thompson K-8 International School-Open)
2.) 19080 West 12 Mile Road, Southfield, MI (Bussey Early Childhood Center-Closed)
3.) 20900 Independence, Southfield, MI (Leonard Elementary School-Closed)
4.) 24500 Larkin, Southfield, MI (Eisenhower Elementary School-Closed)
5.) 21705 Evergreen, Southfield, MI (Southfield Regional Academic Center-Open)

Dear Ms. Venable:

We are pleased to submit this proposal and our Terms and Conditions for the Appraisal Reports of the above referenced real estate.

PROPOSAL SPECIFICATIONS

Valuation Premise:	Form an opinion of the Market Value, As Is, of the property indicated above. There will be 5 (five) separate Narrative Appraisal Reports presented, one for each address above.
Property Rights Appraised:	Fee Simple Interest
Intended Use:	Asset Valuation
Intended Users:	Southfield Public Schools
Scope of Work:	Approaches to value at appraiser's discretion
Inspection:	BBG inspection in conformance with municipal regulations and scope proposed during bidding.
Site/Property Contact:	
	Name: Felicia Venable
	Phone: 248-746-8531
	Email: felicia.venable@southfieldk12.org
Appraisal Standards:	Uniform Standards of Professional Appraisal Practice (USPAP) and Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute

DETROIT

P + 734.462.0700

42 WATSON STREET
+ STE C
DETROIT, MI 48201

BBGRES.COM

VALUATION + ADVISORY + ASSESSMENT + ZONING

Report Type: Appraisal Reports

Report Format: Narrative

Fee: \$2,500 for each report (\$12,500 total)

Fee includes up to four hours of consultation time after delivery of the final reports. Any time incurred thereafter will be billed at an hourly rate as shown below. Travel and waiting time will be incurred at ½ hourly rates shown below:

Senior Managing Director: \$400/hour
Managing Director: \$350/hour
Director: \$275/hour
Senior Appraiser: \$225/hour
Appraiser: \$175/hour
Researcher: \$150/hour
Administrative: \$85/hour

Please indicate below who is responsible for payment:

Name: Felicia Venable
Company: Southfield Public Schools
Address: 24661 Lahser Road
Phone: 248-746-8531
Email: felicia.venable@southfieldk12.org

Signature: Felicia Venable

Retainer: None

Payment Terms: Balance is due and payable upon delivery of the final reports or within 30 days of your receipt of our draft reports, whichever is sooner. If draft reports are requested, the fee is considered earned upon delivery of our draft reports.

Report Copies: 1 Final PDF of each report

Delivery Date: Final reports within 2 (two) weeks from receipt of signed engagement and all requested data for each property location.

Report Delivery Recipients: If any other person(s) are authorized to be included on delivery of the reports, please include their information in the space below:

Name(s): Felicia Venable
Email(s): felicia.venable@southfieldk12.org

Acceptance Date: Date of Execution

Property Information Request:	The following list of items will be needed for each property location within 2 days in order to meet the above referenced delivery date:
	• Property Contact for Site Inspection (if not already provided) • Capital Expenses Recently Completed & Anticipated • Construction Budget and Land Acquisition information (if built within the past 3 years) • "As Built" Survey • Copy of Lease (if applicable) • Floor Plans • Legal Description • Site Plan • Title Policy (if possible) • Operating Statements (real estate only) • Insurance Premium for Current Year • Tax Bill(s) for Account Numbers & any pending Appeal Correspondence (if applicable) • Leasing agent and Property Management contact (if applicable)

The attached Terms and Conditions of the Engagement are deemed part of this Appraisal Services Agreement and are incorporated fully herein by reference and shall apply to any appraisal reports, contract or orders into which they are incorporated. In addition, with respect to any appraisal report, any use of or reliance on the appraisal by any party, regardless of whether the use or reliance is authorized or known by BBG, Inc. and its agents, servants, employees, principals, affiliated companies and all those in privity with them, constitutes acceptance of such Terms and Conditions of the Engagement, as well as acceptance of all other appraisal statements, limiting conditions and assumptions stated in the appraisal report. Use of this appraisal report constitutes acknowledgement and acceptance of the Terms and Conditions of the Engagement, special assumptions (if any), extraordinary assumptions (if any), and hypothetical conditions (if any) on which this estimate of market value is based. This appraisal report has been prepared for the exclusive benefit of the client. It may not be used or relied upon by any other party. Any other party who is not the identified client within this report who uses or relies upon any information in this report does so at their own risk.

- By signing below, the client authorizes BBG to discuss any and all confidential information related to this assignment with any party listed as an intended user in the draft or final report.
- By signing below, the client authorizes BBG to disclose that they have appraised the subject of this engagement to other parties. Disclosure will not include confidential information.
- By signing below, client affirms this report will not be used for litigation purposes of any kind. If the report is utilized in litigation, the client will reimburse BBG and/or the signing appraiser for all legal costs, time (at the hourly rate stated herein) and expenses incurred. The client will not have review or approval over said expenses and time. In the event the appraiser is notified of litigation, the client will provide a \$5,000 retainer within 48 hours to the appraiser.

July 21, 2021

Page 4 of 8

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.



As Agent for BBG, Inc.
Frank Segura
Managing Director

AGREED AND ACCEPTED



Client Signature

July 30, 2021 (re-signed)

Date

Terms and Conditions of the Engagement

The Terms and Conditions of the Engagement are deemed part of the attached Proposal Specifications and Appraisal Services Agreement and are incorporated fully therein, and shall apply to any appraisal reports, contract or orders into which they are incorporated.

A) Definitions. In the Terms and Conditions of the Engagement:

1. "BBG, Inc." means BBG, Inc. and its agents, successors, assigns, servants, employees, principals, affiliated companies and all those in privity with them.
2. "Appraiser" means the appraiser(s) performing part or all of the appraisal services and/or signing an appraisal report.
3. "Appraisal Services Agreement" means any written agreement with Client for performance of the appraisal services by Appraiser, including any agreement entered into electronically.
4. "Client" means any party identified expressly as a client in an Appraisal Services Agreement and also any party identified expressly as a client by the Appraiser in an appraisal report.
5. "Appraisal" means the appraisal or consulting report(s) prepared by BBG, Inc.

B) Venue and Jurisdiction

THIS APPRAISAL SERVICES AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC SUBSTANTIVE LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION. IF ANY ACTION RELATING TO THIS APPRAISAL SERVICES AGREEMENT OR THE CONTEMPLATED TRANSACTIONS IS BROUGHT BY A PARTY HERETO AGAINST ANY OTHER PARTY HERETO, THE PREVAILING PARTY IN SUCH ACTION WILL BE ENTITLED TO RECOVER ALL REASONABLE EXPENSES RELATING THERETO (INCLUDING ATTORNEYS' FEES AND EXPENSES) FROM THE NON-PREVAILING PARTY.

Each party to this Appraisal Services Agreement (a) hereby irrevocably submits to the exclusive jurisdiction and venue of the state courts located in Dallas County, Texas (or, if but only if such court lacks jurisdiction, the United States District Court for the Northern District of Texas) for the purpose of any Action between any of the parties hereto arising in whole or in part under or in connection with this Appraisal Services Agreement, any Ancillary Agreement, or the Contemplated Transactions, (b) hereby waives and agrees not to assert any claim that he, she or it is not subject personally to the jurisdiction of the above-named courts or that any such Action brought in the above-named courts should be dismissed on grounds of forum non conveniens. Notwithstanding the foregoing, a party hereto may commence any Action in a court other than the above-named courts solely for the purpose of enforcing an order or judgment issued by the above-named courts.

C) Limitations of Liability

It is expressly agreed that in any action which may be brought against BBG, Inc., arising out of, relating to, or in any way pertaining to this engagement, this Appraisal Services Agreement, this Appraisal, or any information or opinions contained therein, BBG, Inc. shall not be responsible or liable for any incidental or consequential losses, unless the Appraisal was fraudulent or prepared with gross negligence. It is further agreed that the collective liability of BBG, Inc. in any such action shall not exceed the fees paid for the preparation of the respective Appraisal unless the Appraisal was fraudulent or prepared with gross negligence. Finally, it is agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.

Client hereby agrees to indemnify, defend, protect and hold BBG, Inc. harmless from and against all claims, damages, losses and expenses, including attorneys' fees, expenses and costs, incurred upon investigating and defending any claim, action or proceeding arising from, or in any way connected to, relating to, or in any way pertaining to this engagement, this Appraisal Services Agreement, the Appraisal, or any information or opinions contained therein.

Further, you acknowledge that any opinions and conclusions expressed by professionals employed by BBG, Inc. related to the Appraisal are representations made by them as employees and not as individuals. BBG, Inc.'s responsibility is limited to you a Client, and use of BBG, Inc.'s product by third parties shall be solely at the risk of you and/or third parties. BBG, Inc. acknowledges that Client will be the end-user of, and can rely upon, the opinion and conclusions of BBG, Inc. for this Appraisal.

D) Confidentiality

The parties agree that (i) this Appraisal Services Agreement and the terms contained herein, (ii) valuation conclusions, (iii) the identity of the analyst or the firm and any reference to the professional organization of which the appraiser is affiliated or to the designations thereof, and (iv) all information regarding the Site of whatever nature made available to either party by the other (including BBG, Inc.'s final report and all prior drafts of same) and methods of each party revealed during the performance of the Services (altogether, collectively, the "Confidential Information") shall be treated as strictly confidential. Accordingly, neither party nor any employee, agent or affiliate thereof shall disclose the same to any third party without the written consent of other party and approval of Appraiser; provided, however, that, a party shall not hereby be precluded from disclosure of Confidential Information that may be compelled by legal requirements, or from disclosing this Appraisal Services Agreement (and the terms contained

Terms and Conditions of the Engagement

herein) to its attorneys, accountants, auditors, lenders, and other professionals who may be bound to that party by duties of confidence.

E) General Assumptions and Limiting Conditions

The appraisal report will be prepared with the following general assumptions and limiting conditions:

- 1) Notwithstanding that Appraiser may comment on, analyze or assume certain conditions in the appraisal, BBG, Inc. shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations or other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise. Accordingly:
 - a) The Appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the Appraiser or the Appraiser's staff or was obtained or taken from referenced sources and is considered reliable. The Appraiser and BBG, Inc. shall not be monetarily liability or responsible for or assume the costs of preparation or arrangement of geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
 - b) Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment. Further, unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Further, unless otherwise stated, it is assumed that there are no rights associated with extraction or exploration of such elements considered. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
 - c) Any legal description or plats reported in the appraisal are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. BBG, Inc. has made no survey of the property and assumes no monetary liability or responsibility in connection with such matters.
 - d) Title is assumed to be good and marketable, and in fee simple, unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated. Further, BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
 - e) The appraisal report is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the appraisal report; additionally, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the appraisal report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate. Moreover, unless otherwise stated herein, it is assumed that there are no encroachments or violations of any zoning or other regulations affecting the subject property, that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there are no trespasses or encroachments.
 - f) The American Disabilities Act (ADA) became effective January 26, 1992. The Appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would 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 impact upon the value of the property. Since the Appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.

Terms and Conditions of the Engagement

- g) No monetary liability or responsibility is assumed for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.
 - h) It is assumed the subject property is not adversely affected by the potential of floods; unless otherwise stated herein. Further, it is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
 - i) Unless otherwise stated within the appraisal report, the depiction of the physical condition of the improvements described therein is based on visual inspection. No monetary liability or responsibility is assumed for (a) the soundness of structural members since no engineering tests were conducted; (b) the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made; and (c) hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during the Appraiser's inspection.
 - j) If building improvements are present on the site, it is assumed that no significant evidence of termite damage or infestation was observed during physical inspection, unless so stated in the appraisal report. Further, unless so stated in the appraisal report, no termite inspection report was available. No monetary liability or responsibility is assumed for hidden damages or infestation.
 - k) Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No monetary liability or responsibility is assumed for such conditions or for engineering which may be required to discover them.
 - l) BBG, Inc. is not an expert in determining the presence or absence of hazardous substances, defined as all hazardous or toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. Appraiser is not qualified to detect such substances. The Client is urged to retain an expert in this field; however, Client retains such expert at Client's own discretion, and any costs and/or expenses associated with such retention are the responsibility of Client.
 - m) BBG, Inc. is not an expert in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The Appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions contained within the appraisal report based upon any subsequent endangered species impact studies, research, and investigation that may be provided. However, it is assumed that no environmental impact studies were either requested or made in conjunction with this analysis, unless otherwise stated within the appraisal report.
- 2) If the Client instructions to the Appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.
 - 3) If provided, the estimated insurable value is included at the request of the Client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value purposes. The Appraiser is not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The Appraiser is not a cost expert in cost estimating for insurance purposes.
 - 4) The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. This appraisal is based on market conditions existing as of the date of this appraisal.

Terms and Conditions of the Engagement

- 5) The value estimates reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value estimates, unless such proration or division of interests is set forth in the report. Any division of the land and improvement values estimated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
- 6) Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are BBG, Inc.'s best estimate of current market thinking of what future trends will be. No warranty or representation is made that such projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
- 7) The Appraiser assumes no monetary liability or responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
- 8) Any proposed or incomplete improvements included in the appraisal report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
- 9) If the appraisal report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the Appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- 10) Although the Appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the Appraiser either by the Client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the Appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or estimates of value.
- 11) The right is reserved by the Appraiser to make adjustments to the analyses, opinions, and conclusions set forth in the appraisal report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the Appraiser. The Appraiser shall have no monetary liability or responsibility for any unauthorized change(s) to the report.
- 12) The submission of the appraisal report constitutes completion of the services authorized and agreed upon. Such appraisal report is submitted on the condition the Client will provide reasonable notice and customary compensation, including expert witness fees, relating to any subsequent required attendance at conferences, depositions, or judicial or administrative proceedings. In the event the Appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the Client immediately. The Client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files, and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to formulate the estimate of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the Client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.



PURCHASE ORDER NO.

P2200046

To receive proper payment the above number must appear on all invoices, bills of lading, packages, correspondence, etc.

V
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PHONE: (248) 820-9060

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019411
BBG INC
42 WATSTON ST STE C
DETROIT, MI 48201

S
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SPS FACILITIES and OPERATIONS
24661 LAHSEY RD
SOUTHFIELD, MI 48033

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ATTN: ACCOUNTS PAYABLE
SOUTHFIELD PUBLIC SCHOOLS
24661 LAHSEY RD
SOUTHFIELD, MI 48033

PO Date 07/21/2021		Reference #		Date Required		Requisition Number R2200084		Board Approved Date	
ITEM	QUANTITY	UNIT	DESCRIPTION				UNIT PRICE	EXTENDED PRICE	
0001	1		PROPERTY APPRAISALS TOMS,BUSS,LEON,EISEN,SRAC				\$12,500.00	\$12,500.00	
NOTE: The terms and conditions on the reverse side of the last page apply to this order.							Net:	\$12,500.00	
							TOTAL	\$12,500.00	

 07/21/2021
Authorized Signature Date

For questions on this purchase order please call 248.746.8518 or email purchasing@southfieldk12.org
For questions on payments please call 248.746.8511 or email accountspayable@southfieldk12.org

Purchase Order Terms and Conditions

1. ACCEPTANCE: This Purchase Order is an offer by Buyer to Seller to enter into the Purchase Order it describes, and it shall be the complete and exclusive statement of such Purchase Order. Seller's shipment of goods or provision of services in response to this order shall constitute acceptance of the terms and conditions set out herein, notwithstanding any additional or different conditions contained in any acknowledgement form submitted by Seller.

2. MODIFICATIONS: Modifications proposed by Seller are not part of the agreement unless approved in writing by an authorized representative of the Purchasing department.

3. INCORPORATION BY REFERENCE: If Buyer issued a Request for Proposal/Invitation to Bid relative to the Goods or provision of services covered by this Purchase Order, the Request for Proposal/Invitation to Bid is hereby incorporated into this Purchase Order by reference. In the event of a conflict between the terms and conditions contained in this Purchase Order and the incorporated Request for Proposal/Invitation to Bid, the Request for Proposal/Invitation to Bid shall take precedence. However, the parties also acknowledge that where there is not a conflict between any of the terms and conditions contained this Purchase Order and the incorporated Request for Proposal/Invitation to Bid, all of the terms and conditions shall be binding upon both parties, except to the extent the exceptions contained in the Seller's proposal/bid are not expressly accepted by the Buyer in writing and incorporated into this order.

4. SHIPPING and MARKINGS: All material shall be suitably packed, marked, and shipped in accordance with the requirements of common carriers in a manner to secure lowest transportation cost and no additional charge shall be made to the Buyer unless otherwise stated on the face of the Purchase Order. Do not combine Purchase Orders in one carton; each Purchase Order must be packaged separately. All packages should be clearly marked with the Purchase Order number.

5. PLACE OF DELIVERY: The place of delivery shall be that set forth on this Purchase Order. Any modifications shall be subject to the requirements indicated in Section 2.

6. FREIGHT ON BOARD (FOB): All materials are sold FOB Buyer's Destination.

7. TITLE and RISK OF LOSS: The title and risk of loss shall not pass to Buyer until Buyer receives and takes possession of the goods at the point(s) of delivery.

8. PACKING SLIPS | BILL OF LADINGS: Seller shall include itemized packing slips and a straight bill of lading from the carrier and both documents shall reference this Purchase Order number and location of the delivery destination.

9. PRICE: This order shall not be filled at prices higher than specified on this Purchase Order. Any change in price must be accepted and modified in accordance with the requirements indicated in Section 2.

10. INVOICES: Seller shall include this Purchase Order number and the delivery destination on each invoice. Billings for partial deliveries must be so indicated.

11. PAYMENT: Payment will be made within 30 days after receipt of an invoice for materials, upon inspection, or satisfactory performance of services. Seller shall maintain all records and documentation regarding payment for at least three (3) years following the date of final payment.

12. INSPECTION: Payment for the goods or services furnished hereunder shall not constitute acceptance. All goods are subject to Buyer's inspection. If any of the materials are found at any time to be defective in material or workmanship, or otherwise not in conformity with the requirements of this order, Buyer, in addition to any other rights which it may have under warranties or otherwise, shall have the right to reject or return such goods at Seller's expense. If such materials may be corrected by Buyer, Buyer shall consult with Seller on the method of correction. Seller shall reimburse Buyer for reasonable expenses resulting from correction or rejection of materials.

13. WARRANTY and INDEMNITY: Seller warrants that all Goods and services covered by this Purchase Order will: a) conform to the specifications, drawings, written instructions, samples, or descriptions furnished to or by Buyer; b) be of good quality and workmanship; c) be free of defects in design (unless Buyer provided the design), materials and workmanship; d) be merchantable; e) be fit for particular purposes applicable to the design, function or use of the Goods. Seller acknowledges that Seller knows of Buyer's intended use and expressly warrants that all Goods covered by this Purchase Order which may have been selected, designed, manufactured or assembled by Seller, based upon Buyer's stated use, will be fit and sufficient for the particular purposes intended by Buyer. Seller shall immediately notify Buyer of any errors in specifications or drawings provided by Buyer which are patent or which are otherwise known to or should have been discovered by Seller. Notwithstanding Buyer's inspection provided in Section 12, Seller shall indemnify, defend and hold Buyer harmless from any damages to property or personal injuries resulting from or reasonably attributable to any defects in supplies or services provided by Seller.

14. INFRINGEMENTS: Seller agrees to protect, hold, and save harmless Buyer against any and all claims for patent, trademark, copyright, or franchising infringement arising from the purchase, installation or use of material ordered on this Purchase Order, and to assume all expense and damage arising from such claims.

15. ASSIGNMENT: Seller shall not, in any manner, delegate its duty of performance or assign its rights or obligations without the prior written consent of the Buyer.

16. EXCUSABLE DELAYS: Neither Buyer nor Seller shall be liable for a failure to perform that arises from causes or events beyond its reasonable control and without its fault or negligence. In the event of a delay in performance, Buyer, at its option, may accept delayed delivery of supplies from Seller or cancel this Purchase Order without obligation to Seller.

17. TERMINATION RIGHTS: Buyer may terminate this Purchase Order with or without cause upon thirty (30) days prior written notice to the Seller, if materials have not shipped. The term "Cause" shall mean: the failure by the Seller to comply with any of the material terms of this Purchase Order after being given written notice of such

failure by Buyer and the failure to cure such condition, and provide a written response to Buyer detailing how it was cured and what steps are being taken to prevent the failure from occurring again, within fourteen (14) days after receipt of such notice.

Seller will be paid only that amount which has been incurred for work completed up to the date of termination. Seller will not be eligible for any anticipatory profits or fees for future work beyond the termination date. All notices must comply with Section 22.

18. SALES, USE and FEDERAL EXCISE TAX: Buyer is an exempt institution in respect of such taxes and intends to use or consume supplies to this Purchase Order in its operations. Seller shall not include in its price, nor otherwise charge to Buyer, federal excise taxes or state or local sales or use taxes on the supplies of this Purchase Order.

19. MATERIAL SAFETY DATASHEETS: It is the Seller's responsibility to comply with the Michigan Right to Know/Hazardous Material Law and all applicable environmental laws. All hazardous chemicals supplied on this order shall be properly labeled and must be accompanied with a Material Safety Data Sheet.

20. NON-DISCRIMINATION: Seller hereby agrees to comply with all applicable federal, state and municipal equal opportunity and nondiscrimination guidelines, regulations and executive orders, and covenants that neither the Seller nor any subcontractors will discriminate against an employee or applicant for employment with respect to hire, tenure terms, conditions or privileges of employment, or in a manner directly or indirectly related to employment, because of sex, race, color, national origin, religion, height, weight, marital status, sexual orientation (subject to limitations of applicable law), age, or disability in its programs, services, activities or employment. Failure on the part of the Seller to comply with said guidelines and regulations shall, upon reasonable notice, constitute grounds to revoke and otherwise terminate the Purchase Order and all obligations of the Buyer.

21. GOVERNMENT REGULATION: In furnishing the materials or services covered by this Purchase Order, Seller agrees to comply with the provisions of all applicable federal, state and local laws, rules, regulations, ordinances and orders.

22. NOTICES: All notices under the Purchase Order shall be deemed to be adequate and sufficient notice if given in writing and received via a) registered or certified mail; b) a recognized overnight air courier; or c) personal hand delivery. All notices shall be sent to the Purchasing department.

23. GOVERNING LAW; VENUE: This contract shall be constructed and enforced in accordance with Michigan law. Each party hereby submits to the jurisdiction of the State and Federal courts located in the State of Michigan, over any action proceeding to enforce or defend any matter arising from or related to this Purchase Order, and Seller agrees not to institute and such legal action or proceeding in any other court.

24. AUDIT: The Seller shall provide the Buyer and other applicable governmental agencies reasonable access to any books, records, documents or papers of the Seller which are directly pertinent to the Purchase Order for purpose of making audit, examination, excerpts and transcriptions.

25. REPORTING | DOCUMENTATION: The Seller shall provide all reasonably necessary reporting and documentation to permit the Buyer to comply with applicable laws.

26. CONFIDENTIAL DATA: The Seller agrees that it will never at any time, directly or indirectly use or disclose any Confidential Information of the Buyer without the written consent of the Buyer. All records, forms and supplies or any reproduced copies provided and furnished by the Buyer to the Seller shall always remain the property of the Buyer and shall be returned on demand, or upon termination of this Purchase Order. Further, any information obtained by Seller, or any reports prepared or supplied (including information contained therein) to the Buyer under the performance of the Purchase Order shall not be directly or indirectly disclosed by Seller without the express written permission of Buyer.

27. BUYER'S REMEDIES: Upon the occurrence of an event of default by Seller, Buyer shall: (a) have all rights and remedies afforded by Article 2 of the Michigan Uniform Commercial Code; (b) be entitled to reduce quantities under this Purchase Order to the extent Buyer rejects Goods as nonconforming; (c) have the right to cancel all or any part of this Purchase Order, without liability to Seller; (d) be entitled to collect from Seller all of its damages, costs and expenses associated with Seller's breach, including incidental and consequential damages, court costs and attorney's fees. All rights and remedies reserved to Buyer under this Purchase Order are cumulative in addition to all other or further remedies provided in law or equity and in addition to all remedies provide for in the Supply Agreement. Buyer's payment for or acceptance of any Goods under this Purchase Order shall not discharge Seller from its obligations. Nonconforming Goods shall not be replaced without Buyer's written permission. Nonconforming Goods will be held by Buyer for disposition in accordance with Seller's instructions at Seller's risk. Seller's failure to provide written instructions within ten (10) days, or such shorter period as may be commercially reasonable under the circumstances, after notice of nonconformity, shall entitle Buyer, at Buyer's option, to charge Seller for storage and handling, or to dispose of the Goods, without liability to Seller. Payment for nonconforming Goods shall not constitute an acceptance of such Goods, limit or impair Buyer's right to assert any legal or equitable remedy, or relieve Seller's responsibility for latent defects.

28. INSURANCE: Seller shall at all times carry and maintain insurance coverage in reasonable amounts covering workers compensation, comprehensive general liability (including products/completed operations and blanket contractual liability), and automobile liability. Seller shall fully insure any and all property of Buyer which is in Seller's possession (including work-in-process for which Buyer has paid, whether or not title has passed) against loss or damage to the extent of its insurable value, without deductible, at Seller's cost, and to designate Buyer as the loss payee. Seller shall provide evidence of such coverage to Buyer upon request. Seller shall provide Buyer with not less than 30 days advance written notice of any threatened or proposed reduction or termination of insurance coverage by those persons providing insurance to Seller.

METROPOLITAN AREA DESCRIPTION

ECONOMIC DRIVERS



EMPLOYMENT GROWTH RANK

2019-2021
362
5th quintile

2019-2024
335
5th quintile

Best=1, Worst=410

RELATIVE COSTS

LIVING
101%

BUSINESS
98%

U.S.=100%

VITALITY

RELATIVE
0.38
Rank: 87

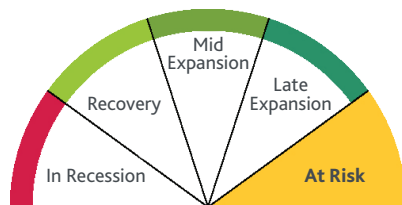
Best=1, Worst=403

QUALITY

OF LIFE
339

Best=1, Worst=378

BUSINESS CYCLE STATUS



ANALYSIS

Recent Performance. Warren-Troy-Farmington Hills' recovery is fragile and uneven. Following the steepest decline among the 150 most populous metro areas or divisions last spring, more than two-thirds of lost jobs have come back, but employment has flatlined since the summer. Leisure/hospitality payrolls backtracked in November and December because of stricter mitigation protocols. Losses there offset continued recovery in professional/business services and retail. The unemployment rate fell sharply in January to 4.3%, but this vastly underestimates the extent of job dislocation, as it is driven by a 7% drop in the size of the labor force. Meanwhile, house prices are surging, although growth remains behind the national pace.

Vaccination. As inoculations increase, leisure/hospitality will make a slow comeback from pandemic-induced devastation. Like much of the country, new per capita COVID-19 cases in the metro area have fallen substantially since their January peak. The drop in new cases has prompted Michigan to loosen some business restrictions, providing a boost to consumer spending. This is pivotal, because leisure/hospitality has recovered a smaller share of lost jobs than the rest of the nation. High-frequency mobility data show that travel to retail locations, grocery stores and workplaces has recovered lately, shifting closer to pre-pandemic levels. The vaccine rollout and coincident rise in consumer confidence will spur spending, but it will take years to recoup all of the jobs that were lost.

Automakers. Automakers will remain the driving force behind WRE's economy. Manufacturing payrolls grew at a stronger clip than in the Midwest and U.S. for most of the summer following an especially sharp initial downturn, but employment has barely budged since September amid supply chain disruptions and a microchip shortage. As of January, headcounts remain down by 7% relative to their pre-pandemic peak. But auto manufac-

turing has benefited from pent-up demand and a reluctance by consumers to use public transportation. U.S. vehicle sales rose to 16.6 million annualized units in the fourth quarter of 2020, close to their pre-pandemic level. Pent-up demand will help keep factories buzzing and the outlook for 2021 has new-vehicle sales well above 17 million units, putting the auto industry in a stronger position than it found itself in after the financial crisis. Moreover, WRE's automakers have continued with their expansion plans. For example, Fiat Chrysler invested \$1.5 billion to retool its Warren Truck Assembly Plant and will hire about 1,400 production workers this year.

Housing. House price appreciation will cool in the short term, but housing will still positively contribute to the recovery. Growth in the Case-Shiller single-family index surged to 8% year over year because of extremely low inventories and mortgage rates. According to the Greater Metropolitan Association of Realtors, homes are spending significantly less time on the market than they were a year earlier, mirroring a national trend. Meanwhile, housing starts stumbled in early 2020 but have since rebounded. High prices and strong demand are drawing builders, with major single-family developments in the works. As mortgage rates rise, demand will cool over the coming quarters. This, combined with additional housing supply, will put a damper on price gains.

Warren-Troy-Farmington Hills' recovery will pick up speed in 2021 as COVID-19 cases abate and the vaccination rollout expands. Automakers will benefit from stronger demand in the near term, but growth in leisure/hospitality will remain muted. Long term, high exposure to secularly declining manufacturing and below-average population growth will hurt WRE's relative performance.

Abhilasha Singh
February 2021

1-866-275-3266
help@economy.com

STRENGTHS & WEAKNESSES

STRENGTHS

- » Auto-related R&D centers, headquarters for automakers and suppliers.
- » Above-average per capita income and educational attainment.
- » Favorable migration patterns.

WEAKNESSES

- » Housing and labor markets have weakened.
- » High reliance on domestic vehicle industry.
- » Very high employment volatility.

FORECAST RISKS

SHORT TERM



LONG TERM



COVID-19
EXPOSURE
FEBRUARY 2021

355

5th quintile
Most=1
Least=403

UPSIDE

- » Fiat Chrysler investment in Detroit spurs supplier investments.
- » National vehicle sales rebound faster than anticipated.

DOWNSIDE

- » The vaccine rollout takes longer than expected and COVID-19 continues to restrict economic activity.
- » A venture capital bust halts growth in the tech sector, costing high-wage jobs.

MOODY'S RATING

Aaa

COUNTY
AS OF SEP 27, 2017

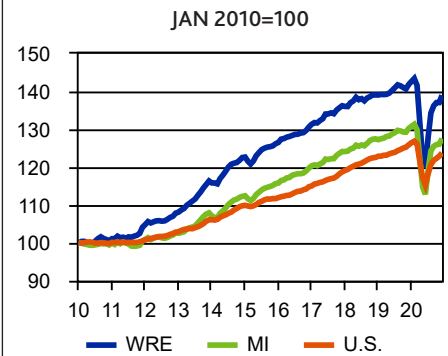
2014	2015	2016	2017	2018	2019	INDICATORS	2020	2021	2022	2023	2024	2025
129.4	134.5	138.0	140.6	144.3	145.4	Gross metro product (C12\$ bil)	137.3	142.1	149.6	153.8	157.1	160.0
2.3	3.9	2.6	1.9	2.6	0.8	% change	-5.6	3.5	5.3	2.8	2.1	1.9
1,173.4	1,201.6	1,228.3	1,248.6	1,265.0	1,266.7	Total employment (ths)	1,146.3	1,174.0	1,215.2	1,245.4	1,261.1	1,266.0
2.1	2.4	2.2	1.7	1.3	0.1	% change	-9.5	2.4	3.5	2.5	1.3	0.4
6.9	5.2	4.7	4.0	3.7	3.8	Unemployment rate (%)	9.6	6.6	5.7	5.2	5.1	4.9
5.8	6.3	2.9	3.9	3.9	3.0	Personal income growth (%)	1.9	3.8	-0.8	4.9	4.4	4.0
61.5	63.3	65.8	68.7	71.3	73.5	Median household income (\$ ths)	75.8	77.6	76.4	78.8	81.3	83.7
2,539.5	2,544.8	2,555.6	2,564.4	2,567.6	2,570.3	Population (ths)	2,575.4	2,584.6	2,591.1	2,597.2	2,602.7	2,608.3
0.6	0.2	0.4	0.3	0.1	0.1	% change	0.2	0.4	0.3	0.2	0.2	0.2
9.6	2.0	6.9	5.5	0.9	0.4	Net migration (ths)	2.2	6.5	4.1	4.0	3.9	4.3
4,126	4,393	4,665	5,668	5,049	4,346	Single-family permits (#)	4,501	8,699	11,703	10,616	10,345	10,657
1,168	1,137	1,265	1,892	717	1,797	Multifamily permits (#)	1,015	1,717	1,707	1,405	1,376	1,430
143.3	151.6	160.0	171.7	182.5	190.9	FHFA house price (1995Q1=100)	198.9	205.5	209.3	217.0	224.7	232.0

ECONOMIC HEALTH CHECK

3-MO MA	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20
Employment, change, ths	-29.8	14.3	40.3	24.7	11.6	3.3
Unemployment rate, %	15.3	10.8	8.2	7.4	7.3	7.4
Labor force participation rate, %	59.2	60.7	60.5	61.6	62.9	64.3
Average weekly hours, #	34.8	35.0	34.7	34.7	34.6	34.9
Industrial production, 2012=100	91.8	105.8	110.1	109.5	110.1	111.2
Residential permits, single-family, #	3,880	4,425	4,507	4,828	5,052	5,948
Residential permits, multifamily, #	659	876	877	987	966	1,240
Dec/Dec	Dec 15	Dec 16	Dec 17	Dec 18	Dec 19	Dec 20
Employment, change, ths	25.6	25.8	22.6	17.8	14.4	1.3
Better than prior 3-mo MA Unchanged from prior 3-mo MA Worse than prior 3-mo MA						

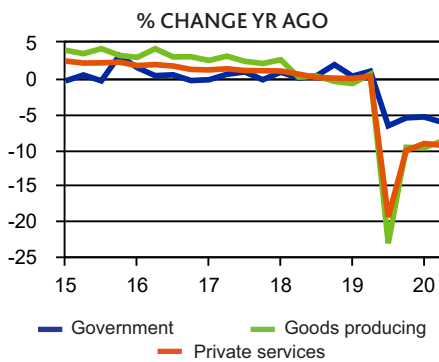
Sources: BLS, Census Bureau, Moody's Analytics

BUSINESS CYCLE INDEX



Source: Moody's Analytics

CURRENT EMPLOYMENT TRENDS



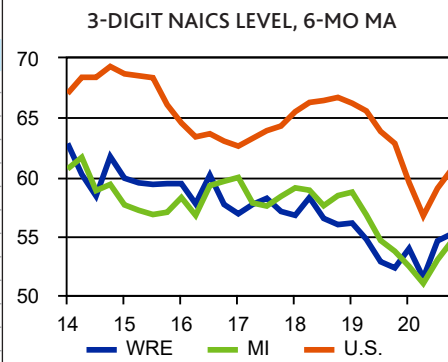
Sources: BLS, Moody's Analytics

% CHANGE YR AGO, 3-MO MA

	Dec 19	Jun 20	Dec 20
Total	-0.2	-19.4	-9.1
Mining	1.0	-18.3	-14.4
Construction	3.9	-19.4	-0.6
Manufacturing	-2.2	-24.3	-12.7
Trade	-0.6	-17.2	-7.0
Trans/Utilities	3.5	-8.1	4.3
Information	-1.8	-7.6	-2.9
Financial Activities	1.5	-3.9	-1.9
Prof & Business Svcs.	-2.2	-13.7	-3.3
Edu & Health Svcs.	2.8	-18.0	-11.3
Leisure & Hospitality	0.1	-50.0	-32.7
Other Services	-0.5	-28.1	-6.3
Government	0.3	-6.7	-5.4

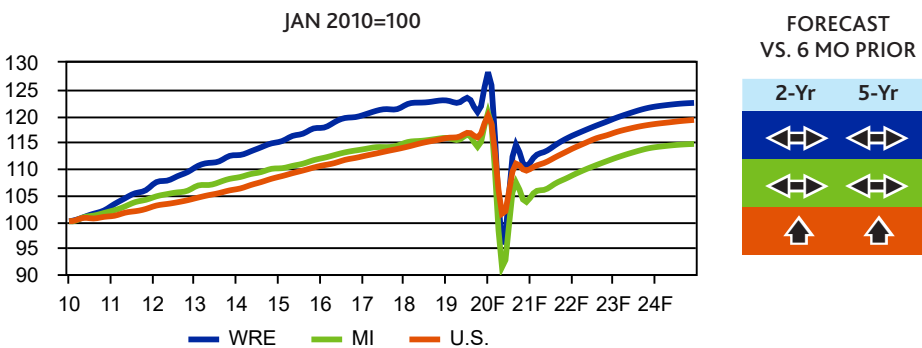
Sources: BLS, Moody's Analytics

DIFFUSION INDEX



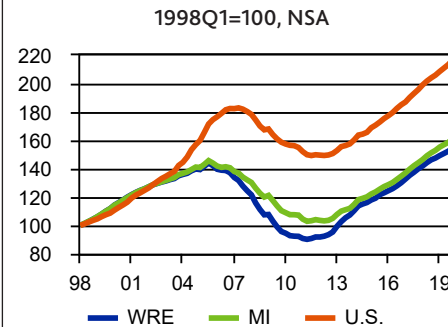
Sources: BLS, Moody's Analytics

RELATIVE EMPLOYMENT PERFORMANCE



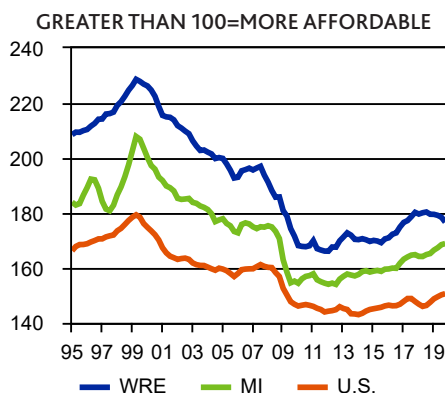
Sources: BLS, Moody's Analytics

HOUSE PRICE



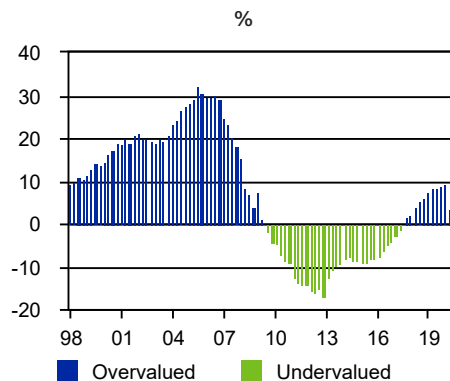
Sources: FHFA, Moody's Analytics

RENTAL AFFORDABILITY



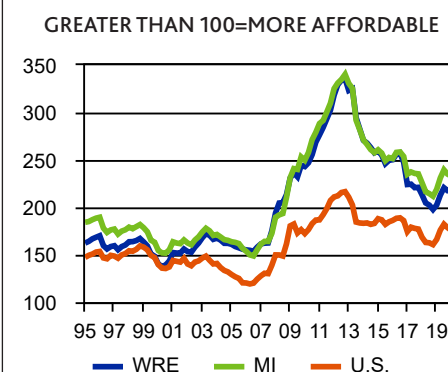
Sources: Census Bureau, BLS, Moody's Analytics

HOUSE PRICE TRENDS

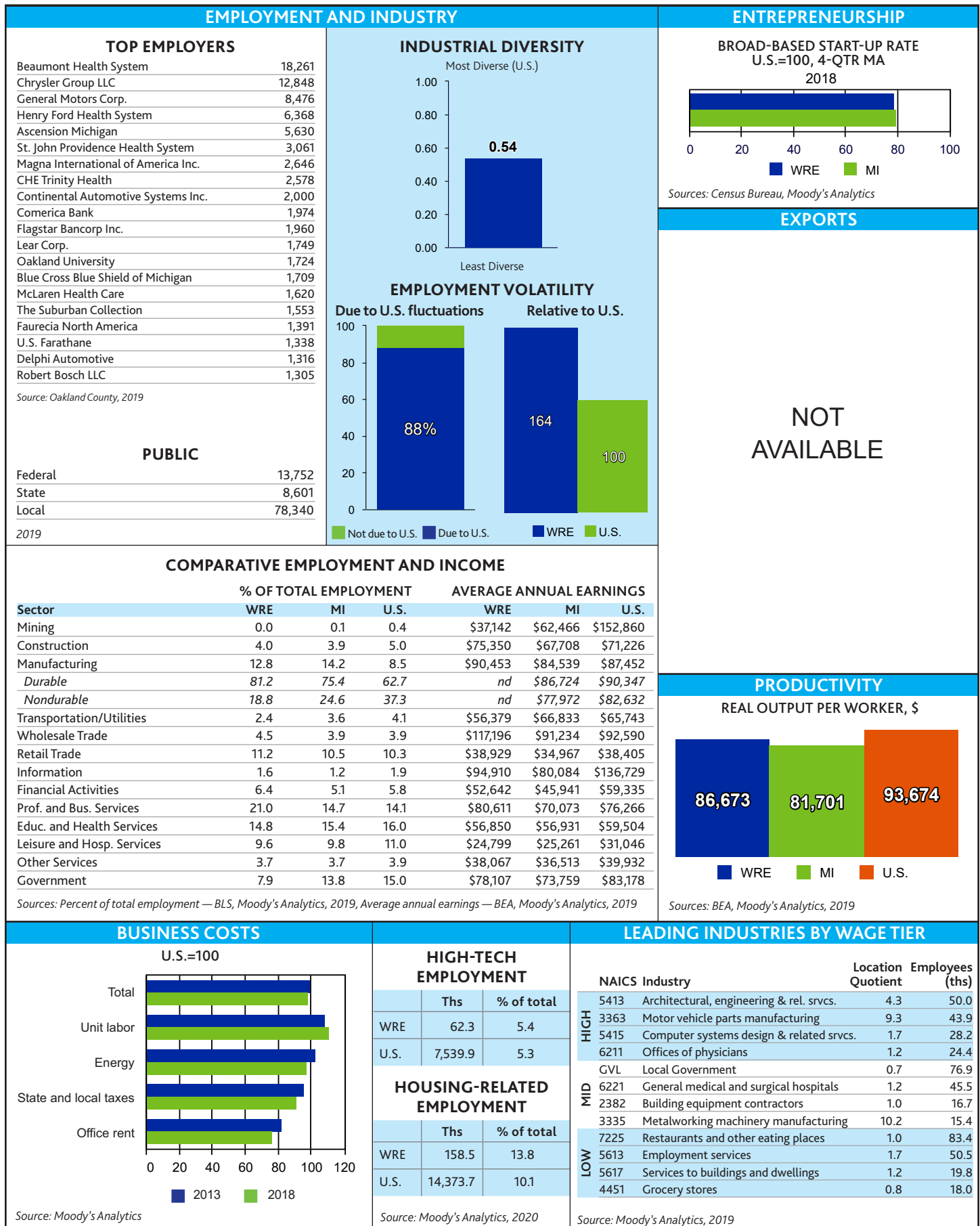


Sources: FHFA, Moody's Analytics

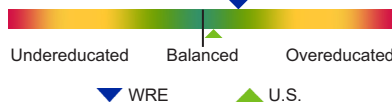
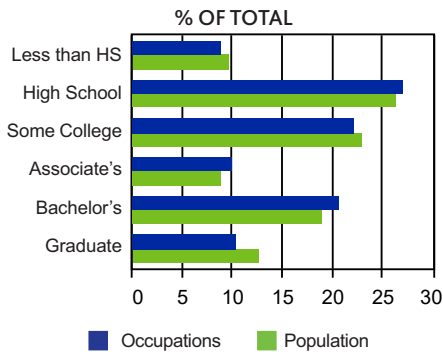
HOUSING AFFORDABILITY



Sources: NAR, Moody's Analytics



SKILLS MISMATCH

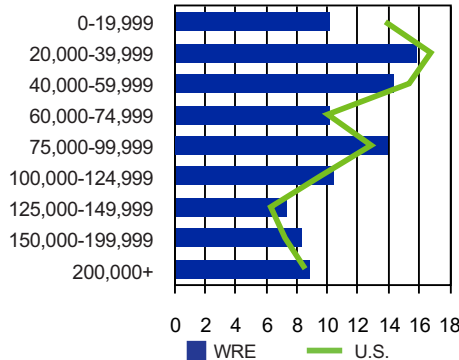


ECONOMIC DISENFRANCHISEMENT

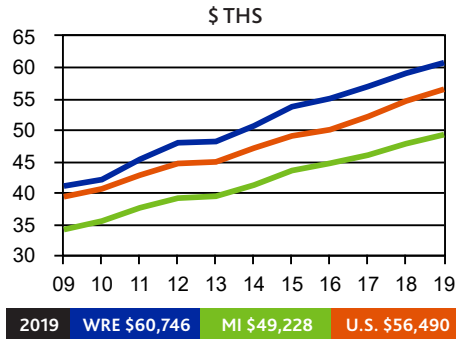
Index	2018	Rank*
Gini coefficient	0.46	230
Palma ratio	3.1	215
Poverty rate	9.4%	356

*Most unequal=1, Most equal=403

HOUSEHOLDS BY INCOME, %



PER CAPITA INCOME



MIGRATION FLOWS

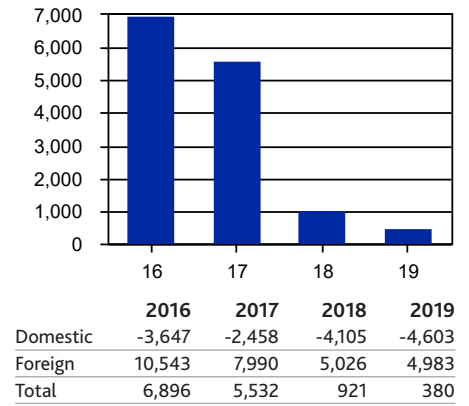
INTO WARREN MI

	Number of Migrants
Detroit MI	26,982
Flint MI	3,974
Ann Arbor MI	2,985
Chicago IL	1,460
Lansing MI	1,377
Grand Rapids MI	937
New York NY	726
Phoenix AZ	688
San Diego CA	492
Los Angeles CA	490
Total in-migration	72,719

FROM WARREN MI

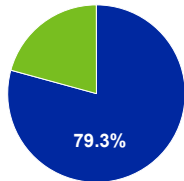
	Number of Migrants
Detroit MI	21,794
Flint MI	5,264
Ann Arbor MI	2,703
Lansing MI	1,677
Grand Rapids MI	1,381
Phoenix AZ	1,125
Chicago IL	1,119
Dallas TX	672
Tampa FL	655
Los Angeles CA	545
Total out-migration	75,103
Net migration	-2,384

NET MIGRATION,



COMMUTER FLOWS

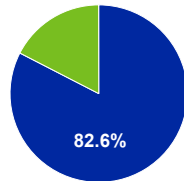
RESIDENTS WHO WORK IN WRE



Top Outside Sources of Jobs

Warren MI	Share
Detroit MI	15.6
Ann Arbor MI	1.9
Flint MI	1.3
Lansing MI	0.5
Saginaw MI	0.1

WORKERS WHO LIVE IN WRE



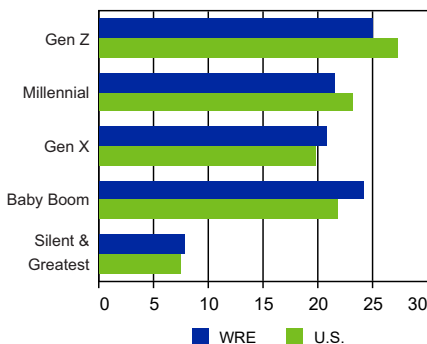
Top Outside Sources of Workers

Warren MI	Share
Detroit MI	12.0
Flint MI	2.3
Ann Arbor MI	0.8
Lansing MI	0.3
Monroe MI	0.1

Sources: Census Bureau, Moody's Analytics, avg 2011-2015

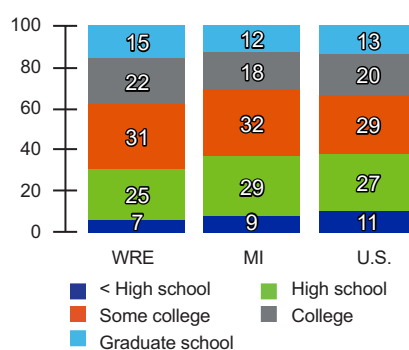
GENERATIONAL BREAKDOWN

POPULATION BY GENERATION, %

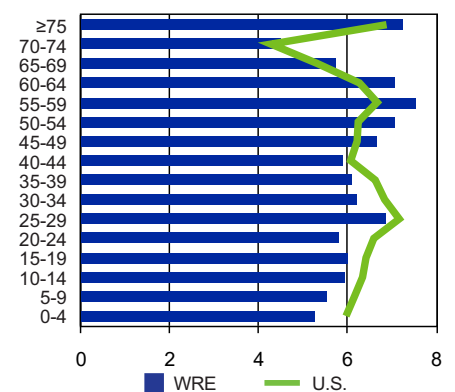


EDUCATIONAL ATTAINMENT

% OF ADULTS 25 AND OLDER

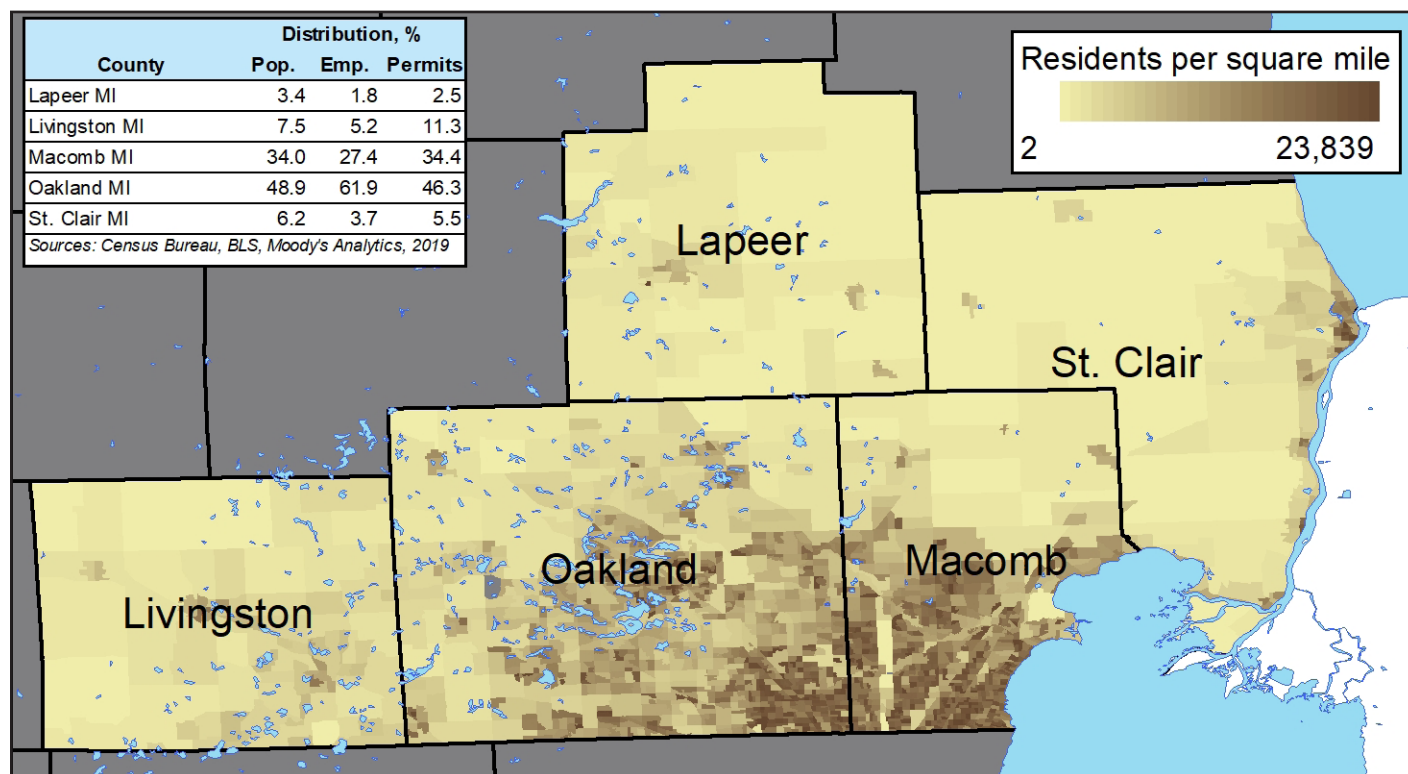


POPULATION BY AGE, %

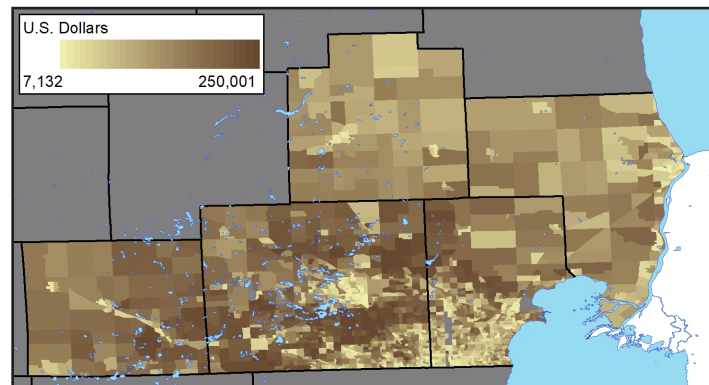


GEOGRAPHIC PROFILE

POPULATION DENSITY



MEDIAN HOUSEHOLD INCOME



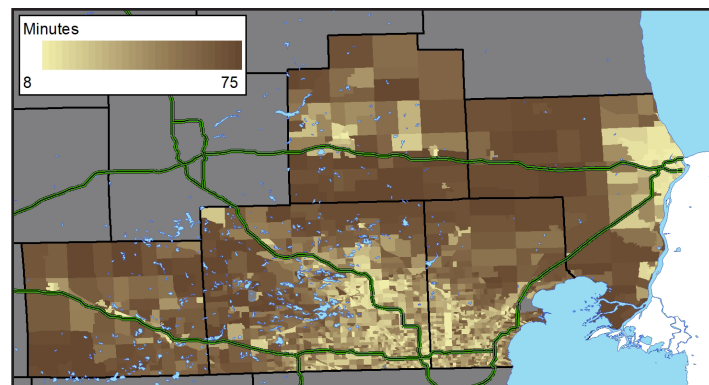
POPULATION & HOUSING CHARACTERISTICS

	Units	Value	Rank*
Total area	sq mi	3,562.9	87
Total water area	sq mi	285.7	79
Total land area	sq mi	3,276.3	86
Land area - developable	sq mi	3,267.1	21
Land area - undevelopable	sq mi	10.1	337
Population density	pop. to developable land	777.7	73
Total population	ths	2,570.3	23
U.S. citizen at birth	% of population	87.8	292
Naturalized U.S. citizen	% of population	6.7	67
Not a U.S. citizen	% of population	4.5	136
Median age		41.5	88
Total housing units	ths	1,101.4	19
Owner occupied	% of total	69.6	12
Renter occupied	% of total	24.0	336
Vacant	% of total	6.4	348
1-unit, detached	% of total	70.7	105
1-unit, attached	% of total	6.7	80
Multifamily	% of total	19.0	251
Median year built		1976	

* Areas & pop. density, out of 410 metro areas/divisions, including metros in Puerto Rico; all others, out of 403 metros.

Sources: Census Bureau, Moody's Analytics, 2019 except land area 2010

MEDIAN COMMUTE TIME



Sources: ACS, Moody's Analytics

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COMPARABLE LAND SALES



Sale Comparable #1

15840 West 12 Mile Road Commercial Land
 15840 West 12 Mile Road
 Southfield, MI 48076
 Oakland County
 BBG Property #1212439

Property Data			
Property Type/Use	Land Planned Unit Development	Lat/Long	42.5031 / (83.2057)
Tax Account #		# of Buildings	0
Gross Land Area	44,562 SF / 1.02 Acres	Land to Building Ratio	0.00
Net Land Area	44,562 SF / 1.02 Acres	Flood Designation	X
Zoning	O-S Office Services District	Utilities	All available
Frontage	12 Mile Road	Easements	
Terrain	Generally Level		
Comments			
Sale Transaction Data			
Transaction Date	5/19/2021	Consideration	\$345,000
Sale Status	Closed	Adjustments	\$0
Months on Market		Cash Equivalent Price	\$345,000
Property Rights	Fee Simple	Sale Price PSF	\$7.74 PSF (Gross) \$7.74 PSF (Net)
Grantor	ALWAZEER PROPERTIES GROUP LLC	Sale Price Per Acre	\$337,243
Grantee	A&S PROPERTIES ASSOC SOUTHFIELD LLC		
Record Info			
Comments	The subject site consists of a 1.023-acre site located along West 12 Mile Road in Southfield, MI. The site is zoned OS: and permits various commercial and office uses. Commercial development is expected on the site.		
Verification	Public Record, CoStar; RA 08/01/2021		



Sale Comparable #2

15000 Eight Mile Road Commercial Land
15000 Eight Mile Road
Oak Park, MI 48237
Oakland County
BBG Property #1212438

Property Data			
Property Type/Use	Land Planned Unit Development	Lat/Long	42.4454 / (83.1908)
Tax Account #		# of Buildings	0
Gross Land Area	445,618 SF / 10.23 Acres	Land to Building Ratio	0.00
Net Land Area	445,618 SF / 10.23 Acres	Flood Designation	X
Zoning	PUD Planned Unit Development District	Utilities	All available
Frontage	Eight Mile Road	Easements	
Terrain	Generally Level		
Comments			
Sale Transaction Data			
Transaction Date	1/23/2020	Consideration	\$1,108,230
Sale Status	Closed	Adjustments	\$0
Months on Market		Cash Equivalent Price	\$1,108,230
Property Rights	Fee Simple	Sale Price PSF	\$2.49 PSF (Gross) \$2.49 PSF (Net)
Grantor	ARMORY PLAZA, LLC	Sale Price Per Acre	\$108,332
Grantee	FORGOTTEN HARVEST INC.		
Record Info			
Comments	The subject property consists of 10.32- acre site located in Oak Park, along Eight Mile Road. The site is located in the PUD: Planned Unit Development District; with flexible zoning regulations and requirements. The property was sold to Forgotten Harvest, a local non-profit organization, which planned on building a facility that the organization will occupy.		
Verification	Public Record, Press Release, CoStar; RA 08/01/2021		



BBG

Sale Comparable #3

Land
21700 Civic Center Drive
Southfield, MI 48076
Oakland County
BBG Property #824400

Property Data

Property Type/Use	Land R & D Building	Lat/Long	42.4813 / (83.2524)
Tax Account #	24-22-201-023	# of Buildings	0
Gross Land Area	218,671 SF / 5.02 Acres	Land to Building Ratio	0.00
Net Land Area	218,671 SF / 5.02 Acres	Flood Designation	X
Zoning	RC Regional Center	Utilities	All to site
Frontage		Easements	
Terrain	Generally level		
Comments			

Sale Transaction Data

Transaction Date	5/14/2019	Consideration	\$2,088,000
Sale Status	Closed	Adjustments	\$0
Months on Market		Cash Equivalent Price	\$2,088,000
Property Rights	Fee Simple	Sale Price PSF	\$9.55 PSF (Gross) \$9.55 PSF (Net)
Grantor	Oakland Commons Acquisition	Sale Price Per Acre	\$415,936
Grantee	Oakland Commons Midwest, LLC		
Record Info	52862/355		
Comments	This transaction represents the sale of a 5.02-acre site fronting Northwestern Hwy in Southfield, MI. The buyer plans to improve the site with a new 40,000 SF Headquarters and tech center. The site was carved from a larger parent parcel and is zoned RC-Regional Center.		
Verification	Broker/JN 10/10/2019		



Sale Comparable #4

7026 Seven Mile Road Commercial Land
7026 Seven Mile Road
Detroit, MI 48234
Wayne County
BBG Property #829279

Property Data			
Property Type/Use	Land Planned Unit Development	Lat/Long	42.4330 / (83.0415)
Tax Account #	W15I004895C900	# of Buildings	0
Gross Land Area	16,117 SF / 0.37 Acres	Land to Building Ratio	0.00
Net Land Area	16,117 SF / 0.37 Acres	Flood Designation	
Zoning	B4 General Business	Utilities	
Frontage		Easements	
Terrain			
Comments			
Sale Transaction Data			
Transaction Date	4/2/2019	Consideration	\$7,000
Sale Status	Closed	Adjustments	\$0
Months on Market		Cash Equivalent Price	\$7,000
Property Rights	Fee Simple	Sale Price PSF	\$0.43 PSF (Gross) \$0.43 PSF (Net)
Grantor	DETROIT ASSET LIQUIDATION LLC	Sale Price Per Acre	\$18,919
Grantee	B4MC GROUP INC		
Record Info			
Comments	Sale was verified on CoStar and Public Records. The property was owned by the City of Detroit. Property is zoned B4. site is cleared.		
Verification	11/14/2019		

COVID ANALYSIS

COVID-19 DISEASE; SARS-CoV-2 VIRUS

CDC

On January 30, 2020, the International Health Regulations Emergency Committee of the World Health Organization (WHO) declared the outbreak a “public health emergency of international concern” (PHEIC). On January 31, Health and Human Services Secretary Alex M. Azar II declared a public health emergency (PHE) for the United States to aid the nation’s healthcare community in responding to COVID-19. On March 11, WHO publicly characterized COVID-19 as a pandemic. On March 13, 2020 the President of the United States declared the COVID-19 outbreak a national emergency.

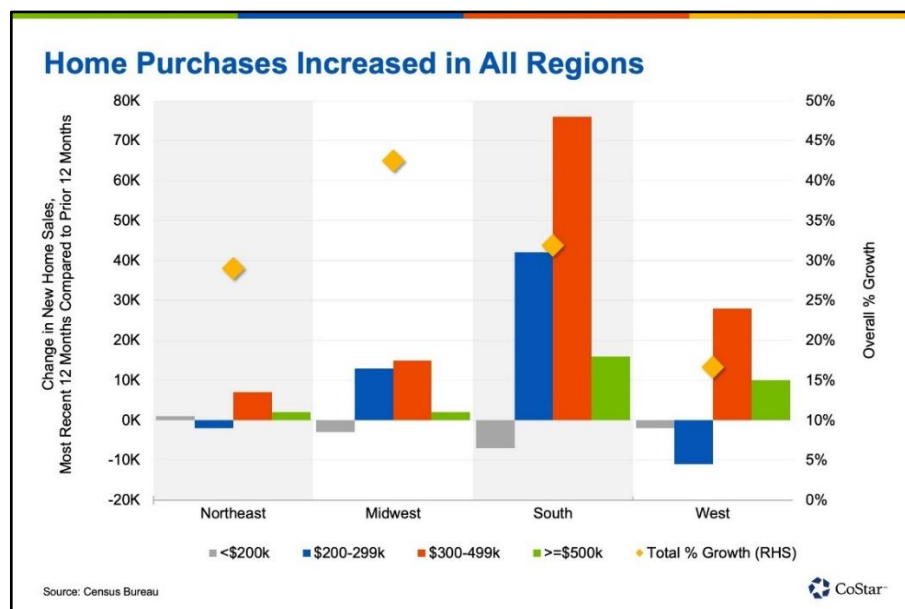
COSTAR | JUNE 1, 2021

How Blistering Home Sales Could Give Way to Better Times for the Multifamily Market

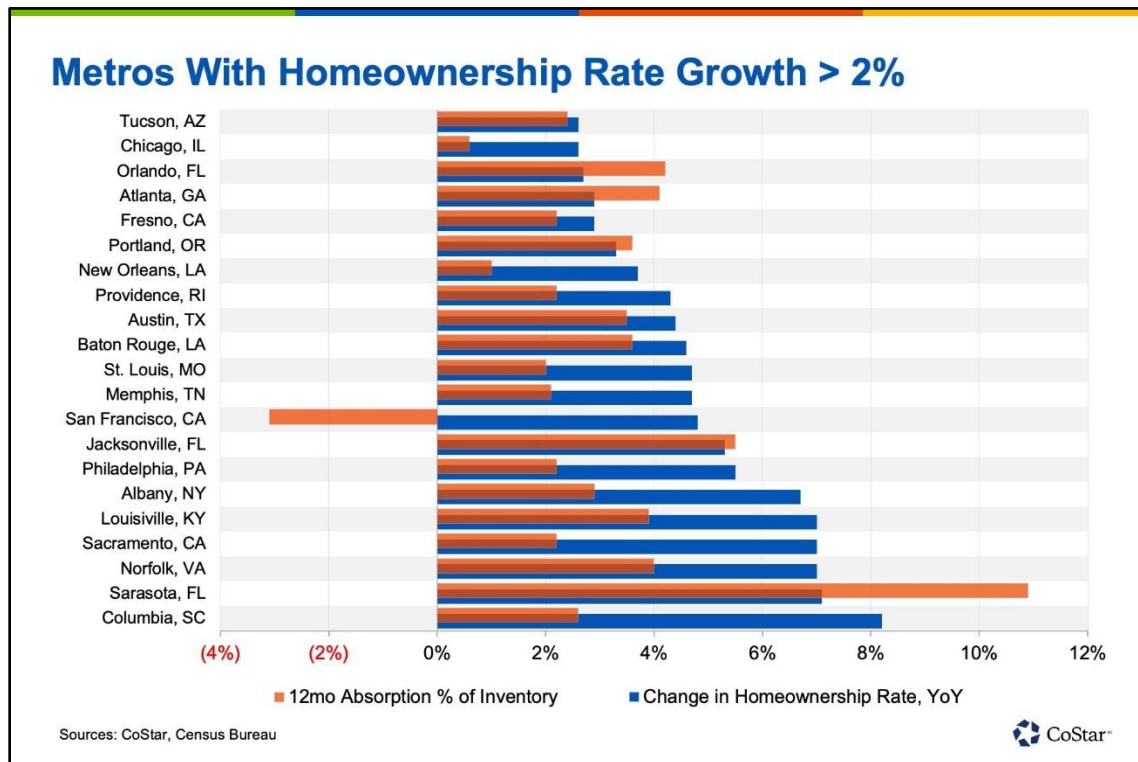
The data for single-family housing activity over the past year is staggering:

- About 900,000 new one-family homes were sold over the past 12 months, a 33% increase from the 12-month period ending April 2020. While the amount of purchases is still below the 2002-07 period, there has never been a one-year increase this substantial.
- About 5.2 million existing single-family homes were sold over the past 12 months, an 11% increase from the 12-month period ending April 2020.
- Median home prices for existing single-family homes were up 20% from a year ago as of April 2021, the single largest increase on record back to 1969.

The pace of purchases has increased everywhere. In the four-quarter period ending March 2021, the number of purchases was up by a minimum of 17% in the West region compared to the prior four-quarter period, and as much as 42% in the Midwest. Purchases were most concentrated in the \$300,000-to-\$500,000 price range, which were up by 46% using the same four-quarter total comparison.



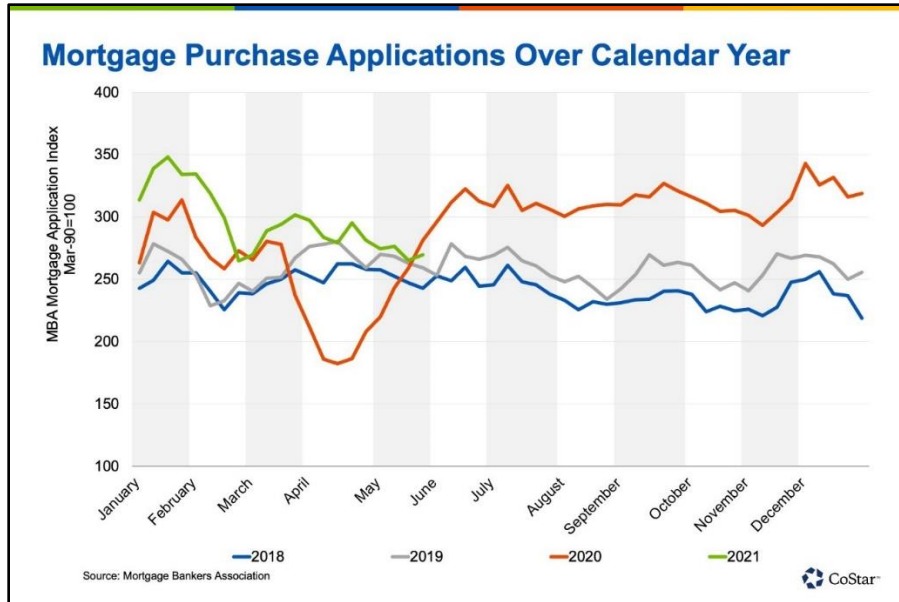
On a regional level, 25 metropolitan areas experienced a 2 percent or greater increase in the homeownership rate from the first quarter of 2020 to the first quarter of 2021. While scattered across the U.S., almost half of these metros are in the South.



Somewhat surprising is how the housing boom was not limited to suburban and rural areas. Philadelphia, San Francisco, Atlanta and Chicago ranked among those with significant increases in homeownership, despite being among the largest regions by population. In San Francisco, it appears that rising homeownership came at the expense of multifamily rentals, which fell by a sharp 3%. Philadelphia, Atlanta and Chicago are unique in being more affordable markets than most major metros, likely lowering the barrier of entry to first-time homebuyers. The National Association of Realtors reported one-third of new homes purchased over the past year, on average, were by first-time homebuyers. This marks the largest first-time homebuyer share since 2012, when sales were depressed after the housing crisis.

Many of the other cities, though, particularly those in Florida and Texas, posted strong homeownership gains in addition to robust multifamily absorption, highlighting strong population growth in a year when many sought more space to work from home.

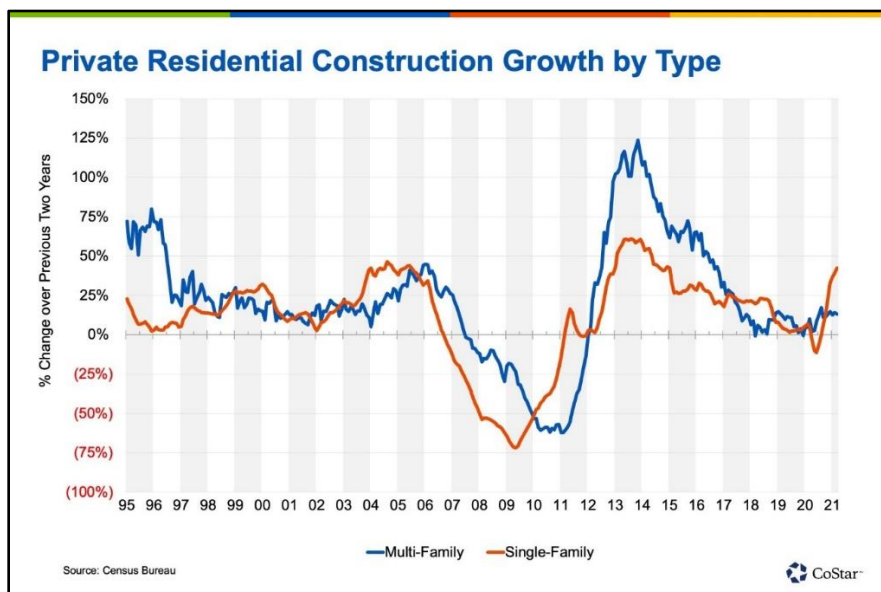
How much longer this trend will continue is open to debate. While millennials continue to age into typical first-time homebuying ages, the pace of mortgage applications appears to have slowed significantly this year. The Mortgage Bankers Association reported a reading of 269.8 on its mortgage purchase application volume index, roughly in line with levels at the same point in the calendar year as in 2018 or 2019. Home purchasing is often seasonal, and this marks a sharp decline from the end of 2020, when mortgage purchase applications were 25% above 2019 levels and 46% above 2018 levels for the last week of the respective years.



Mortgage rates have risen somewhat from their all-time low of 2.68% in January, and the waves of stimulus payments over the past year, which may have aided down payments, are coming to an end. In this case, an easing of the flurry of home purchase activity makes sense.

A slowing of home purchase activity could benefit absorption rates for multifamily communities, as rent growth has been far outpaced by home purchase price growth over the past year. According to CoStar, multifamily rents per unit increased by 2% as of the first quarter, the lowest rate in nearly a decade and far below the 14% gain in single-family home prices.

Another item likely to favor multifamily properties going forward is the improvement in supply. After a sharp increase in the sales of single-family houses, builders have responded by starting new projects. Census Bureau data shows an annualized \$390 billion in projects started in March 2021, representing a 42% increase from two years prior compared to only a 13% increase for multifamily projects.



The post-housing crisis period was defined by exorbitant multifamily construction as the single-family market rightsized. A reversal of that trend now should be a boon to the fundamentals of multifamily real estate.

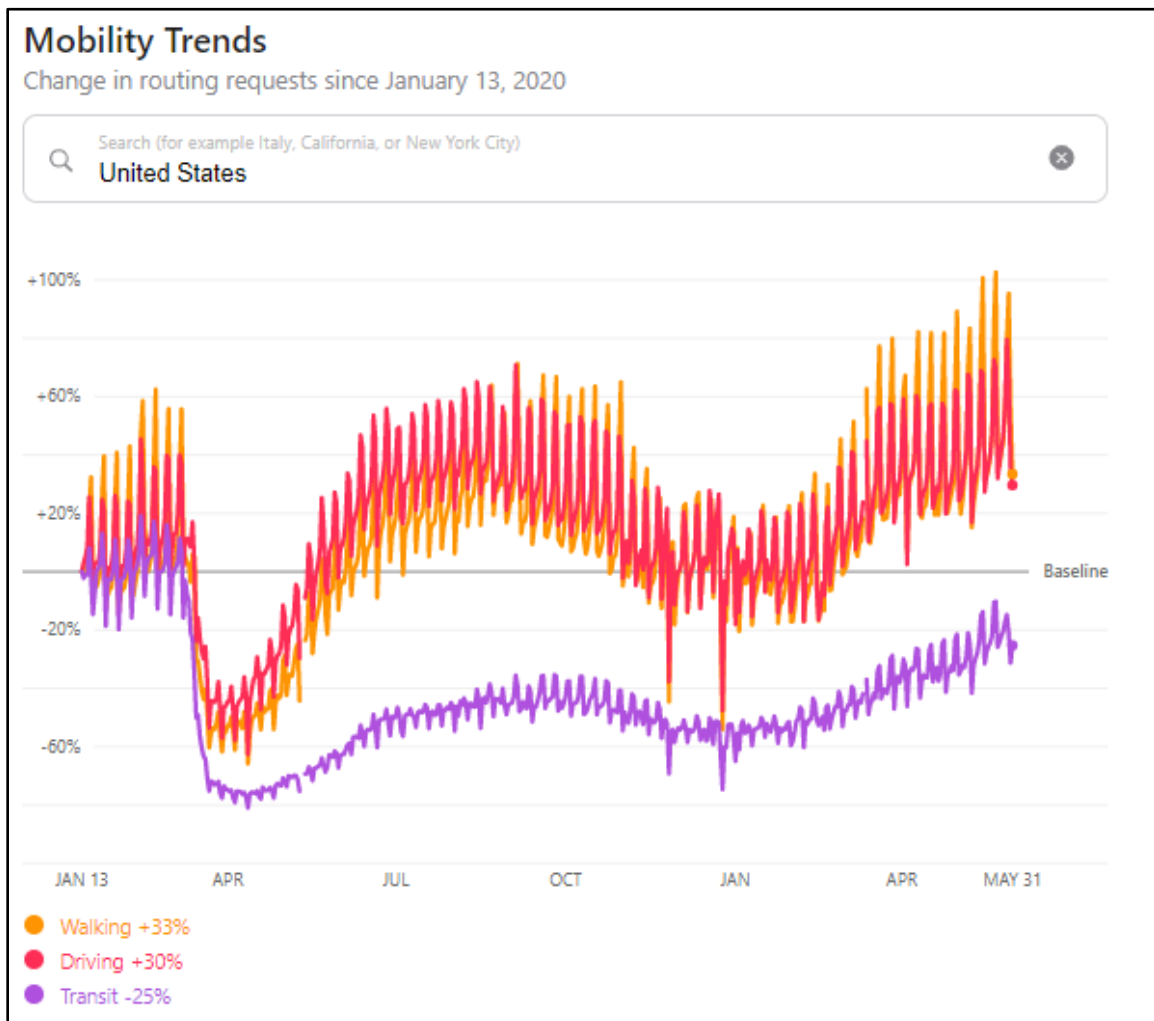
The Week Ahead ...

The holiday-shortened week nevertheless includes significant events for the U.S. economy. The highlight of any month for economic data, the jobs report, is scheduled to be released on Friday, with economists expecting a bounce back in April from the disappointing March figures. Hiring in the leisure and hospitality sector is likely to lead the way as activity returns to normal with a substantial share of the U.S. population now vaccinated against COVID-19.

The turn of the month also means the release of business sentiment reports for May. The Institute of Supply Management's Manufacturing Index is set to be released on Tuesday, with the Services Index released Thursday. The news releases should include commentary on the state of supply chains and labor shortage, both essential issues for the continuation of the recovery.

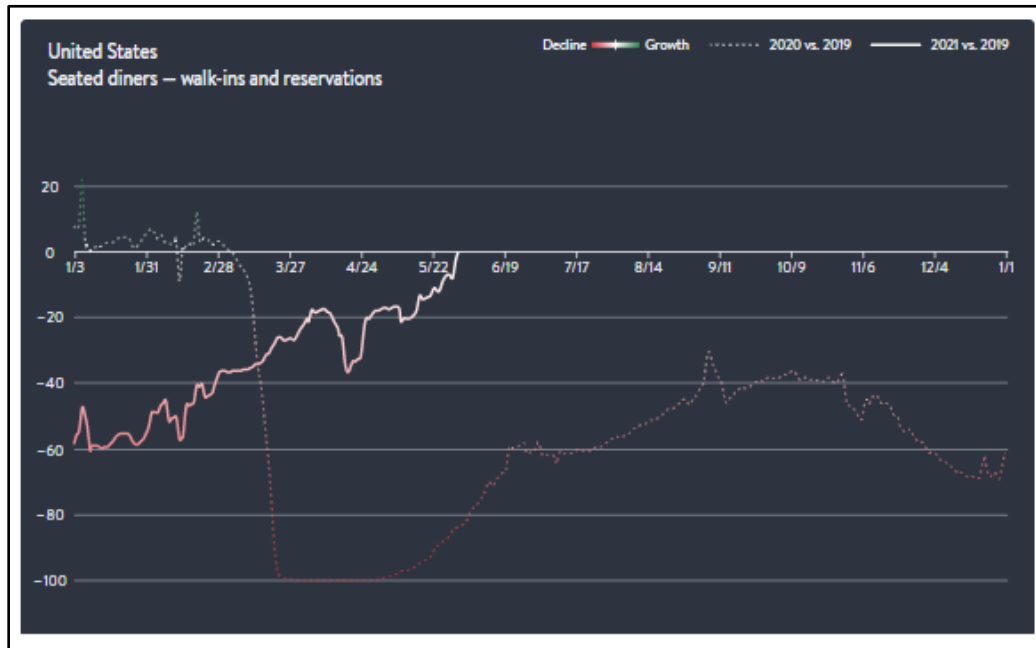
APPLE: DIRECTION REQUESTS | JUNE 1, 2021

Requests for walking and driving directions from Apple's navigation tool, Maps, has shown a material recovery since the bottom in April 2020 although transit remains well below pre-Covid levels. In any event Americans' mobility has improved greatly.



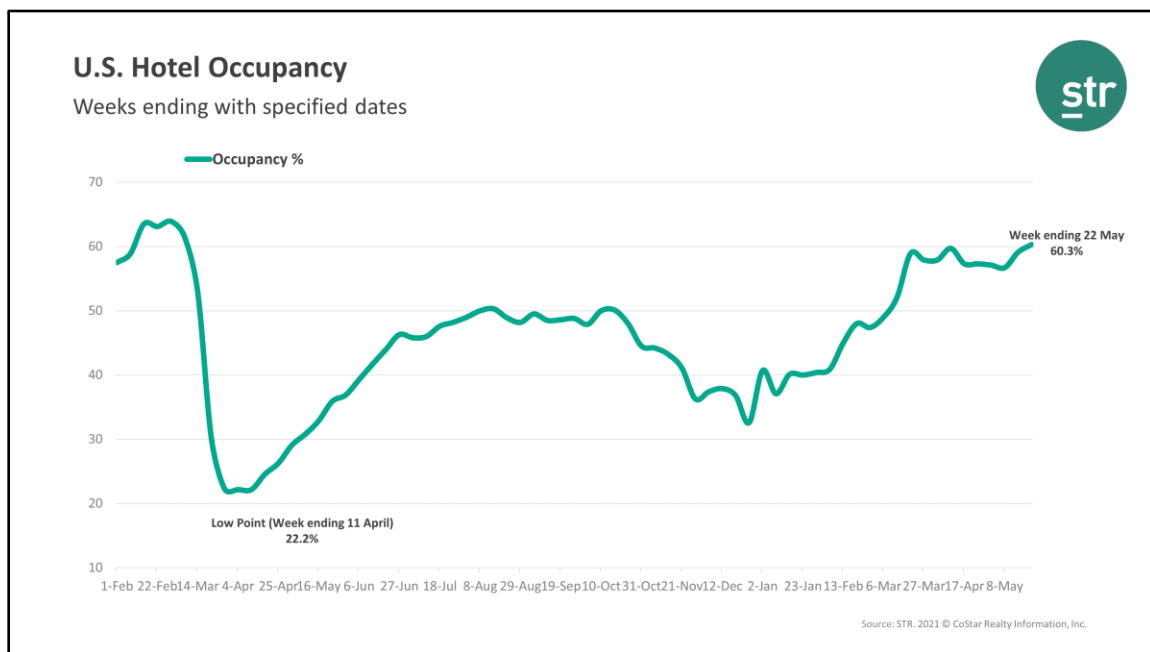
OPENTABLE: RESTAURANT BOOKINGS | JUNE 1, 2021

U.S. restaurant bookings increased to pre-Covid levels in May 2021.



STR: HOTEL OCCUPANCY | MAY 27, 2021

U.S. weekly hotel occupancy reached the 60% mark for the first time since the start of the pandemic, according to STR's latest data through 22 May. ADR also reached its highest point of the pandemic but was still US\$18 less than the corresponding week in 2019. RevPAR also hit a high point when compared to 2019.



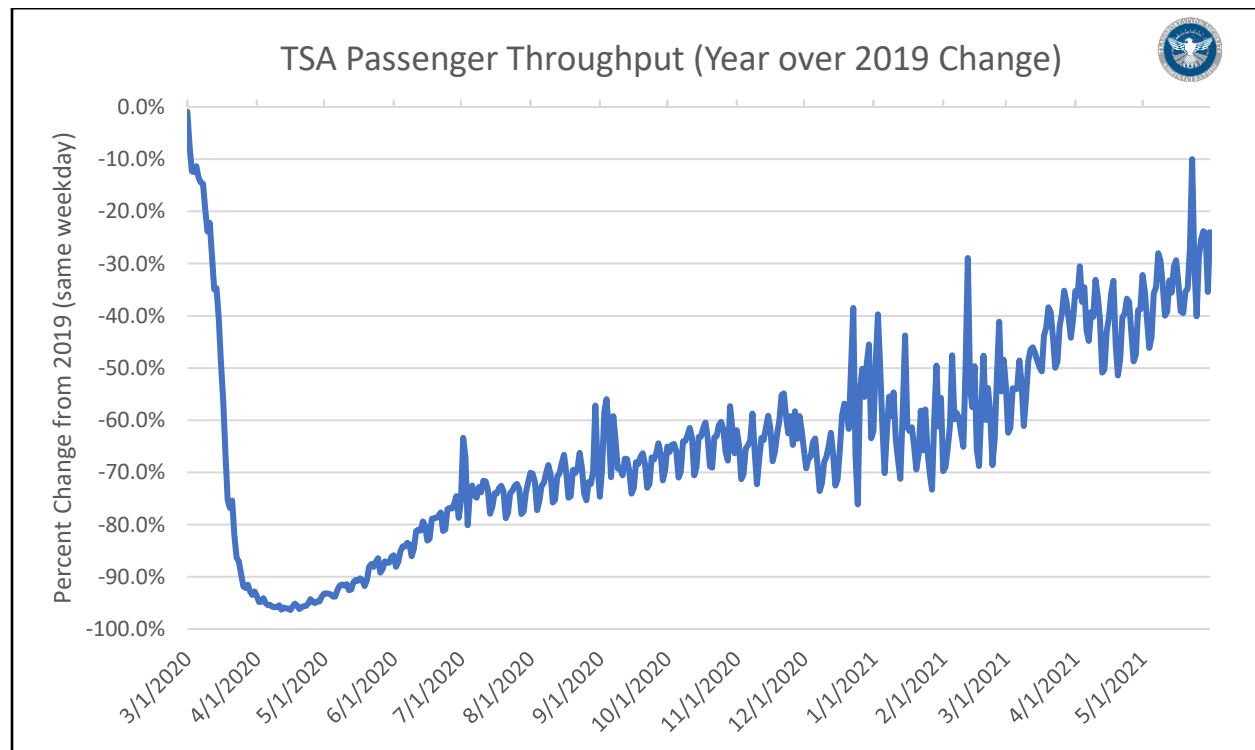
Miami (+2.8% to 76.0%) was the only Top 25 Market to report an occupancy increase over 2019. San Francisco/San Mateo saw the steepest decline in occupancy when compared with 2019 (-45.5% to 47.9%). In terms of ADR, Phoenix (+6.7% to US\$122.97) and Tampa (+0.3% to US\$140.09) were the only Top 25 Markets with levels higher than 2019.

None of the Top 25 Markets had RevPAR levels higher than the 2019 comparable. The largest RevPAR deficits were in San Francisco/San Mateo (-70.0% to US\$66.53) and Boston (-66.9% to US\$64.22).

*Due to the steep, pandemic-driven performance declines of 2020, STR is measuring recovery against comparable time periods from 2019.

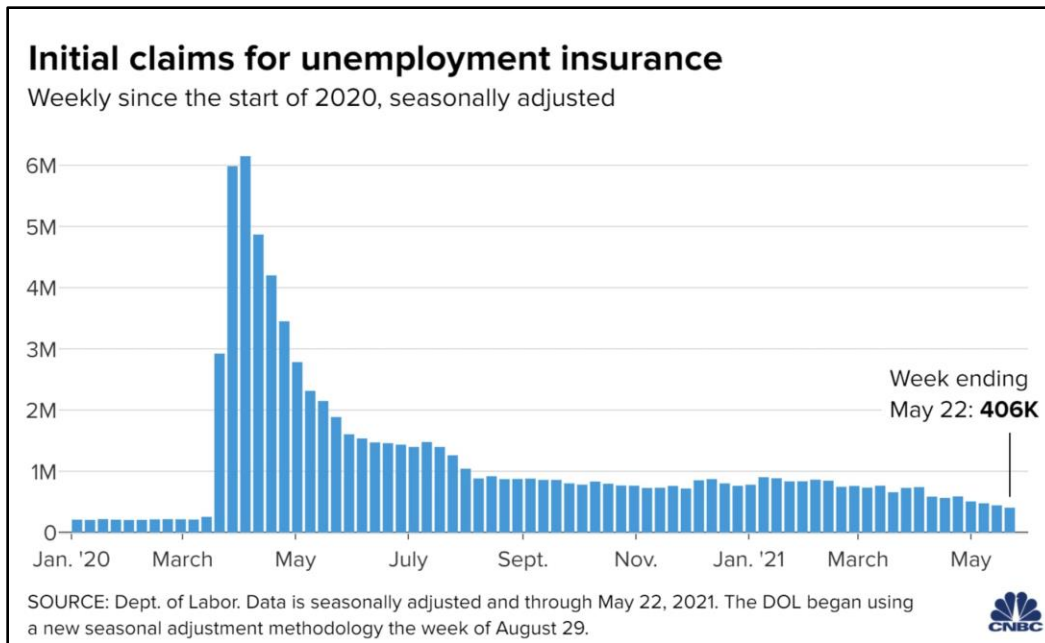
TSA: AIR TRAVEL | JUNE 1, 2021

According to data from the Transportation Security Administration, air travel is down about 25% from the same period of 2019. Air travel demand continues to increase and may reach full recovery by the end of 2021 or the first half of 2022.



INITIAL JOBLESS CLAIMS | MAY 27TH, 2021

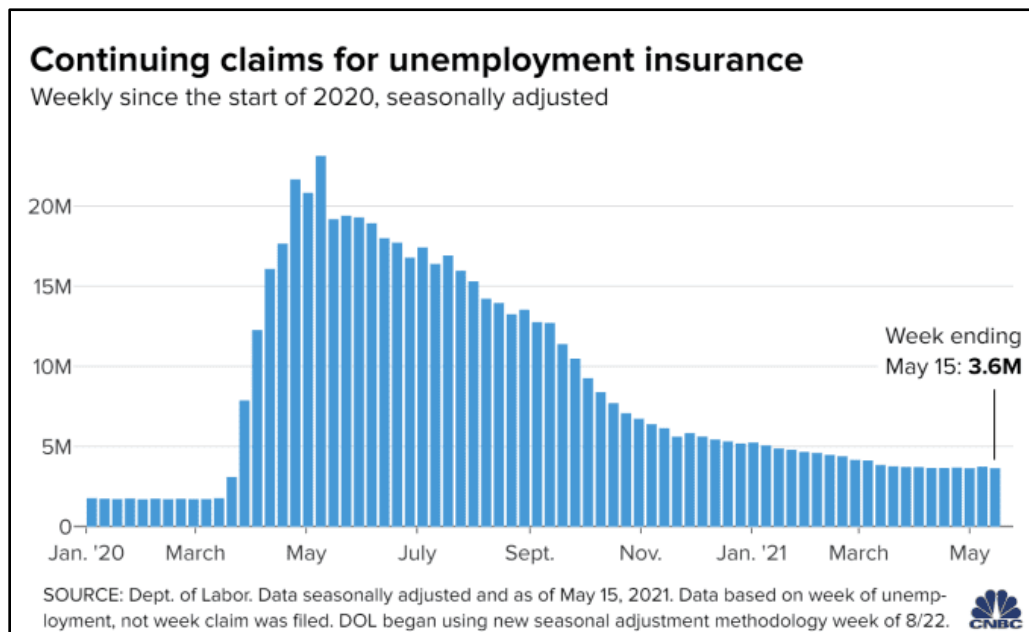
On March 26th initial jobless claims showed an increase in unemployment by 3.1 million persons for the week of March 16th-20th, setting a record that would be broken the following week at 6.9 million. All weekly claims reported since March 26th are higher than any historical figure prior to COVID-19. The following chart illustrates the weekly initial jobless claims in 2020 and into 2021.



The U.S. jobs market edged closer to its pre-pandemic self last week as initial jobless claims totaled just 406,000 for the week ended May 22, the Labor Department reported Thursday. While that level is still well above the pre-Covid norm, it is the closest to the previous trend since the crisis began in March 2020 and a decline from the previous week's 444,000.

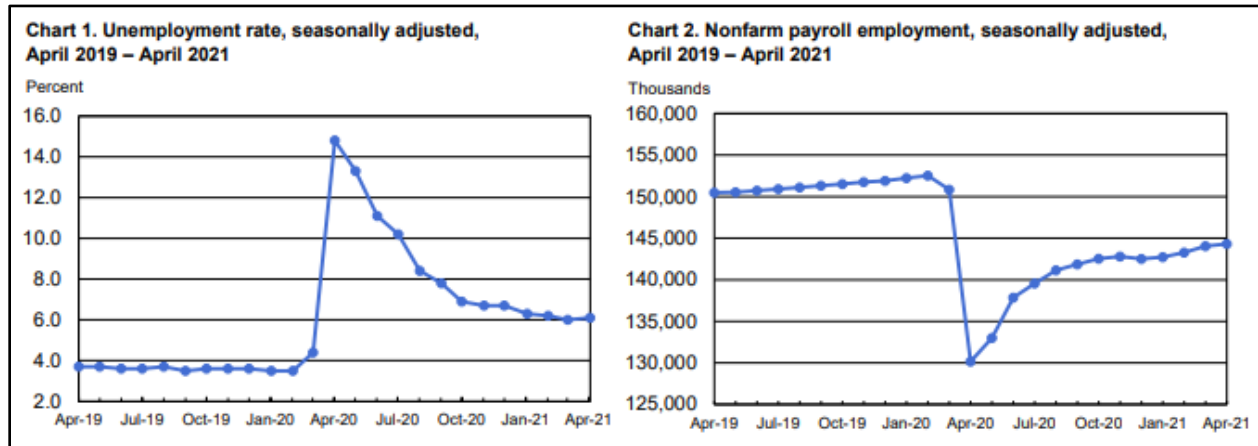
While claims had remained elevated through the pandemic period, they have recently made a marked shift lower amid the economic reopening spurred by accelerated vaccines and sharp decline in Covid cases. Multiple states also have been shutting down their extended benefits programs as business reopens and unemployment levels decline.

Continuing claims fell sharply, declining by 96,000 to 3.64 million, bringing the four-week moving average down to 3.68 million. That number runs a week behind the headline claims total.



BUREAU OF LABOR AND STATISTICS | MAY 7, 2021

The US unemployment rate (U-3) has declined to 6.1% in April 2021 from an April 2020 high of 14.7%. Notable job gains in leisure and hospitality, other services, and local government education were partially offset by employment declines in temporary help services and in couriers and messengers.



GDP FORECASTS

The following chart summarizes GDP forecasts from various economists and institutions. Please note the annualized figures are the quarterly change multiplied by four.

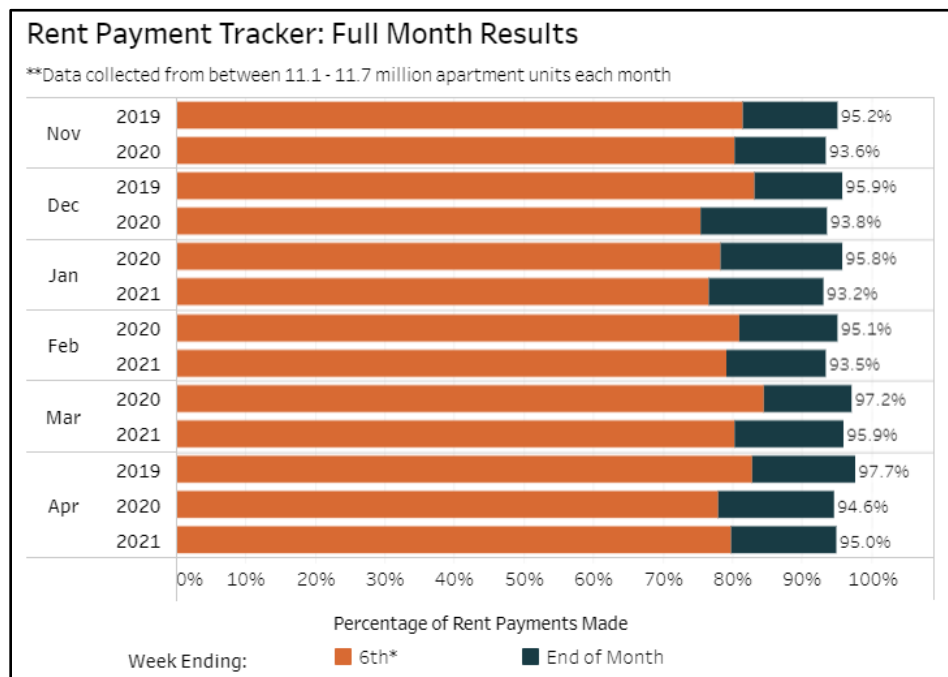
2020 GDP Actuals							2021 GDP Forecasts				
Annualized							Annualized				
Source	Date	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
CNBC/Moody's Consensus	6/1	--	--	--	--	--	--	10.5%	7.9%	5.8%	7.2%
Mortgage Bankers Association	5/19	--	--	--	--	--	--	8.8%	7.4%	5.3%	7.0%
Atlanta Fed GDP Now	6/1	--	--	--	--	--	--	10.3%	--	--	--
Actual		-5.0%	-31.4%	33.4%	4.3%	-3.5%	6.4%	--	--	--	--
Change from Previous Quarter											
CNBC/Moody's Consensus		--	--	--	--	--	--	2.6%	2.0%	1.5%	--
Mortgage Bankers Association		--	--	--	--	--	--	2.2%	1.9%	1.3%	--
Atlanta Fed GDP Now		--	--	--	--	--	--	--	--	--	--
Actual		-1.3%	-7.9%	8.4%	1.1%	-0.9%	1.6%	--	--	--	--

The US economy is clearly in recovery mode. US real GDP remains below pre-Covid levels.

RENT COLLECTIONS

While tenant rent collection was a helpful metric for tracking REITs in 2020, analysts will be turning their attention to operating metrics like occupancy rates this year, according to Nareit VP of Research Nicole Funari. Rent collections stabilized to nearly 100% of typical collections by mid-July 2020 for REIT sectors including industrial, office, health care, and apartments. Shopping centers, bolstered by grocery stores and drug stores, stabilized in the high 80% range in the fall, and regional mall rent collections are in the low 80% range heading into 2021.

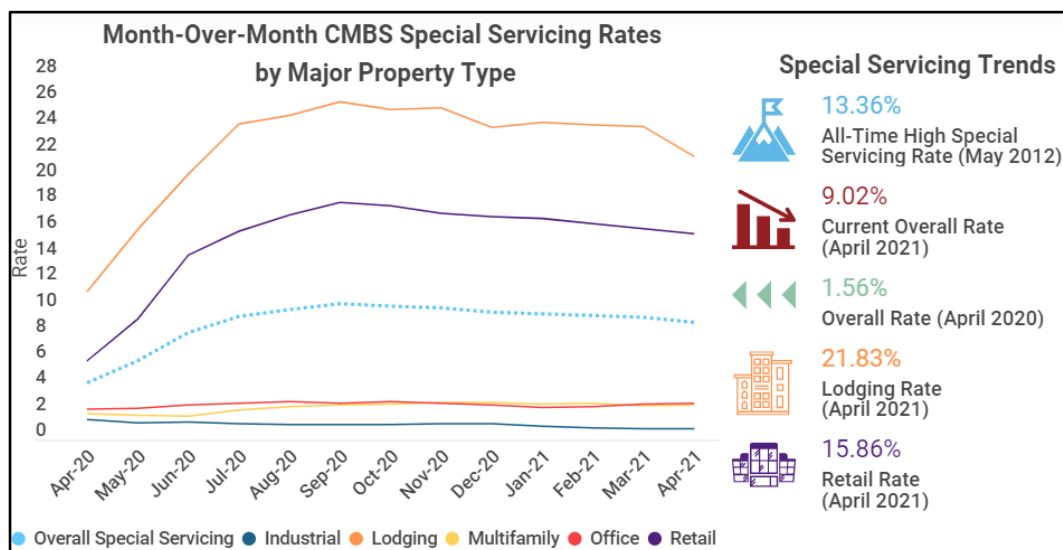
NMHC tracks multi-family collections which are summarized in the following chart.



TREPP: CMBS DELINQUENCY | MAY 6TH, 2021

The Trepp CMBS Special Servicing Rate declined by 40 basis points in April to 9.02% – the largest improvement in the monthly reading during the coronavirus market crisis. This is the seventh monthly decrease in that reading since September 2020, when the rate reached a post-Great Financial Crisis (GFC) peak of 10.48%. With federal plans underway to make vaccinations more widely available in the US and states taking steps to ease lockdown restrictions even further, loan “cures” and special servicing removals should continue at a measurable pace in the coming months.

By property type, the percentage of loans with the special servicer was relatively unchanged month over month, except for that of lodging and retail, which registered a 233 and 37 basis point reduction in April. Roughly 21.83% of lodging loans and 15.86% of retail loans were reported to be in special servicing in April.

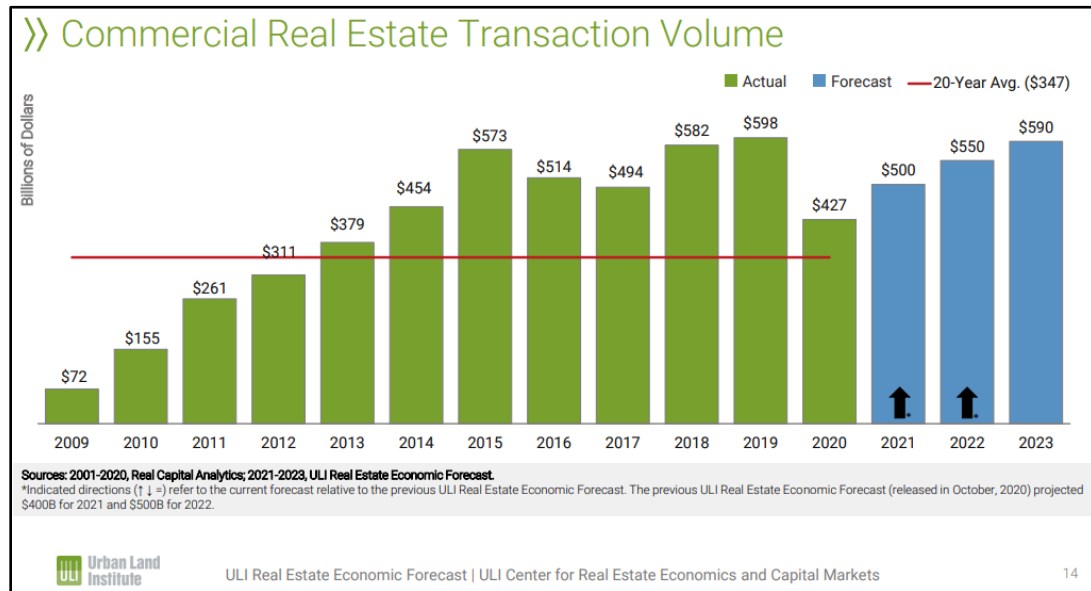


URBAN LAND INSTITUTE: REAL ESTATE ECONOMIC FORECAST | MAY 2021

ULI compiled forecasts from 42 economists at 39 real estate organizations. The key findings are noted as follows.

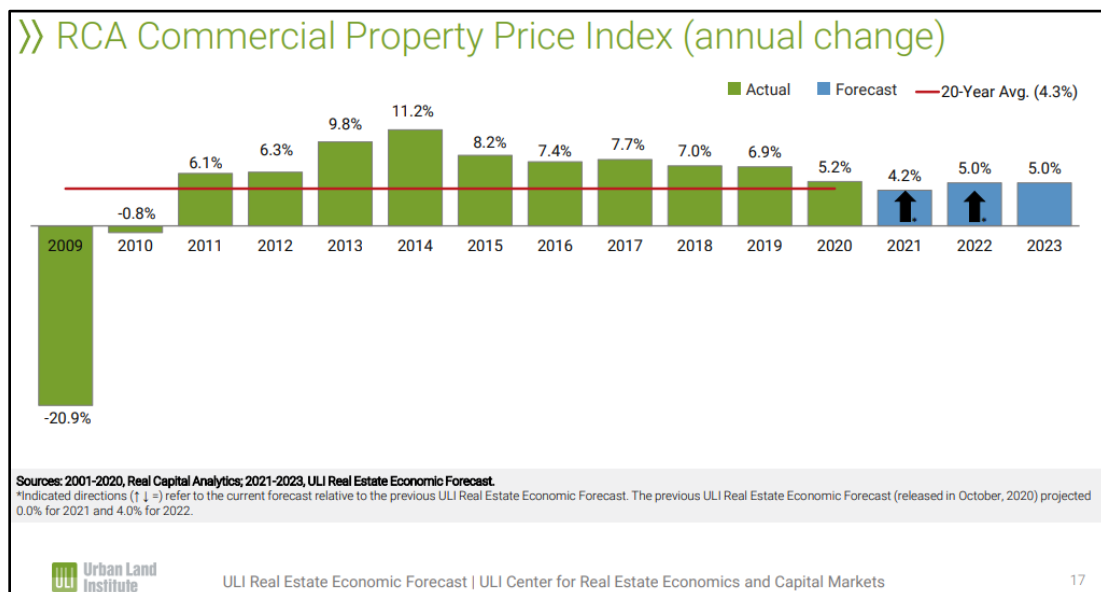
TRANSACTION VOLUME

Commercial real estate transaction volume reached \$598 billion in 2019, a post-Great Financial Crisis peak. Volume fell by almost 30% in 2020 to \$427 billion, the lowest volume in seven years, but decidedly above the declines of the GFC. Volume is expected to recover relatively quickly over the forecast period with \$500 billion in '21, \$550 billion in '22 and \$590 billion in '23.



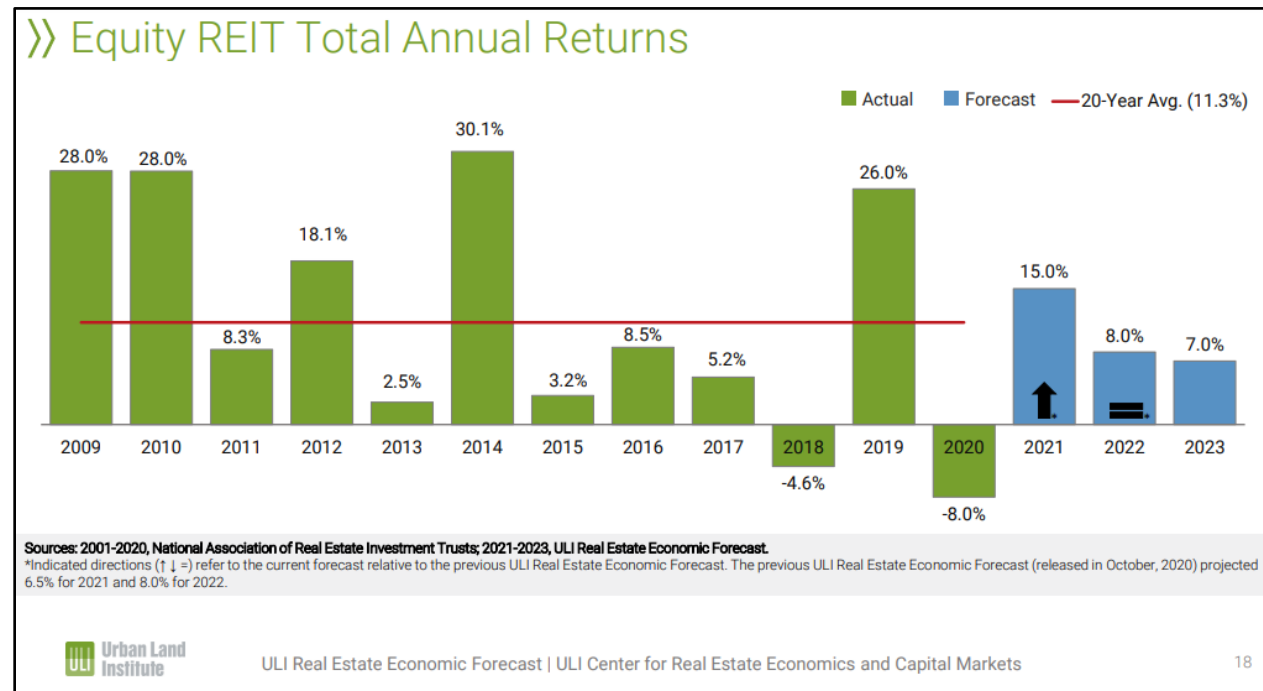
CRE PRICING

The RCA Commercial Property Price Index (CPPI) had experienced strong growth over the nine years from 2011 to 2019, staying consistently above 6 percent annually. Price growth in 2020 moderated somewhat but remained positive at 5.2%. Price growth is expected to remain positive during the forecast period, although further moderating in 2021 to 4.2% and plateauing at 5% in '22 and '23.

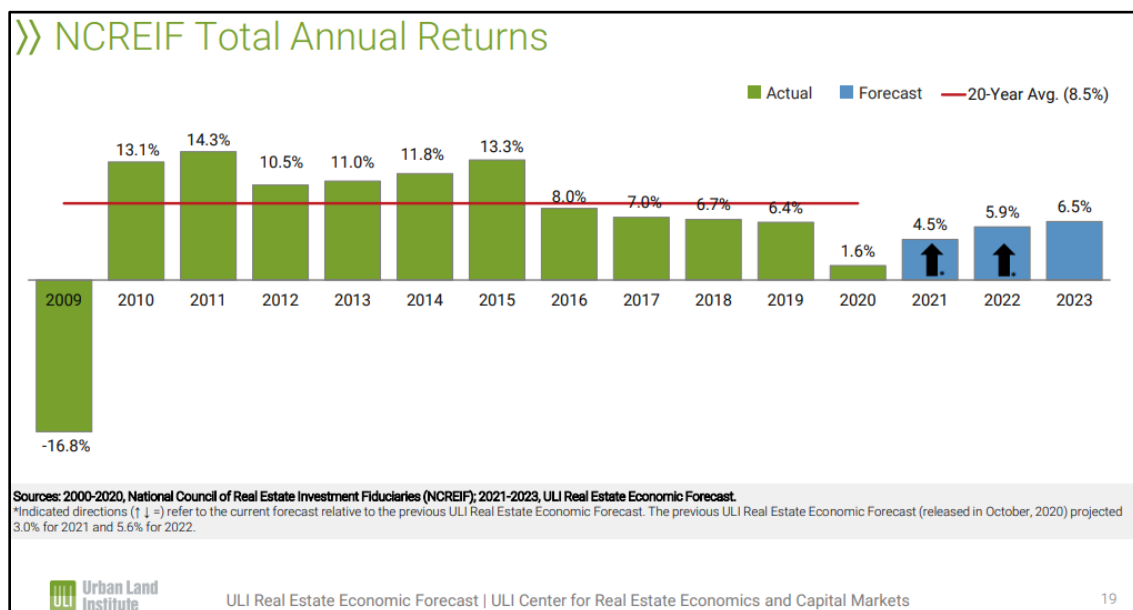


CRE RETURNS

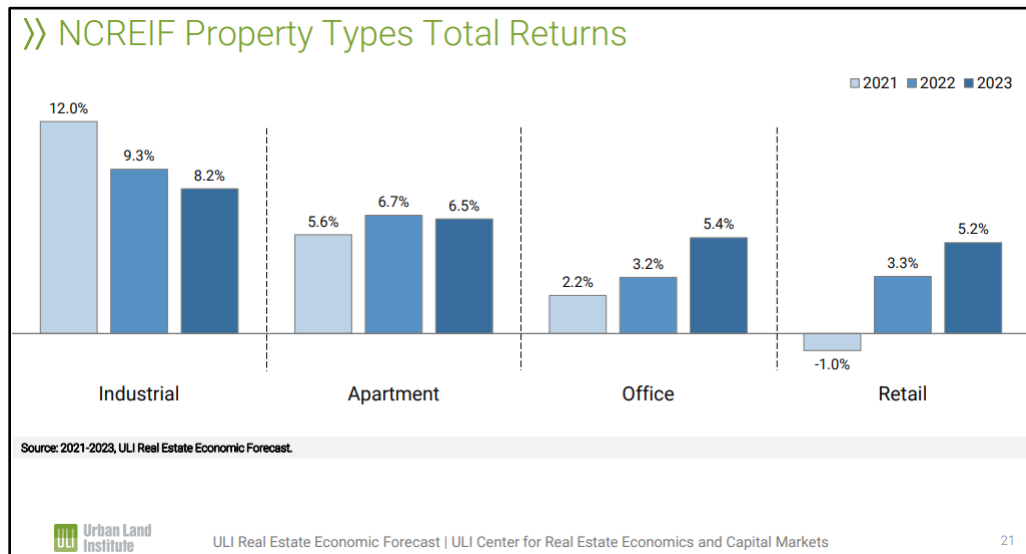
Equity REIT total returns in 2020, according to NAREIT, fell by 8%. Positive returns are expected during the forecast period of 15%, 8% and 7% in '21, '22 and '23, respectively.



Total returns for institutional-quality direct real estate investments, as measured by the NCREIF Property Index (NPI), were positive in 2020 but, at 1.6%, the lowest in 11 years. Total returns are forecast to increase over the forecast period, returning by '23 to the moderate rates of the years immediately before the pandemic. The forecast is for returns of 4.5%, 5.9% and 6.5%, in '21, '22 and '23 respectively.

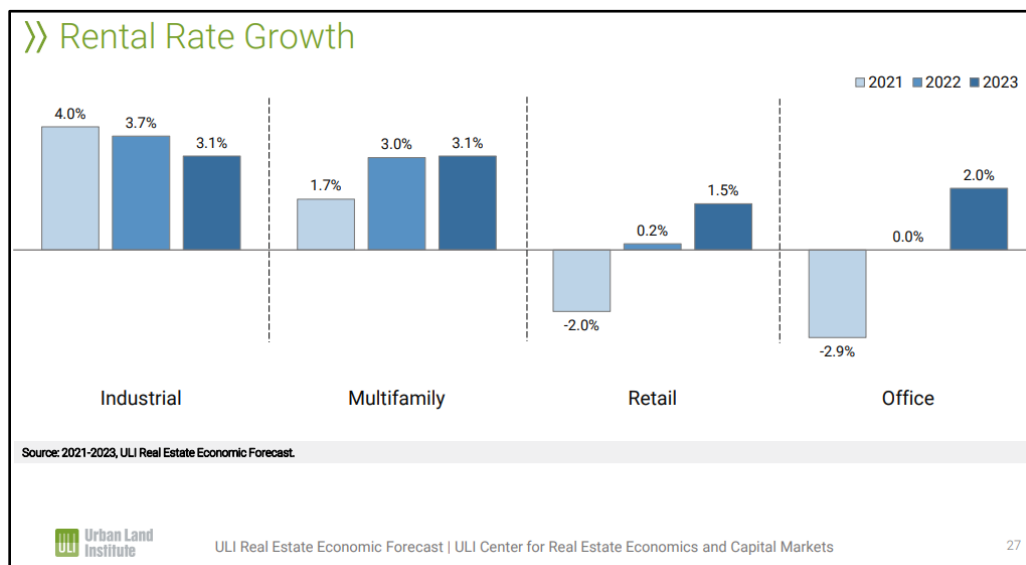


NCREIF total returns in 2021 for the industrial sector are expected to increase relative to '20 to 12%, becoming the 11th year of returns above the long-term average. After an 11-year low in '20, apartment returns in '21 is expected to increase to 5.6%, returning to the level immediately before the pandemic. After an 11-year low in '20, office sector returns are expected to minimally increase to 2.2%. After a substantial decline in '20, retail returns are expected to remain negative although at a more moderate -1%. Industrial total returns are forecast to moderate in '22 and '23, to 9.3% and 8.2%, respectively. Although these returns are stronger than in other sectors, they would be the lowest industrial returns in 14 years. Apartment returns are forecast to continue to increase in '22 to 6.7% and moderate just slightly to 6.5% in '23. Office total returns are forecast to remain low but increase to 3.2% in '22 and 5.4% in '23. Retail total returns are expected to turn positive in '22 at 3.3% and increase to 5.2% by '23.



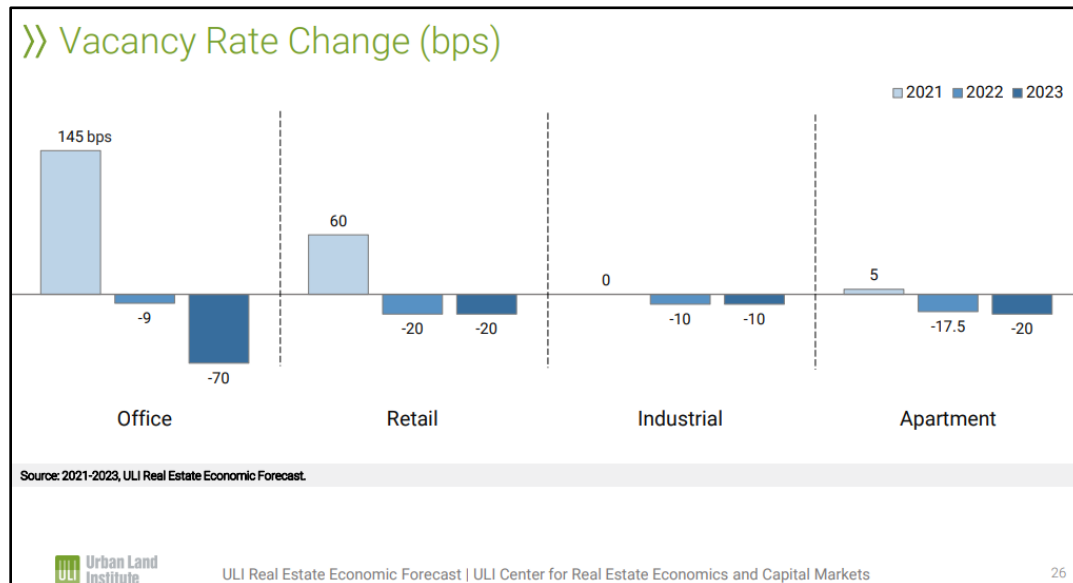
RENT GROWTH

Commercial property rent growth differs by property type, as well. In 2021, industrial and apartment rent growth is forecast to be 4% and 1.7%, respectively, while retail and office are forecast at -2%, and -2.9%, respectively. In '22, industrial and multifamily sectors continue growth at 3.7% and 3% respectively, while growth for retail and office is essentially flat. By '23, positive rental growth is forecast for all sectors, ranging from 3.1% for both the industrial and apartment sectors to 1.5% for both the industrial and apartment sectors to 1.5% and 2% in the retail and office sectors, respectively.



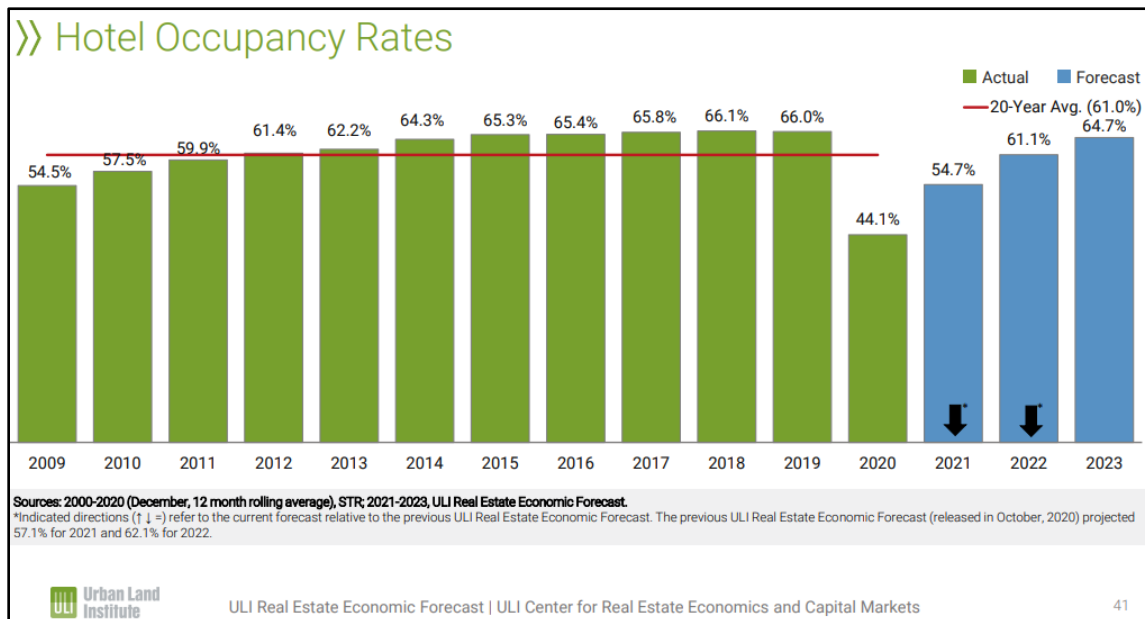
VACANCY

Change in vacancy and availability rates differ by property type. In 2021, industrial availability and apartment vacancy are forecast to be essentially unchanged, while retail availability is forecast to increase 60 basis points and office vacancy is forecast to move up 150 basis points. In '22 and '23, all sectors are expected to show marginal improvement (20 basis points or less), with the exception of the office sectors which is forecast to improve by 70 basis points in '23.



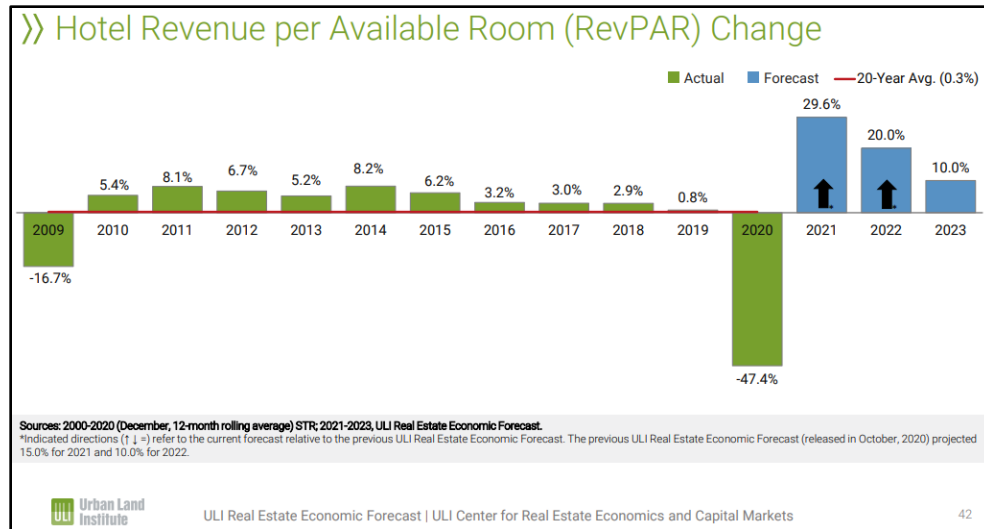
HOTEL OCCUPANCY

Hotel occupancy rates, according to STR, were steadily improving over the last ten years, coming in at 66% in 2019, above the twenty-year average. Occupancy in the pandemic year of '20 fell to 44.1%. Continual improvement, although not full recovery, is expected during the forecast period, with occupancy rates of 54.7%, 61.1%, and 64.7%, respectively in '21, '22, and '23.



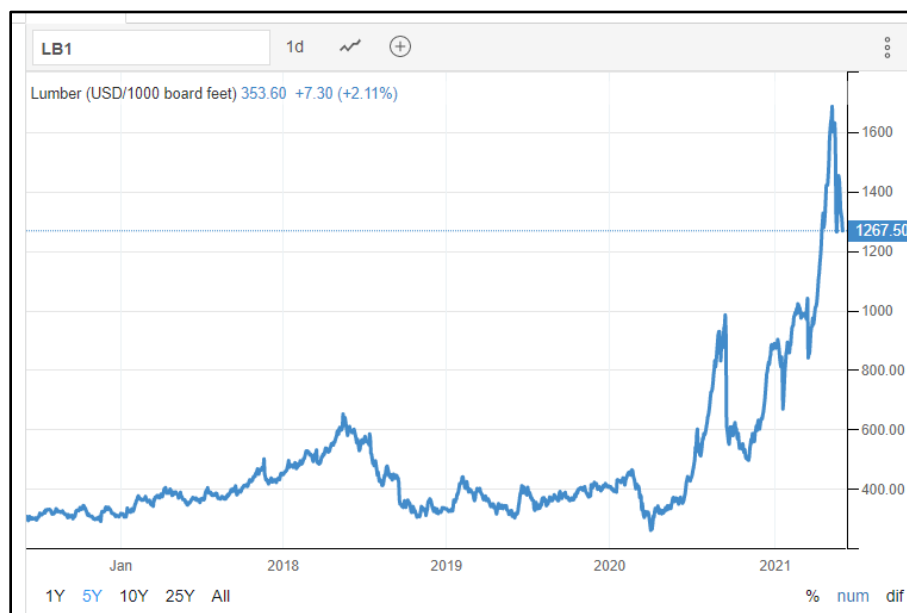
HOTEL REVPAR

Following four years of already slowing hotel revenue per available room (RevPAR) growth, the RevPAR growth rate dropped by -47.4% 2020. RevPAR is expected to begin recovery in '21 at positive 29.6%, and continue in '22 at 20%, and 10% in '23. Given the steep decline in '20, these growth rates will not yet be sufficient to bring RevPAR fully back to 2019 levels.

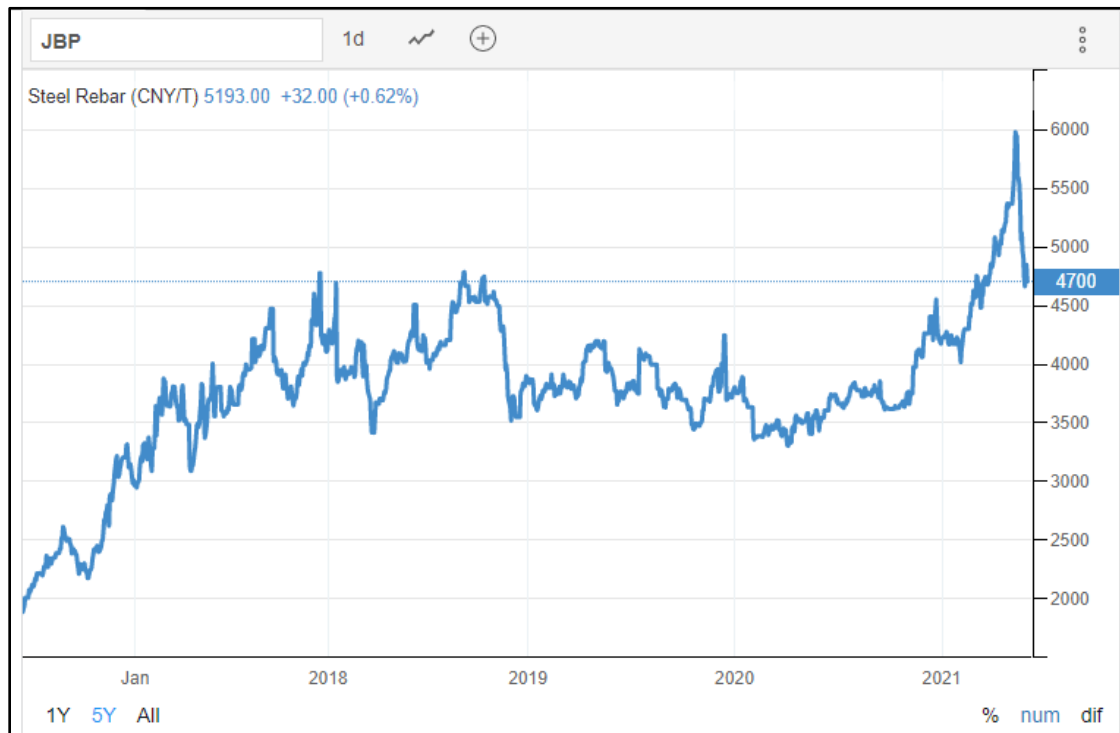


CONSTRUCTION COSTS

Construction costs have increased materially over 2019 due to numerous reasons including demand, low supply due to disruptions to the US and global supply chains, tariffs, and possibly inflation. The following chart illustrates the change in lumber prices in the US. While off their 2021 highs the cost of lumber is causing large increases in new construction costs. Expansion of existing lumber mills as well as proposed lumber mills are likely to put downward pressure on pricing in the near term; however, prices could remain elevated for some time. It should be noted that lumber price increases are for processed lumber while raw timber prices are relatively unchanged. In April 2021 the National Association of Home Builders stated that due to the increase in lumber prices the average single-family home now costs \$36,000 more to build.



The following chart illustrates steel prices over the past 5 years. Steel prices have declined but are well above 2019 levels.



Overall, a decline in construction costs may not be forthcoming as there is a shortage of skilled labor in the construction industry. Construction cost trends should be followed closely. Cost estimates and budgets could be obsolete within weeks or even days.

INFLATION

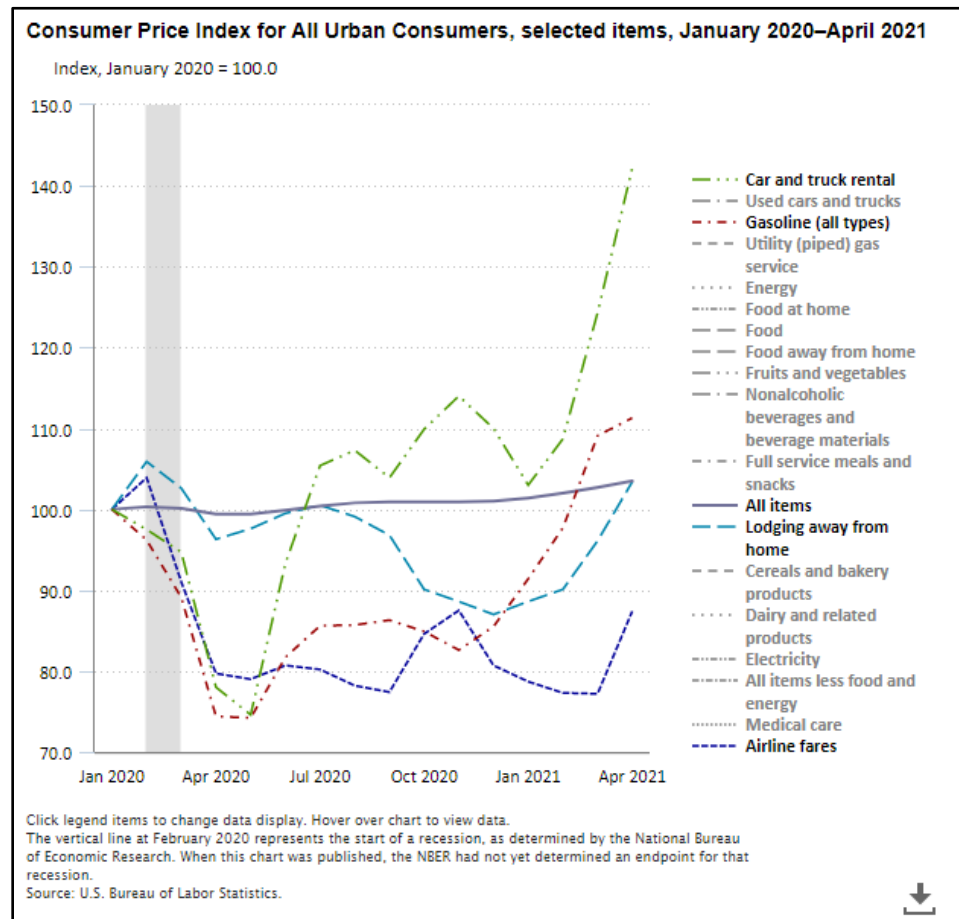
Inflation is among the greatest investor concerns. The Federal Reserve will continue its ultra-low interest rate policies and bond-buying program, a sign that it wants to see more evidence of a strengthening economic recovery before it considers easing its support. In an April statement, the Fed said the economy and job market have "strengthened," and while inflation has risen, Fed policymakers ascribed the increase to temporary factors. The Fed left its benchmark short-term rate between zero and 0.25%, where it has been since the pandemic began nearly a year ago, to help keep loan rates down to encourage borrowing and spending. It also said that it would keep buying \$120 billion in bonds each month to try to keep longer-term borrowing rates low.

According to the BLS, the Consumer Price Index for All Urban Consumers increased 4.2 percent over the 12 months from April 2020 to April 2021. The index rose 2.6 percent for the year ending March 2021. The 4.2 percent increase in April is the largest increase over a 12-month period since a 4.9-percent increase for the year ending September 2008. Over the longer period from January 2020 (before the COVID-19 pandemic) to April 2021, consumer prices increased 3.5 percent.

Energy prices were up 25.1 percent over the past 12 months. Gasoline prices rose 49.6 percent over the last 12 months, the largest 12-month increase since the year ending January 2010. Natural gas prices increased 12.1 percent, and electricity prices rose 3.6 percent over the year. Over the January 2020–April 2021 period, energy prices increased 7.5 percent, with prices for gasoline up 11.3 percent.

Prices for used cars and trucks increased 21.0 percent over the past 12 months and were up 23.9 percent since January 2020. Prices for car and truck rental increased 42.4 percent from January 2020 to April 2021.

The following chart shows inflationary data for several input components with vehicles and gasoline prices experiencing the highest increases.



The current inflationary issues are either transitory, which would be due to the reignition of the US economy and disruptions in the US and global supply chains, or a precursor to potentially rampant inflation. Investors remain divided on inflation.

OTHER FEDERAL, STATE AND LOCAL CONSIDERATIONS

The federal government, states and municipalities have enacted legislation to lessen the economic impact of COVID-19. These issues should be closely monitored as they could place downward pressure on value.

CONCLUSION

Covid-19 vaccines in the US have been a resounding success as death and new case rates continue to plummet. Americans are traveling again, and mobility should continue to increase as consumers spend more money. Strong economic growth is expected throughout 2021 and into 2022 as rates are expected to remain near historical lows. Given recent bond yield increases, investors have expressed worries over upward pressure on interest rates; however, rates remain well below historical norms.

Medium and long-term outlooks are favorable and interest rates are expected to remain low into 2023, which could bode well for commercial real estate. Over the short-term hotels, restaurants without drive-thrus and non-credit retail have taken the brunt of the declines while industrial, self-storage and multi-family have been the least affected. Office demand has faced downward pressures due to remote working trends and elevated levels of unemployment, which are declining. We will continue to interview market participants regarding changes in market conditions.

APPRAISER QUALIFICATIONS AND LICENSES

Profile

Frank Segura is a Managing Director at BBG. His experience includes analysis of multi-family properties for conventional lenders, conduit lenders, Fannie Mae (FNMA), Freddie Mac (FHLMC), Department of Housing and Urban Development (HUD), insurance companies, and others. Further, Mr. Segura has a depth of experience in the appraisal of single and multi-tenant office and retail properties, various industrial properties, and vacant land. Mr. Segura has completed assignments throughout the United States and has experience managing large portfolio assignments. Typical responsibilities include performing property inspections, identifying and analyzing market trends, collecting and analyzing market data, analyzing subject property income and expense information, estimating reproduction costs and depreciation, and performing appraisals in a number of different formats. Mr. Segura is an advanced MAI candidate and has completed all coursework and the General Demonstration Report requirement.

Prior to joining BBG in 2011, Mr. Segura worked with JPMorgan Chase Bank in various roles including branch manager, investment advisor, and personal banker.

Professional Affiliations

Certified General Appraiser

State of Michigan (License # 1201074272)
State of Illinois (License # 553.002465)
State of Ohio (License # 2015002960)
State of Indiana (License # CG41500051)
State of Pennsylvania (License # GA004564)
State of New York (License # 46000053357)

Education

Master of Science in Finance, 2012
Walsh College – Troy, MI
Bachelor of Science, Major in Public Relations, 2001
Ferris State University – Big Rapids, MI

Coursework

Appraisal Institute Courses

15 Hr. National USPAP Course	Advanced Concepts & Case Studies
Basic Real Estate Procedures	Advanced Income Capitalization
Basic Real Estate Principles	Advanced Market Analysis and Highest and Best Use
General Appraiser Sales Comparison Approach	Quantitative Analysis
Real Estate Finance Statistics and Valuation Modeling	General Demonstration Report Writing
Business Practices and Ethics	Fundamentals of Apartment Appraising
General Appraiser Income Approach	General Appraiser Report Writing and Case Studies
7 Hr. National USPAP Update Course	Appraising Automobile Dealerships
General Appraiser Site Valuation & Cost Approach	Forecasting Revenue
Residential Site Valuation Cost Approach	Small Hotel/Motel Valuation
Residential Report Writing & Case Studies	Analyzing Operating Expenses
General Appraiser Market Analysis & Highest and Best Use	The Discounted Cash Flow Model: Concepts, Issues,
Contemporary Issues involving Michigan Property Taxation	Michigan Laws and Rules



VALUATION



ADVISORY



ASSESSMENT



ZONING

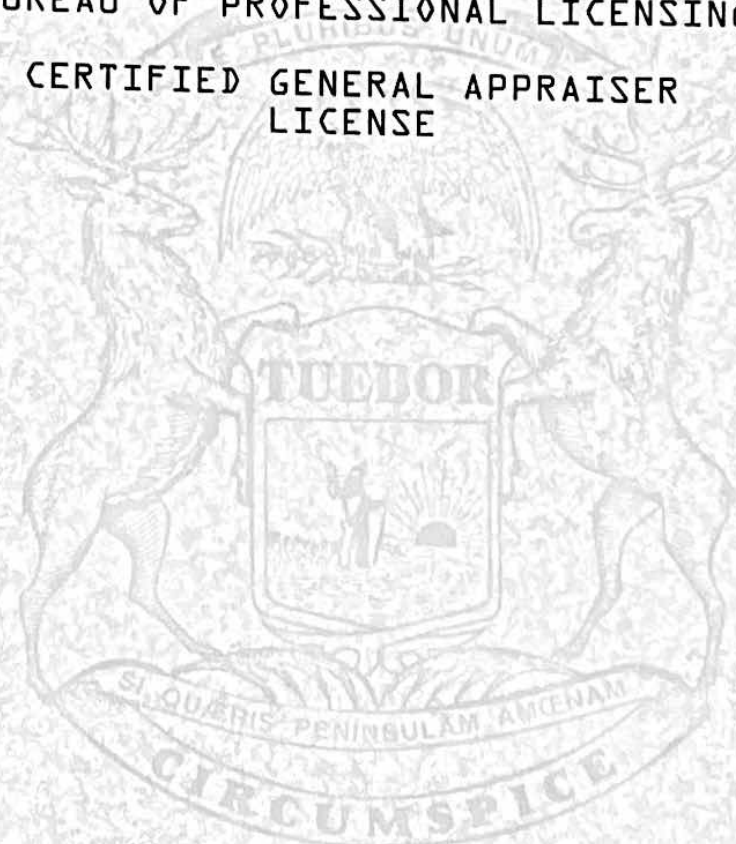
GRETCHEN WHITMER
GOVERNOR

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

P884178

CERTIFIED GENERAL APPRAISER
LICENSE

FRANK A SEGURA



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EXPIRATION DATE
07/31/2023

AUDIT NO
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Profile

Ryan Andrusz is an Appraiser at BBG working out of the Detroit office. Mr. Andrusz has been engaged with commercial real estate throughout the Midwestern United States since 2011. His scope of competency expands across a broad range of asset types and assignment conditions.

Mr. Andrusz specializes in the valuation of multifamily assets and averages one hundred assignments annually. Competences include market rate, affordable, mixed use, new construction, class A, and small balance loan projects. Client profile includes balance sheet lenders, agency lenders, owners, life insurance companies, and governmental agencies. Mr. Andrusz exhibits a breadth of experience with various public incentives such as LIHTC, NEZ, OPRA, and TIF.

Mr. Andrusz is currently a certified general appraiser and has spent his entire career at BBG, where he began as an appraisal trainee. This experience has given him a unique outlook on the functionality and detail of various appraisal platforms.

Professional Affiliations

Appraisal Institute
Affiliate

State of Michigan – Certified General License Number: 1205076279

Education

BA Business, Kalamazoo College - 2018
Magna Cum Laude
Business Department Honors



VALUATION



ADVISORY



ASSESSMENT



ZONING

STATE OF MICHIGAN
DEPARTMENT OF LICENSING
AND REGULATORY AFFAIRS
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LANSING, MI 48909

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LICENSE NO.	EXPIRATION DATE	AUDIT NO
1201076279	07/31/2021	3463797

RYAN MATTHEW ANDRUSZ
15116 ST PAUL ST
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