

APPRAISAL OF THE OLD MISSION SCHOOL



PREPARED FOR: TRAVERSE CITY AREA PUBLIC SCHOOLS

PROPERTY IDENTIFICATION: 2699 ISLAND VIEW ROAD
TRAVERSE CITY, MICHIGAN 49686

OWNER OF RECORD: TRAVERSE CITY AREA PUBLIC SCHOOLS

INTEREST APPRAISED: FEE SIMPLE

DATE OF VALUE: MAY 26, 2016

DATE OF INSPECTION: MAY 26, 2016

DATE OF APPRAISAL: JUNE 15, 2016

TYPE OF REPORT: USPAP APPRAISAL REPORT

APPRAISERS: MICHAEL TARNOW, MAI, SRA
NORTHERN MICHIGAN REAL ESTATE CONSULTANTS
413 NORTH DIVISION STREET
TRAVERSE CITY, MICHIGAN 49684
PHONE: 231-995-8828
FACSIMILE: 231-941-5334
EMAIL: mtarnow@nmrec.com
WEBSITE: www.nmrec.com

Island View, 2699 TCAPS 5-16

Michael Tarnow, MAI, SRA



Northern Michigan Real Estate Consultants

413 North Division Street
Traverse City, Michigan 49684
Phone 231-995-8828 Fax 231-941-5334
mtarnow@nmrec.com www.nmrec.com

June 15, 2016

*Christine Thomas-Hill
Executive Director of Finance/Operations
Traverse Area Public Schools
412 Webster Street
Traverse City, MI 49686*

RE: The appraisal of the Old Mission School, 2699 Island View Road, Traverse City, Michigan

Dear Ms. Thomas-Hill:

The following appraisal report has been prepared in accordance with your request for an estimate of a range of market value of the fee simple title to the above captioned real property for marketing purposes. I have personally inspected the property and made a careful and detailed analysis of factors pertinent to the estimate of value. This firm has not provided valuation services regarding the subject property within the last three years.

This is an Appraisal Report prepared under Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice, effective as of the date of inspection.

The subject consists of a modern school building (38,335 square feet above grade) utilized as a K – 5th grade school with a lot area of 15.15 acres. The property is located in a suburban area on the Old Mission Peninsula about 8 miles north of Traverse City and is zoned Agricultural. The client is considering closing the school; a potential donor has offered to provide funds to keep the school open and is requiring this appraisal.

The accompanying report contains the results of the investigation and analysis. The conclusion of value is market value, based on mortgage terms generally available in the local market.

Market value is defined as follows:

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: Interagency Appraisal and Evaluation Guidelines from the Comptroller of the Currency, the Federal Reserve System, the Federal Deposit Insurance Corporation, the Thrift Supervision Office, and the National Credit Union Administration on 12/10/2010, Paragraph Citation 75 FR 77472 Page 77472

Nothing in this appraisal shall create a contractual relationship between the appraiser or client and any third party. The client's acceptance of this appraisal provides prima facie evidence of their acceptance and agreement with the results of this appraisal by this appraiser and provides no cause of action in favor of any third party.

This appraisal shall not be construed to render any person or entity a third party beneficiary of this appraisal including, but not limited to, the property owner or any third party.

NMREC, and the appraisers accept no responsibility for damages suffered by any third party as a result of reliance on or decisions made or actions taken based on this appraisal by this firm or this appraiser.

To the best of my knowledge and belief, this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation, and with the requirements of the code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael Tarnow". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

*Michael Tarnow, MAI, SRA
Certified General Appraiser #1201000638*

Island View, 2699 TCAPS 5-16

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SUMMARY OF SALIENT FACTS

Address: 2699 Island View Road
Traverse City, Michigan 49686

Assessor's Parcel Number: 28-11-133-002-00

Interest Appraised: Fee Simple

Date of Value: May 26, 2016

Date of Inspection: May 26, 2016

Date of Report: June 15, 2016

Owner of Record: Traverse City Area Public Schools

Land Area: 15.10 Acres (per the assessment records)

Zoning: Agricultural

Highest and Best Use:
As If Vacant: Future Development
As Improved: Use of Existing Building for Offices and Retail

Existing Improvements

Type:	Masonry School Building
Year Built:	Unknown; Remodeled and added onto in 2006
Type of Construction:	Concrete Block
Size:	Gross Building Area 38,335 SF
Condition:	Good

SUMMARY OF SALIENT FACTS (continued)

Estimated Marketing Time: 1 Year

Estimated Exposure Time: 1 Year

Value Indicators

Cost Approach: Not Fully Developed
Sales Comparison Approach: \$575,000; As a vacant building
Income Approach: \$1,500,000; As an operating charter school

Conclusion of Market Value: \$575,000 to \$1,500,000

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TRAVERSE CITY, MICHIGAN 49684
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EMAIL: mtarnow@nmrec.com

ADDRESS

2699 Island View Road
Traverse City, Michigan 49686

LEGAL DESCRIPTION

NE 1/4 OF SW 1/4 OF NE 1/4 & ALSO COM SEC NR OF NW 1/4 OF NE 1/4; N 1 DEG E,
641.51'; S 83 DEG W 61.87'; S 45 DEG W 443.56'; S 323.68'. E 371.9' TO POB. SEC 33
T29N R10W, Peninsula Township, Grand Traverse County, Michigan

TAX DATA

Parcel Code Number:	28-11-133-002-00
2015 Assessed Value:	Tax Exempt
Factor:	1.00
2015 State Equalized Value:	Tax Exempt
2015 Taxable Value:	Tax Exempt
2015 Millage:	0.0450640 (Non-Homestead)
Estimated Taxes:	Tax Exempt

As a result of Michigan's voter approved Proposal A in 1993, property assessment information has been revised to include assessed value, state equalized value, capped value, and taxable value. These terms are defined as follows:

Assessed Value (AV) represents 50% of the market value of the property. This value can change from year to year without regard to caps or other presumed limits on taxes, etc.

State Equalized Value (SEV) is the value of the property as equalized by the county and/or state. Generally, the SEV is the same as the assessed value unless the state or county has applied a multiplying/equalizing factor to correct the overall valuation of a class of property in the district. Capped Value - is the taxable value of your property last year plus 5%. Proposal A mandated a 5% cap on the valuation used to calculate taxes.

Taxable Value Since the inception of Proposal A, SEV and AV are no longer the base for calculating taxes. Unless the property is sold, then the taxable value is uncapped and the assessed value becomes the taxable value for the new owner. One exception is if a property is transferred by foreclosure or forfeiture of a recorded instrument. In this instance this change in ownership does not trigger the Taxable Value to be changed to the SEV. However, for the current owner (owner of record on or before December 31, 2003) the taxable value does not change by more than the State Tax Commission Consumer Price Index, (inflation rate) or the mandated 5% cap, whichever is less.

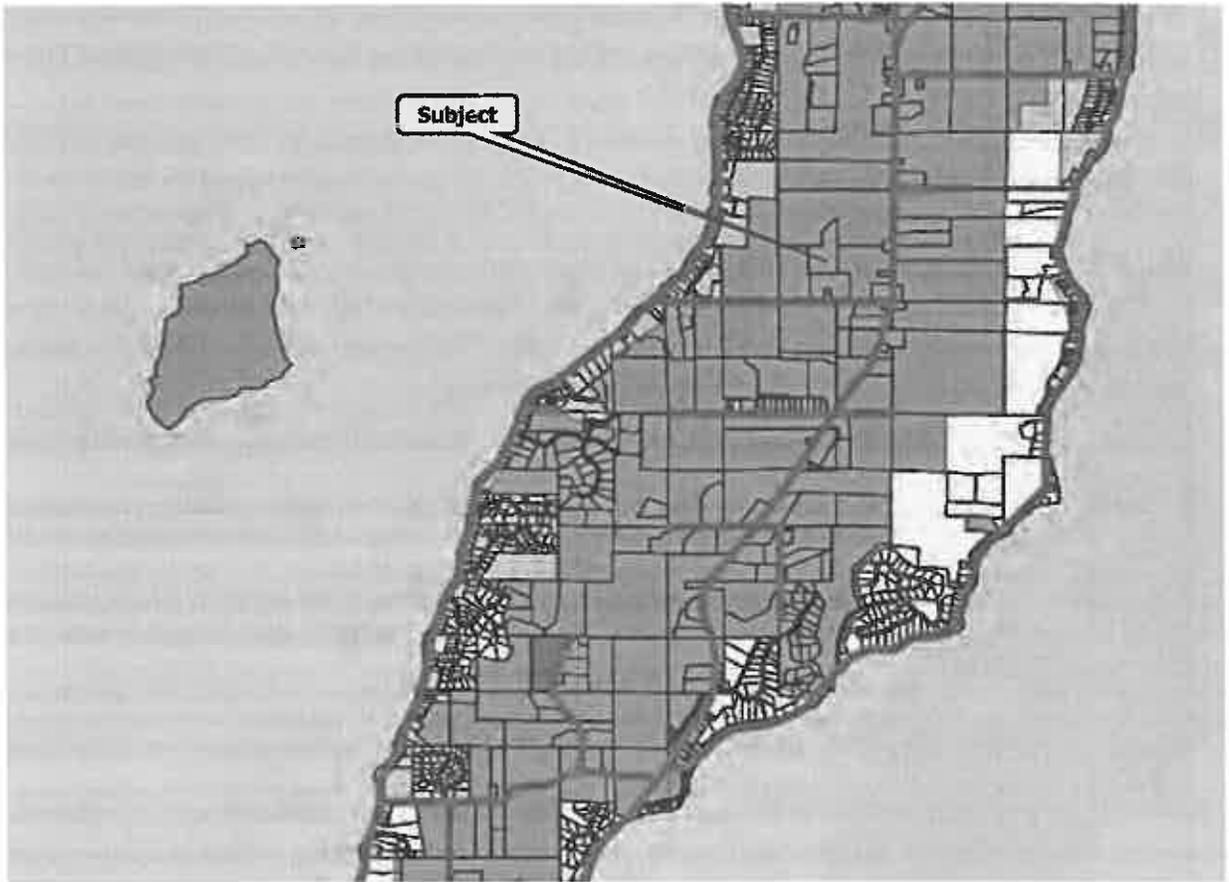
TAX DATA (continued)

The definition of market value presented previously presumes a transfer of ownership. For this reason it is assumed that the property's Capped Value would be adjusted at the time of sale to equal the SEV. Therefore, for the purposes of this analysis and resulting opinion of value, the property taxes are calculated by multiplication of the SEV and the millage rate. The millage is for 2015 because the 2016 rate has not yet been established.

SALES HISTORY OF THE SUBJECT

The subject property has not sold during the last five years. The property is not currently listed for sale and there are no know offers to purchase the property at this time.

ZONING



The subject is located in the A-1 Agricultural district.

ZONING (continued)

Section 6.7 A-1 District: Agricultural:

Section 6.7.1 Intent and Purpose: This District is intended to recognize the unique ecological character of the Peninsula and to preserve, enhance, and stabilizing existing areas within the Township which are presently being used predominately for farming purposes, yet recognize that there are lands within the district which are not suited to agriculture, therefore allowing other limited uses which are deemed to be compatible with agricultural and open space uses.

Section 6.7.2 Uses Permitted by Right:

- (1) One-family dwellings.
- (2) Two-family dwellings.
- (3) Mobile homes: Provided the mobile home shall meet the requirements of the Mobile Home Construction and Safety Standards Act (24 CFR part 3280) and bear a HUD label so indicating.
- (4) Field crop and fruit farming, truck gardening, horticulture, aviaries, hatcheries, apiaries, green houses, tree nurseries, and similar agricultural enterprises along with accessory uses incidental to the above.
- (5) Raising and keeping of small animals such as poultry, rabbits, and goats.
- (6) Raising keeping and boarding of livestock, such as cattle, hogs, horses, ponies, sheep, and similar livestock, except feeder lots. (REVISED BY AMENDMENT 155B) (REVISED BY AMENDMENT 162A)
- (7) Customary home occupations.

ZONING (continued)

- (8) Roadside stands selling regionally grown fresh and/or processed farm produce, raw forest products, cut flowers, potted plants, agricultural and forest products, but excluding items of a kind that are not grown regionally, and also excluding non-agricultural items and products the sale of which requires a permit from the Michigan Liquor Control Commission. Roadside stands are subject to the following terms and conditions: **(REVISED BY AMENDMENT 95)**
- (a) The stand is not over 150 square feet in area. The 150 square foot area may be within a larger existing structure, so long as the larger structure meets all the setback requirements of the Agricultural District.
 - (b) Awnings up to 4 feet projection from the stand structure may be used on three sides of the structure. In the event that the 150 square feet is part of a larger structure the awning is allowed only on the portion making up the 150 square feet.
 - (c) There shall be a ratio of 1 parking space per 25 square feet of structure to the maximum 150 square feet. There shall be a minimum of five (5) parking spaces available and clearly marked with adequate turn around, so that all vehicles are furnished parking off the public right-of-way.
 - (d) No land use permit is required for a roadside stand if the structure is less than 25 square feet in area.
 - (e) If the roadside stand is less than twenty five (25) square feet in area or is larger than twenty five (25) square feet but is only left in place seasonally, the roadside stand may be located adjacent to the front lot line rather than meeting the front setback required by Section 6.8.1.
 - (f) It is the intent of this section to provide only for the limited seasonal sale of agricultural and related products, but not to encourage the size of investment in equipment that would require a commercial zone. **(REVISED BY AMENDMENT 86)**
- (9) Cemeteries, public or private.
- (10) Agricultural Labor Camp for less than five (5) migrant workers. **(REVISED BY AMENDMENT 90)**
- (11) Licensed Agricultural Labor Camp. **(ADDED BY AMENDMENT 90)**
- (12) Tenant house as a part of farm property for full-time farm employees associated with principal use and subject to the same height and setback requirements as the principal dwelling.

ZONING (continued)

- (13) Public areas and Public parks such as recreation areas, forest preserves, game refuges, and similar public uses of low-intensity character.
- (14) Public and private conservation areas and structures for the conservation of water, soils, open space, forest and wildlife resources.
- (15) Customary uses and structures incidental to the permitted principal use of the premises as allowed in Section 6.2.2(2).
- (16) Mining or removal of top soil subject to provisions of Article VII Section 7.2.3.
- (17) Family Day Care & Group Day Care Homes subject to all requirements of Article VI, Section 6.2.2(7).
- (18) Barn Storage. **(ADDED BY AMENDMENT 131)**
 - (a) The intent of this use is to help make it economical for farmers to keep and maintain barns that might otherwise may be allowed to decay because they are obsolete. It is not intended to be a self-storage use where there is regular access to the rental space by owners of the stored materials.
 - (b) It is not intended to allow a property owner to build a barn just for rental storage, or to rent storage in a barn and then build a similar structure for farm use.
 - (c) The zoning administrator may issue a land use permit for rental of storage space in barns for boats, campers, farm equipment or similar items in barns in the Agricultural A-1 District, provided:
 1. The barn has been previously used for the storage of agricultural crops or for housing of livestock.
 2. The barn has been in existence in its present form for not less than twenty (20) years prior to the application for a land use permit for this use,
 3. The zoning administrator has determined that the barn is no longer used for farm purposes because of farm consolidation or changes in operations; and
 4. The barn is not increased in size or the exterior modified for the use, however, doors or the interior may be modified if necessary to make the barn suitable for storage.
 5. The rental of storage space in a barn shall be discontinued if a new barn is constructed for a use that can be accommodated in the old barn.
 6. The Zoning Board of Appeals may grant a variance from the minimum twenty (20) year requirement, provided the Zoning Board of Appeals determines that the request is consistent with the intent of this section to not allow a property owner to build a barn just for rental storage, or to rent storage in a barn and then build a similar structure for farm use.

ZONING (continued)

(19) Farm Processing Facility (ADDED BY AMENDMENT 139B)

(a) Statement of Intent: It is the intent of this subsection to promote a thriving local agricultural production industry and preservation of rural character by allowing construction and use of a Farm Processing Facility. The Farm Processing Facility use includes retail and wholesale sales of fresh and processed agricultural produce but is not intended to allow a bar or restaurant on agricultural properties and the Township shall not approve such a license. The majority of the produce sold fresh or processed has to be grown on the specific farm operation (land owned or leased for the specific farm operation) of the party owning and operating the Specific Farm Processing Facility. Eighty-five (85) percent of the produce sold fresh or processed has to be grown on Old Mission Peninsula. Activities such as weddings, receptions and other social functions for hire are not allowed, however, participation in approved township wide events is allowed. It is not the intent to grant any vested interest in non-agricultural uses of any structure built for a Farm Processing Facility. This amendment is not intended to supersede any Conservation Easement. (REVISED BY AMENDMENT 181)

(b) Farm Processing Facility is permitted in the Agricultural A-1 Zone subject to the following: (REVISED BY AMENDMENT 181)

1. Retail and Wholesale Sales - Retail and Wholesale Sales (including tasting) of fresh or processed agricultural produce is allowed subject to the requirements of subsection (b) 2 and further provided:
 - i. The Liquor Control Commission and the Michigan Department of Agriculture shall control licenses and compliance;
 - ii. Grape wine that is processed, tasted and sold in a Farm Processing Facility under this section is limited to "Old Mission Peninsula" appellation wine meaning 85% of the juice will be from fruit grown on Old Mission Peninsula;
 - iii. Fruit wine, other than grape wine, that is processed, tasted and sold in a Farm Processing Facility under this section is limited to wine bearing a label identifying that 85% of the juice is from fruit grown on Old Mission Peninsula;
 - iv. Sales of wine by the glass in a tasting room is allowed pursuant to the minimum requirements of the Michigan Liquor Control Commission rules and related Michigan Department of Agriculture permits regarding the sales of limited food items for on-premises consumption; and
 - v. Logo merchandise may be sold provided:
 1. The logo merchandise is directly related to the consumption and use of the fresh and/or processed agricultural produce sold at retail;
 2. The logo is prominently displayed and permanently affixed to the merchandise;

ZONING (continued)

3. Specifically allowed are: a) gift boxes/packaging containing the approved products for the specific farm operation; b) Wine Glasses; c) Corkscrews; d) Cherry Pitter; and e) Apple Peeler; and
 4. Specifically not allowed are unrelated ancillary merchandise such as: a) Clothing; b) Coffee Cups; c) Bumper Stickers.
2. Limitations on Sources of Produce
- I. Not less than 85 percent of all of the agricultural produce sold fresh or processed shall be grown on Old Mission Peninsula and a majority shall be grown on the land owned or leased for the specific farm operation by the same party owning and operating the specific Farm Processing Facility.
 - II. If crop conditions or natural disaster result in a shortage of locally-grown fruit for a particular year, the Township Board may approve a larger proportion of produce grown off the land owned or leased for the specific farm operation by the same party owning and operating the Specific Farm Processing Facility for that particular year, provided that verification of such conditions are presented to the Township Board by a public organization representing the fruit growers of northwest Michigan that is duly recognized by the Township Board. Processed products produced in such a year shall not exceed the highest volume produced in any of the preceding five years.
 - III. Wine shall be produced and bottled in the winery and the label shall include "produced and bottled by" immediately preceding the place where bottled or packed in accordance with the Bureau of Alcohol, Tobacco and Firearms law, article 27CFR, paragraph 4.35 (a) (1) definition for "Produced and Bottled By", meaning 75% of such products will be fermented and clarified on the site (this requirement is intended to comply with federal regulations and does not supersede the requirements of 85% grown on Old Mission Peninsula). Sparkling wine or sparkling juices may be "finished" and bottled off site and so labeled.
 - IV. Any fruit beverage shall meet the same requirements as the wine in III. above except for the labeling requirements.
 - V. Dried fruit, a minimum of 85% by weight which is grown on Old Mission Peninsula and a minimum of 50% by weight which is grown on the farm, may be dried off premises and sold in the Farm Processing Facility retail room, provided, no more than the amount of fruit sent out for this processing is returned for retail sale.
3. Participation in "Township Wide Events" such as "Blossom Days" as specifically approved by the Township Board shall be allowed.

ZONING (continued)

4. Parcel requirements:

- I. A total of forty (40) acres of land are required to be devoted to the operation of a farm processing facility.
- II. The forty (40) acres shall be located within Peninsula Township and shall be owned or leased for the specific farm operation by the same party owning the specific Farm Processing Facility.
- III. The parcel containing the specific Farm Processing Facility shall have a minimum area of 20 acres and a minimum parcel width of 330 feet.
- IV. The 20 acre minimum parcel (which may include public road rights-of-way) and the winery shall be owned by the same party. None of the 20 acres shall be alienable.
- V. The 20 acre parcel may be one parcel or two contiguous parcels and the contiguous parcels may be separated by a road.
- VI. There shall be no more than one house on the 20 acre parcel containing the Farm Processing Facility and no more than one house on the remaining required 20 acres.
- VII. Up to twenty (20) of the forty (40) acres does not have to be contiguous and may be either owned by, or leased with exclusive control and use transferred to the operator of the Farm Processing Facility.
- VIII. None of the minimum 40 acres shall be used to satisfy acreage density or open space requirement of any other food processing or other use in the Township while the farm processing facility use is in effect.
- IX. The number of allowed dwellings which may be built on the total 40 acres dedicated to the Farm Processing Facility use, shall be two. However, the right to build the remaining dwelling units may be extinguished by sale or donation, provided a permanent conservation easement to that effect is recorded with the County Register of Deeds. In addition the remaining dwelling units may be clustered on contiguous land, under the same ownership as the land from which the units are removed, providing that a permanent conservation easement is placed on the land from which the units are removed, in accordance with Section 8.3.6(3). The clustered dwelling units may not be placed on any part of the acreage which makes up the minimum 40 acres dedicated for the Farm Processing Facility use.
- X. If property is leased, the lease shall be for a minimum of one year, and the lease shall be recorded with the Grand Traverse County

ZONING (continued)

Register of Deeds

- XI. There shall be a minimum of 5 acres of crops grown on the same parcel as the Farm Processing Facility.
5. Setbacks: The minimum setbacks for the Farm Processing Facility including retail areas and customer parking shall be:
 - I. Side and rear yard 100 feet;
 - II. Front yard 50 feet;
 - III. Minimum of 200 feet from any pre-existing residence on adjoining property.
6. Farm Processing Facility Size: The total floor area above finished grade (one or two stories) of the Farm Processing Facility including retail space room shall be no larger 6,000 square feet or .5% of the parcel size whichever is less. The retail space shall be a separate room and may be the greater of 500 square feet in area or 25% of the floor area above finished grade. The facility may consist of more than one building, however all buildings shall be located on the 20 acre minimum parcel that contains the Farm Processing Facility. Underground buildings are not limited to, and may be in addition to, the 6,000 square feet of floor area provided that it is below pre-existing ground level and has no more than one loading dock exposed.
7. Pre-existing buildings (built prior to this amendment) may be used for a Farm Processing Facility provided that if it is more than 6,000 square feet in size, the retail space room shall not be larger than 1,500 square feet. The Zoning Board of Appeals may consider variances from setbacks for such pre-existing buildings if it shall first be determined that such extension shall not be inimical to public health, safety or welfare, particularly with regard to surrounding property owners.
8. Vested Interest: There shall be no vested interest in non-agricultural uses of the structures. Structures shall only be used for allowed uses in the A-1 Agriculture District in the event that the Farm Processing Facility use is abandoned.
9. Parking: A minimum of one parking space for each 150 square feet of floor area in the retail/tasting area. Parking shall comply with Section 7.6 of the Zoning Ordinance.
10. Lighting: All lighting shall conform to the requirements of Section 7.14. **(REVISED BY AMENDMENT 175B)**
11. Signs: A Farm Processing Facility sign meeting the standards of Section 7.11 is allowed with a Food Processing Facility. **(REVISED BY AMENDMENT 174)**

ZONING (continued)

12. **Access:** A driveway permit from the County Road Commission or M.D.O.T. shall be required before a land use permit can be issued.
13. **Data and Records:**
- I. The owner of the specific Farm Processing Facility shall annually provide data and records to the Zoning Administrator showing that a majority of the products processed are grown on the land owned or leased for the specific farm operation by the same party owning and operating the specific Farm Processing Facility. The data and records shall also document compliance with off-site processing requirements of this section.
 - II. An up to date record of land ownership or lease to comply with acreage requirements shall be provided to the Zoning Administrator.
 - III. The above data shall be supplied to the Township in a format or form approved by the Township Zoning Administrator.
 - IV. Any change in the above shall be submitted promptly in writing to the Zoning Administrator. Failure to submit such changes shall be considered a violation of the Ordinance.
14. **Approval Process:**
- I. A site plan drawn to scale (one or more sheets as appropriate) is submitted to the Zoning Administrator along with the appropriate permit fee as established by the Township Board.
 - II. The site plan shall include at least:
 1. the parcel;
 2. existing and proposed structures including setbacks from property lines;
 3. proposed parking and lighting;
 4. floor plan showing processing and retail areas;
 5. parcel numbers and/or legal description of the parcels making up all the minimum parcel requirements; and the name, address and phone number of the owner of the property.
 - III. A permit from Grand Traverse County Health Department is required before preliminary Farm Processing Facility permit can be issued.
 - IV. A preliminary Farm Processing Facility permit shall be issued by the Zoning Administrator upon a showing that the minimum requirements of parcel, building size, acreage requirement, setback and parking are met.
 - V. No processing or sales of products shall take place until a final Farm Processing Facility permit has been issued by the Zoning Administrator. Such final Farm Processing Facility permit shall not be issued until copies of all permits required by State, federal and other local licenses and permits have been submitted to the Zoning Administrator, and the Zoning Administrator has made an on-site inspection to verify compliance with all the requirements of the

ZONING (continued)

Zoning Ordinance

15. Any violation of the Land Use Permit issued by the Zoning Administrator for this use shall, in addition to the provisions of Section 4.2.1 Violations and Penalties, serve as grounds for closing the retail operations, including tasting, portions of the use by the Township Board. In the event of any such alleged violation is made in writing to the Township Board, the Township shall give written notice of such alleged violation to the Applicant at the last address furnished to the Township by the Applicant. The notice shall state that unless the violation is corrected or resolved to the satisfaction of the Township Board within 30 days from the date of the notice, then the Township Board shall require the owner to close all retail sales operations on the premises, after hearing, until such time as the Township Board removes the restriction. In the event a hearing becomes necessary, the Township Board shall establish the notice requirements and such other conditions with respect to the hearing as the Township Board may deem appropriate.
16. **Residence within a Farm Processing Facility. (ADDED BY AMENDMENT NO 146)**
 - I. A single family dwelling may be allowed as part of a structure containing a Farm Processing Facility provided the following requirements are met:
 - II. The dwelling and Farm Processing Facility combined shall not exceed any of the Setback or Facility Size requirements established above.
 - III. The dwelling shall be the only dwelling on the 20 acre parcel containing the farm processing facility.
 - IV. The maximum height of the structure shall be 35 feet or 2 ½ stories whichever is less.

Section 6.7.3 Uses Permitted by Special Use Permit: The following uses of land and structures may be permitted in any agricultural district by the application for and issuance of special use permit when all the procedural requirements specified in Article VIII, 8.1 "Uses Authorized by Special Use Permit: General Standards and Requirements" are satisfied together with any applicable requirements as outlined in the particular Articles and Sections cited:

- (1) Planned Unit Developments subject to all requirements of Article VIII, Section 8.3.
- (2) Special open space uses subject to all requirements of Article VIII, Section 8.7.3 (3).
- (3) Recreational Unit Park subject to all requirements of Article VIII, Section 8.4. **(REVISED BY AMENDMENT 114E)**
- (4) Food processing plants subject to all requirements of Article VIII, Section 8.5.
- (5) Institutional Structures subject to all requirements of Article VIII, Section 8.6.

ZONING (continued)

- (6) Greenhouses and nurseries selling at retail on the premises.
- (7) Riding stables and livestock auction yards.
- (8) Raising of fur bearing animals for profit.
- (9) Game or hunting preserves operated for profit.
- (10) Veterinary hospitals, clinics and kennels.
- (11) Sawmills.
- (12) Storage for agricultural products.
- (13) Golf courses and country clubs subject to all requirements of Article VIII, Section 8.7.2(4) and Section 8.7.3(4).
- (14) Public buildings and public service installations.
- (15) Incinerators and sanitary fills, sewage treatment and disposal installation subject to all requirements of Article VIII, Section 8.7.2(1) and (2), and Section 8.7.3(1) and (2).
- (16) Deleted by Amendment No. 67(6)
- (17) Airports and Airfields.
- (18) Warehousing and light industrial subject to all requirements of Article VIII, Section 8.7.2(7) and Section 8.7.3(7).
- (19) Wind Energy Conversion Systems: Subject to all requirements of Article VIII, Section 8.7.3(8).
- (20) Bed and Breakfast Establishments: Subject to all requirements of Article VIII, Section 8.7.3(6).
- (21) Adult Foster Care Facilities: Subject to all requirements of Article VIII, 8.7.3(9).
- (22) Winery-Chateau: Subject to all requirements of Article VIII, Section 8.7.3(10).

Section 6.7.4 Area and Bulk Requirements: Are subject to Section 6.8 "Schedule of Regulations" limiting the height and bulk of buildings, the minimum size of lot permitted, and providing minimum yard setback requirements.

Section 6.7.5 Conservation Easement Restricted Farmland.

Section 6.7.5.1 Intent The Peninsula Township Purchase of Development Rights Ordinance allows future building sites under certain conditions and in specific locations as shown on recorded conservation easements. It is the intent of this section to allow those future building sites to be used for residents on the farm or to be sold along with all or a portion of the

ZONING (continued)

restricted farmland with a minimum area of one acre or more. It is also the intent of this section avoid the conversion of preserved agricultural land by allowing access to these individual future building sites without requiring a new public or private road to the site.

Section 6.7.5.2 Reserved Building Site Access

Restricted farmland may be divided without the requirement of providing access to a public or private road irrespective of Section 7.10 Road Standards provided:

- (1) A reserved dwelling site shall have access to an existing road by either a driveway or a new private road. Access by private road shall be required if it serves or is to serve three (3) or more residences.
- (2) A residential building site may be separated from the remainder of the restricted farmland on a parcel of not less than one acre irrespective of Section 6.8.1. with access as provided in 1. above.
- (3) Where access is provided by a driveway and not a public or private road; the front yard setback will be fifty (50) feet rather the thirty-five (35) foot front yard setback required from a public or private road. **(ADDED BY AMENDMENT 117A)**

ZONING (continued)

SECTION 6.3 SCHEDULE OF REGULATIONS (REVISED BY AMENDMENT 91) (AMENDMENT 107D)

The Regulations contained herein shall govern the Height, Bulk, and Density of Structures and Land Area by Zoning District. Minimum Zoning

Zoning District	Area	Minimum Zoning	Maximum Height of Structure	Minimum Yard Setback Per Rear	Normal High Water Mark	Maximum of lot area Covered by All Structures	Minimum & Maximal
R-1A, Rural & Hillside	2 Acres	150 (b)	2 1/2 (c)	35	30 (j)	15 (j)	24'
P-1A, PUD; R-1E PUD	(e)	(e)	2 1/2 (c)	35	30 (e)	15 (e)	24'
R-1C, PUD; R-1D PUD	(e)	(e)	2 1/2 (c)	35	30 (e)	15 (e)	24'
R-1B, Coastal Zone							
Single and Two-Family	25,000	100 (b)	2 1/2 (c)	35	30 (j)	15 (j)	24'
F-1C, Suburban Residential							
Single and Two-Family	20,000	100 (b)	2 1/2 (c)	35	25 (j)	15 (j)	24'
R-1D, Community Residential							
Single and Two-Family	35,000	200 (b)	2 1/2 (c)	35	25 (j)	15 (j)	30'
C-3 Commercial	25,000	150	2 1/2 (c)	35	30	30	35
A-1, Agricultural	5 A, 330 (g,h,i)	2 1/2 (c)	2 1/2 (c)	35	35 (j)	50 (k,j)	60 (d)

Section 6.8.1. Schedule Limiting Height, Bulk, Density, and Area by Zoning District. Footnotes -- Additional Requirements
 (b) In the case where curvilinear street pattern produces irregularly-shaped lots with nonparallel side lot lines, a lesser frontage width at the street line may be permitted provided that the lot width at the building line is equal to the lot width for that district.

(c) Allowable height variations are subject to the provisions of Article VII, Section 7.3
 (d) Does not include fishing, boating or swimming docks, open decks, and boat hoists as provided in Section 6.2.2(2) (c) and 6.2.2(2) (d).

(e) As approved under Section 8.3.
 (f) The minimum setback for other than residential structures shall be fifteen (15) feet. PROVIDED, HOWEVER, the minimum side yard setbacks for residences shall be fifteen (15) feet on lots of record with lot widths of one hundred ninety-nine (199) feet or less that were recorded prior to the adoption of Amendment No. 91 by the Township Board on June 9, 1992 (REVISED BY AMENDMENT 108).

(g) Where a lot in the Agricultural District has its access on a public road, the lot shall have a minimum lot width and frontage width of 330 feet. Where a lot in the Agricultural District has its access a private road, that lot shall have a minimum lot width and frontage width of 100 feet and if the lot also abuts a public road, the lot shall also have a width of not less than 330 feet on the public road side of the lot. Where a lot has been created by Planned Unit Development, the minimum frontage width shall be that which is approved by the Township Board.
 (h) REQUIRED LOT SHAPE A lot in the Agricultural District shall be of such shape that a square measuring 210 feet on a side can be located within the parcel. The square has no relevance to structure location or setbacks. (REVISED BY 107D)

(i) Access to residential building sites on farmland subject to a recorded Conservation Easement consistent with the intent of Ordinance No. 23 shall be regulated by the provisions of Section 6.7.5. (ADDED BY AMENDMENT 117B)
 (j) See Section 7.7.1.3 for required setbacks of residences adjacent to agricultural lands. (ADDED BY AMENDMENT 138A)

OWNERSHIP, OCCUPANCY AND CONTACT WITH THE OWNER

I met Paul Thwing, Director of Capital Projects & Maintenance at the property and we walked the interior and exterior together.

PRESENT USE OF THE PROPERTY

The property is currently used as an elementary school; K-5th grade.

PROPERTY RIGHTS APPRAISED

The property is appraised on the basis of a Fee Simple Estate. A Fee Simple Estate is defined in Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed., s.v. "fee simple estate." (Chicago: Appraisal Institute, 2015), PDF e-book, page 90

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

The rights appraised are the fee simple estate, as if free and clear of all liens, mortgages and encumbrances, subject to the rights for public utilities, road easements, deed restrictions, and conservation easements.

INTENDED USE AND USERS OF THIS REPORT

- ❖ The intended use of this report is to provide the client, Traverse City Area Public Schools, with an opinion of market value.
- ❖ The only intended users of this report are the employees and advisors of Traverse City Area Public Schools.
- ❖ The intended use of this report is to estimate market value to satisfy the requirements of a potential donor of funds to keep the school open.
- ❖ It is not the intent of this report to estimate a value for any other use or by any other users or any other person or entity.
- ❖ This report and its contents cannot be relied upon by any other party or entity for any use.
- ❖ Any other use of this report in whole or in part by anyone other than the client cited herein renders it invalid and null and void.
- ❖ Nothing in this appraisal or in the engagement agreement shall create a contractual relationship between the appraiser or client and any third party. The client's acceptance of this appraisal provides prima facie evidence of their acceptance and agreement with the results of this appraisal and provides no cause of action in favor of any third party.
- ❖ This appraisal shall not be construed to render any person or entity a third party beneficiary of this appraisal, including, but not limited to, the property owner or any third party.

EXCLUSIONS FROM VALUE

This appraisal does not include any value for mineral rights, equipment or personal property.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

Extraordinary Assumption: an assumption, that is 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.).

Hypothetical Condition: 1. 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.)

Complete definitions are available from the Appraisal Standards Board of the Appraisal Foundation in USPAP. Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed., s.v. "extraordinary assumptions and hypothetical condition." (Chicago: Appraisal Institute, 2015), PDF e-book, pages 83-84 & 113.

The following are extraordinary assumptions:

- Drawings have been provided of the subject building without dimensions. The township's assessment records include a drawing with dimensions. The township's drawing is relied upon.

No hypothetical conditions exist.

SCOPE OF WORK

APPRAISAL PROBLEM

Requested is an estimate of a range of in market value of the fee simple interest in the subject property. TCAPS has been considering closing this school. A donor willing to provide funding to keep the school open has required that an appraisal be done. The subject's highest and best use is the primary question that must be answered. The subject is located in an Agricultural zoning district. The land area is too small for the subject to become a retail wine tasting room; though if a potential user owned a minimum of 150 acre non-adjacent to this property it could be used for this purpose. There are many zoning regulations that must be considered. The subject's remote location is also a factor. Is it economically feasible to convert the subject to another use? The first step in the valuation analysis is to estimate the market value of the land. The Sales Comparison Approach indicates a value for the subject based on sales of closed, vacant, schools. The comparables include the Norris School and other schools from Western Michigan cities. The Income Approach analyzes the subject based on a continuation in use as a school, but as a charter school renting the facility. The comparison of these two indications of value suggests that the property's highest and best use is as a leased charter school uses. An estimate of value for a conversion to residential use is not done due to the lack of cost estimates for this type of conversion and zoning issues.

All three approaches to value have been considered: the Cost Approach, the Sales Comparison Approach, and the Income Approach. The age of the building and its functional obsolescence cause the Cost Approach to not be applicable. Typically, a portion of the analysis within the Cost Approach is an estimate of the subject's land value as if vacant. This analysis is being developed to help in the highest and best use analysis and to support an adjustment in the Sales Comparison Approach. The Sales Comparison Approach is developed and indicates a value for the subject as if the school was closed and vacant.

The sales records of the Northern Great Lakes Realtors Multiple Listing Service (MLS), multiple listing services from around Northern and Western Michigan and this firm's office files have been researched for the current and most similar sales of vacant, improved, and/or rented properties to develop the applicable approaches to value. Data sources also include public records and publications, in-house personnel and associate appraisal files and interviews with the players in the marketplace.

This is an Appraisal Report prepared under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice, Appraisal Standards Board of the Appraisal Foundation, effective as of the date of appraisal.

REGIONAL DATA

Regional data is contained in the Addenda.

NEIGHBORHOOD DATA

Location, Boundaries, and Accessibility

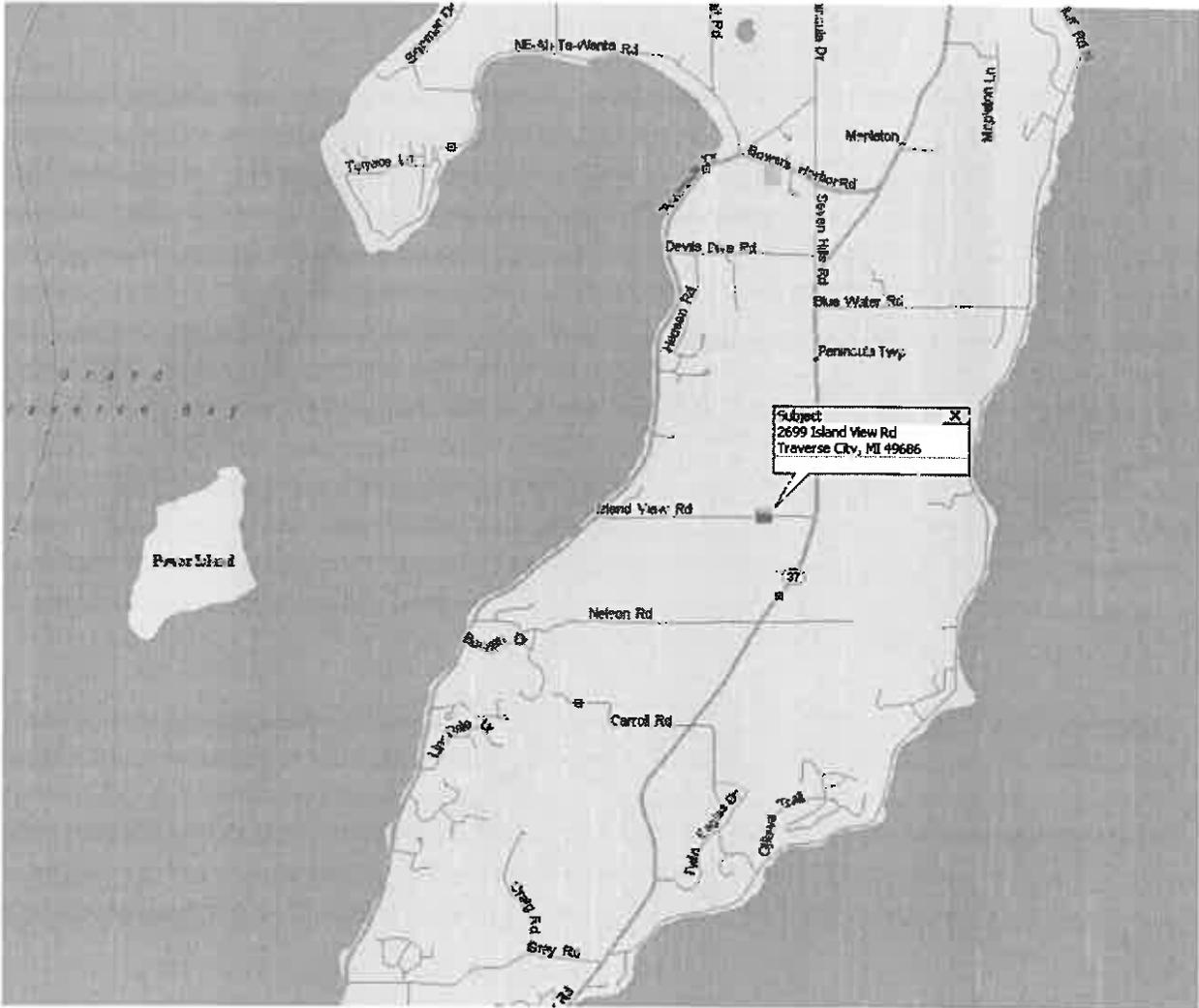
The subject's neighborhood is Peninsula Township. It is a suburban area in Grand Traverse County, north of Traverse City. The neighborhood has natural boundaries of East and West Grand Traverse Bay to the north, east and west (portions of Lake Michigan). The south boundary is the city limits of Traverse City. The "Peninsula" is about 20 miles long and only about three miles wide for most of its length. The north end of the "Peninsula" is about at the 45th Parallel. Topographically, there is generally a slope up to the center spine of the peninsula with elevation changes of 200 to 300 feet. Its proximity to Lake Michigan tends to moderate temperatures and the changes in topography allows for good air drainage. These factors provide for good locations for fruit orchards and vineyards.

This is a growing suburban area situated north of Traverse City. Most of the lakeshore is built up with single-unit residences. Much of the inland area is actively farmed as fruit orchard or vineyard. Residential subdivisions are creeping out in this direction. Peninsula Township has a millage that supports the purchase of development rights. Many farms have been protected. This has acted to lower population density and increase the value of developable land. The water view sites along the ridges are very valuable. There are very few commercial uses in the township. They are generally along Center Road (M-37), the main road from Traverse City and in the un-incorporated villages of Bowers Harbor and Old Mission.

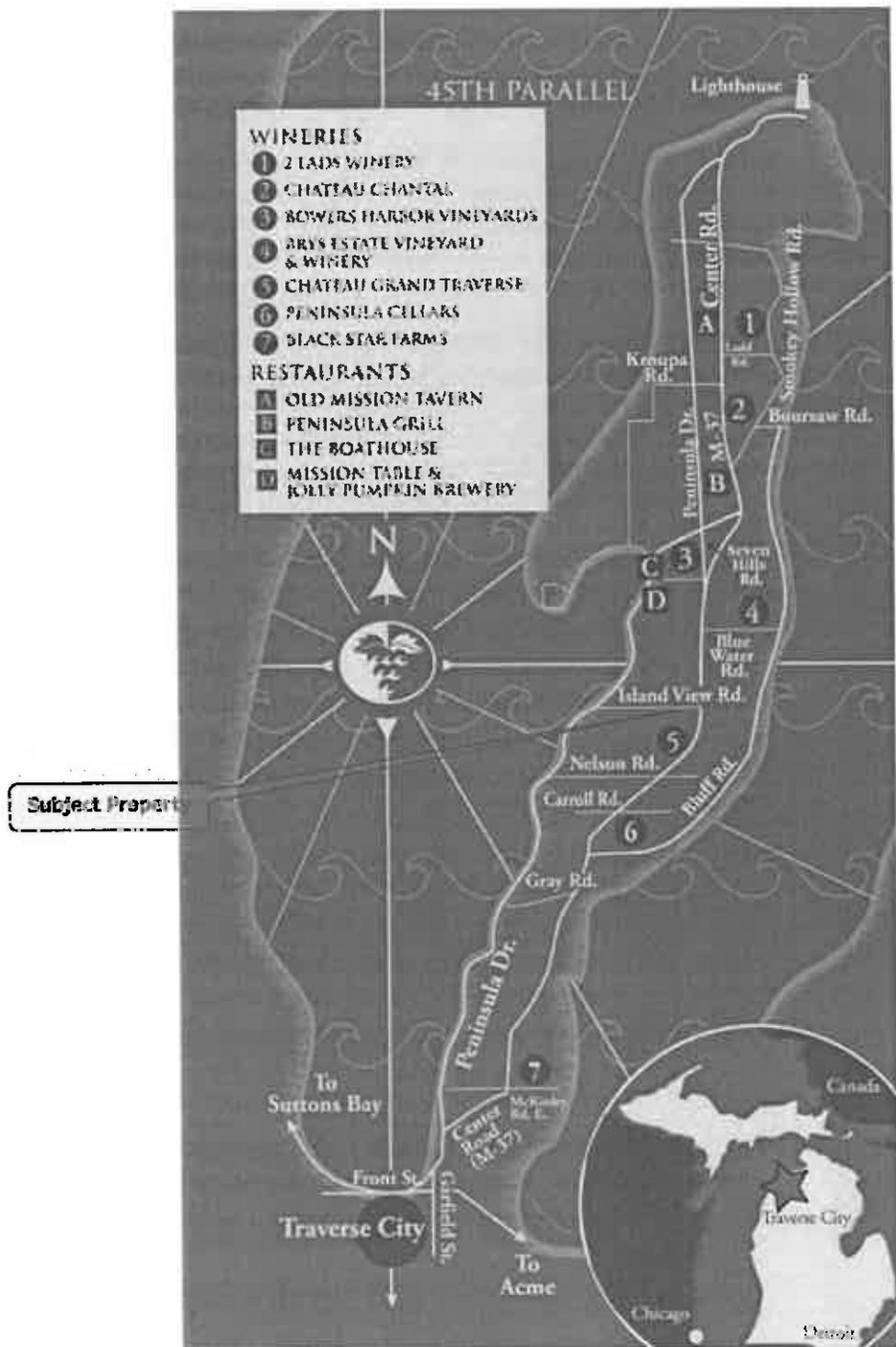
The two villages on the Old Mission Peninsula exist primarily in name only. There is a small general store and a post office at Old Mission, but residential density does not change significantly from the surrounding area. There is a restaurant, marina and DNR boat launch site at Bowers Harbor. The only other commerce in the area consists of small wineries, fruit processing plants, a grocery store, a dentist office and a couple of restaurants. There currently are seven wineries on the "Peninsula" with plans for more.

Traverse City is the regional center of shopping, employment and health services. It is the economic center of this growing region. There is only a small industrial base. Most employment is oriented toward government, health and education services. Northwestern Michigan College is located here.

NEIGHBORHOOD DATA (continued)



NEIGHBORHOOD DATA (continued)



NEIGHBORHOOD DATA (continued)

Recognized as an American Viticultural Area, Old Mission Peninsula AVA is known for its well-regarded Michigan wine. The climate of the peninsula is moderated by the surrounding deep waters of the Grand Traverse Bay, with the West Bay reaching depths of over 400 feet and the East Bay reaching depths of over 600 feet. This deep water helps to prevent frost during the growing season, and keeps the air temperatures milder during the winter months.

The tip of Old Mission Peninsula is also located on the 45th parallel which is exactly half way between the equator and the north pole. Internationally recognized wine regions such as Bordeaux, France; Piedmont, Italy and the Willamette Valley in Oregon are all located along this same parallel. Cool climate varietals thrive in this region, such as Riesling, Chardonnay, Gewürztraminer, Pinot Gris, Pinot Noir, Cabernet Franc and Merlot.

MARKETING TIME

Marketing time is the time from the date of value, forward, until it is anticipated that the subject would sell, at its estimated market value. Based on the previously noted definition of market value, the property must be allowed a reasonable time to be exposed in the open market to achieve the appraised value.

Based on the review of the marketing time for recent sales in Traverse City, and the current atmosphere (active listings) for properties like the subject in this area, it would likely take six to 12 months to sell the subject property at its estimated market value.

EXPOSURE TIME

Also considered is exposure time. This is the time that it would have taken to sell the subject prior to the date of appraisal, anticipating a sale as of the date of value at the estimated value.

Based on a review of the marketing time for recent sales in Traverse City and the current atmosphere (active listings) for properties like the subject in this area, it would have taken about six to 12 months to result in a sale of the subject at its estimated market value as of the date of appraisal.

SITE DATA

The site is irregular in shape and hilly. There is a paved parking lot south of the school.

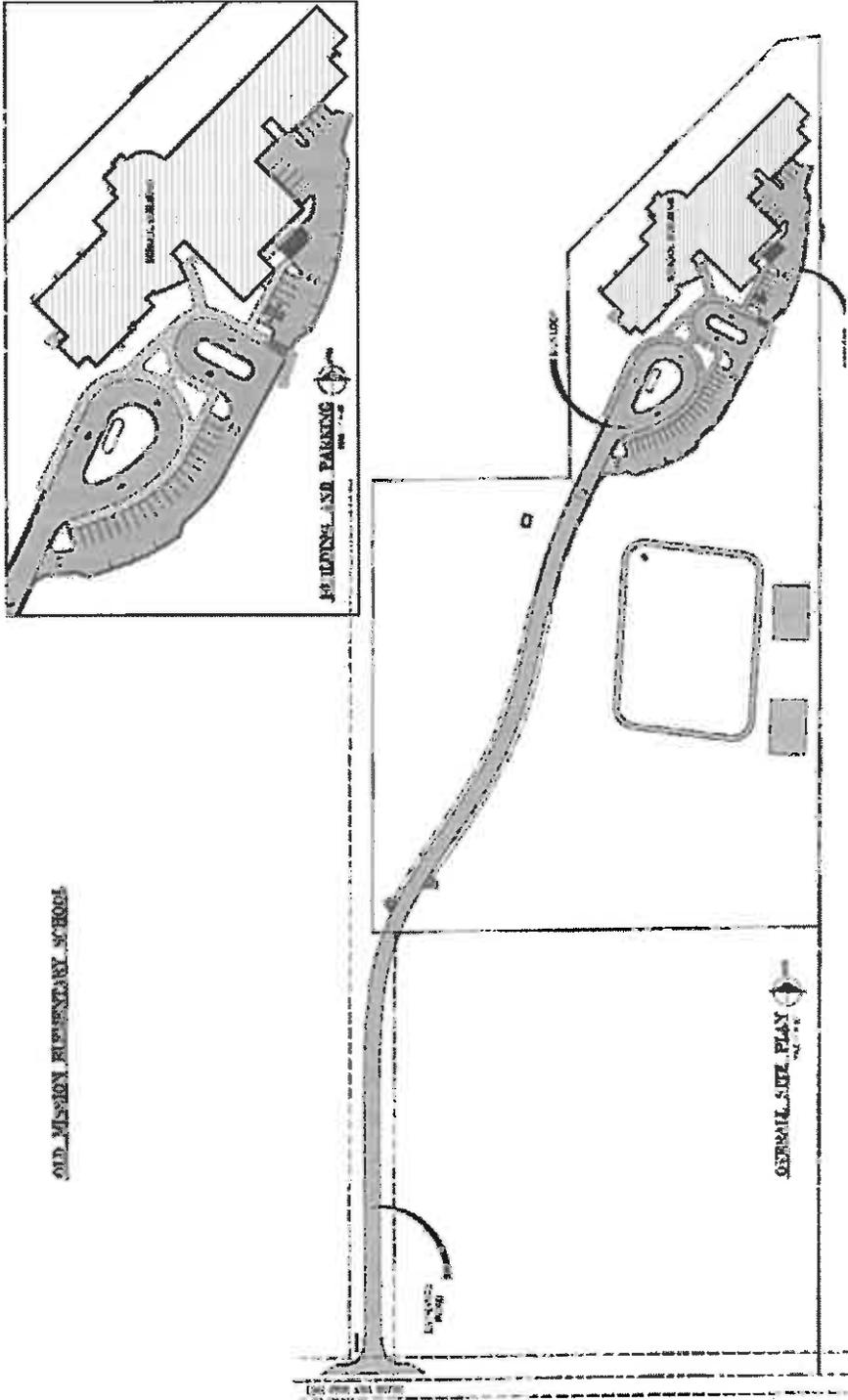
Site Size:	15.15 Acres
Shape:	Irregular
Road Frontage:	66 Front Feet
Road Access:	There is only one access point and there is a long driveway back to the parking lot and school. The driveway is about 1,500 feet long. There appears to be an easement through the subject providing access to the orchards to the north and west.
Topography & Cover:	The site is rolling to hilly. There is a small playground at the level of the school. The large playground is well below the school.
Functional Utility:	This parcel is irregular in shape with a long driveway and a small amount of road frontage. The topography is rolling to hilly. Its functional utility is limited by these factors.
Soils & Drainage:	A soil report has not been offered. Soils in the area are generally sandy. This soil type generally is well drained.
Parking:	There is a large paved parking lot in front of the school plus a bus turnaround area.
Utilities:	Public utilities of natural gas and telephone are hooked up to the site.
FEMA Flood Zone:	Peninsula Township participates in the National Flood Insurance Program and is a mapped area. Its community number is #260747 dated December 18, 1986. The subject is located in Zone C, an area of minimal flooding.

SITE DATA (continued)



ISLANDVIEW RD

SITE DATA – SITE PLAN PROVIDED



SITE DATA (continued)



Entry drive to school



Viewing easterly along Island View Road



Play area along entry drive



Easement along northwest side of school

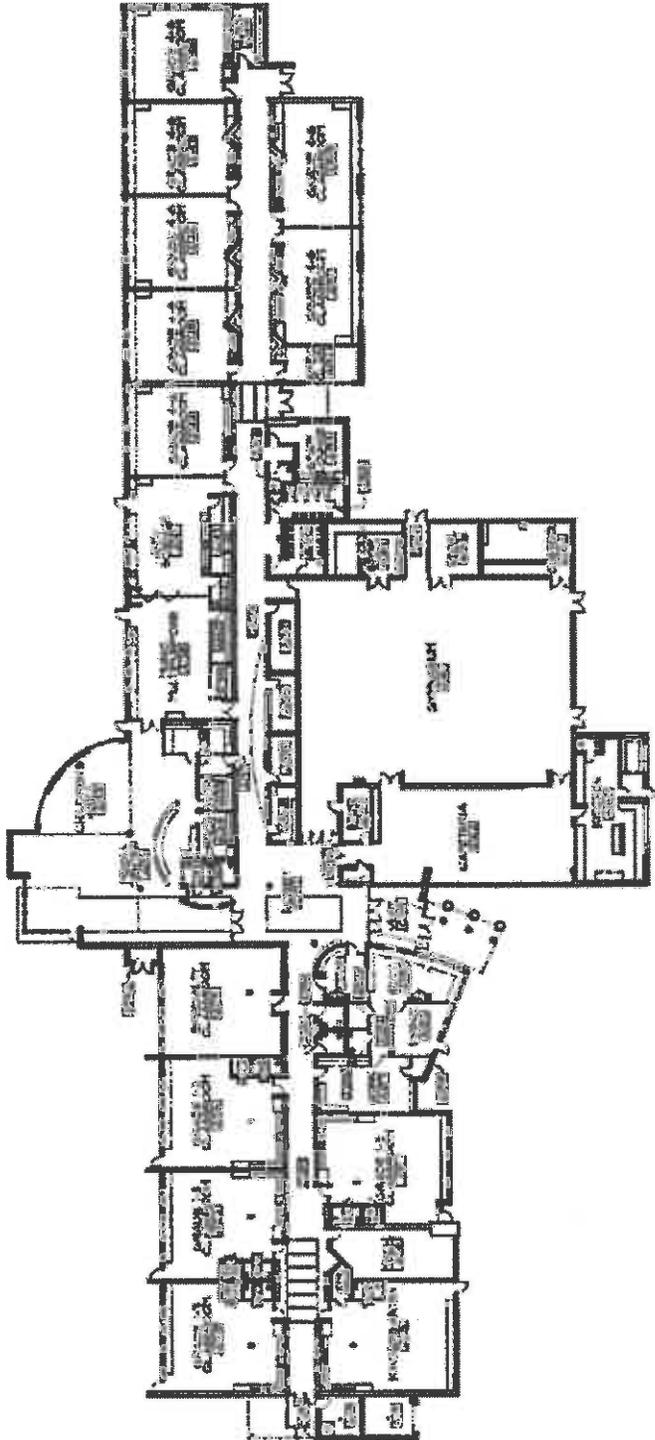


Kindergarten play area



West Bay view from western property edge

IMPROVEMENTS DESCRIPTION



OLD MISSION ELEMENTARY SCHOOL



IMPROVEMENTS DESCRIPTION (continued)

The subject masonry building was reported built in the 1980s. An addition was built and it was remodeled in 2006. The building contains 38,335 square feet plus a small utility penthouse where heat exchangers are located. The penthouse provides access to the roof. The building appears modern and attractive. The entire building has a wet sprinkler system for fire protection.



Front, east and south sides



North wing



North side of gym



North end of building

IMPROVEMENTS DESCRIPTION (continued)

There are a total of 15 classrooms, one is intended for kindergarten, four are for grades 1-3, seven are for grades 4-6, there is one specialty class room, one music room and one art/science room. Additionally there is a cafeteria with kitchen, gym, work room, two offices areas and a median center that is now used as a public library.



Cafeteria



Kitchen



Gym



Mechanical penthouse

IMPROVEMENTS DESCRIPTION (continued)



Roof



Typical hallway



Typical classrooms



Music room



Library

IMPROVEMENTS DESCRIPTION (continued)



Office



Teachers' lounge



Boiler room



Utility room

ADA Statement:

The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of the property to determine whether or not it is in conformity with the various detailed requirements of the ADA. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in the estimated value of the property.

IMPROVEMENTS (continued)

EXTERIOR

FOUNDATION:	Poured concrete footings, concrete block
FRAME:	Concrete block exterior; concrete block and wood frame interior.
WALLS:	Brick veneer
ROOF:	Semi-flat with membrane roof cover
WINDOWS:	Aluminum sash, casement style with insulated glass
INSULATION:	Unknown

INTERIOR

FLOORS:	Vinyl tile and carpeting (some areas may be vinyl-asbestos tile)
WALLS:	Painted drywall and painted block
CEILINGS:	2' x 2' and 2' x 4' suspended acoustical tile
HEAT AND AIR CONDITIONING:	Natural gas fired boiler. The office and computer areas have air-conditioning. Co-Ray-Vac style radiant heat in gym.
FIRE PROTECTION:	Wet sprinkler system

The building displays average quality materials and workmanship for its period of construction. The ceilings appear to be 12 feet tall in most areas. The gym is about 19 feet tall. It is estimated that the building's effective age is 10 years.

MARKET CONDITIONS

E Is For Enrollment: Schools Contend With Declines

theTicker – Traverse City Business News

By Lynn Geiger - November 5, 2015

The discussion is on the table. Will Traverse City Area Public Schools (TCAPS) have to close three schools in the outermost areas of the district in the face of declining enrollment? That decision – one way or the other – will come in late winter.

Three factors are influencing the possible closure of the three lowest-enrollment schools (Interlochen, Old Mission and the International School at Bertha Vos): declining revenues, declining student population and aging facilities.

While preliminary count day data from October 7 showed notable declines at all three schools, those closer to or in the city limits are near or at capacity for the nearly 10,000-student district.

No question more people are moving to Grand Traverse County. The overall population has grown from 77,654 in 2000 to 88,182 in 2013. But it's the demographic of that population growth that is the issue – young families with school-aged children has steadily declined, while the 45 and older population segment has thrived. (Source: Michigan State University Extension)

At a TCAPS' Operations/Finance committee meeting yesterday, Superintendent Paul Soma characterized the early discussions around school closures as "difficult" and "emotional" – but ultimately what it comes down to is how best to sustain, and enhance, the programs in the highly-touted district while directing the ever-declining resources to their highest use in educating kids.

Not a TCAPS-specific situation, declining enrollment has been a decade-long trend squeezing school budgets locally and across the state. But if the outlying schools in TCAPS are struggling with enrollment, The Ticker wondered about neighboring districts and private schools.

Turns out it's a mixed bag – many are down significantly, some up slightly and some no change at all.

Elk Rapids Schools has 1,298 students this school year. It budgeted for 1,270. "That sounds good but we're actually down 34 (1,332) from last year," says Superintendent Steve Prissel. "Fortunately, we did budget conservatively."

MARKET CONDITIONS (continued)

Prissel says the district has been seeing an average annual decline of three percent. "In 2012 and '13 we were flat, but other years we were down as much as 50," he adds. "The fact is we have less students, like a lot of other districts, every year."

One bright spot for the district enrollment-wise is schools of choice, which allows families to choose to send their children to a school that is not their "home" school district.

Anecdotal reports from other districts -- including Suttons Bay, Forest Area, Kalkaska and Benzie -- note student population decreases.

Kingsley Area Schools is one of the exceptions; it's a school district reporting an increase in its student population.

"We've been up the last two years," Superintendent Keith Smith tells The Ticker. "This year we're up 40 over last year. We budgeted for 1,385 and got 1,426."

But again, out-of-district students are a critical component of that increase.

"Over the long haul Kingsley has been losing kids, so we were quite surprised ... but the bulk of the kids are schools of choice kids," says Smith. "It does make it harder to predict [enrollment figures] because you typically look at the size of the outgoing senior class, the incoming kindergarten class and county birth rates."

The Kingsley area has seen general population growth the last several years, but not the kind of growth that puts kids in classrooms. "A lot of Kingsley's population growth has been in the 65+ age demographic," says Smith. "The last census showed the 18+ demographic going down."

TCAPS' Soma also notes Kingsley's bigger picture. "Kingsley appears to be a place that perhaps is finding a way to deal with affordable housing issues and creating a viable living community for families," he says, "But that's just an anecdotal observation on my part."

Meanwhile, Grand Traverse Area Catholic Schools (GTACS) is reporting continued stagnant enrollment. "Our enrollment is flat," says Superintendent Mike Buell, reporting the private school system is up just four students. "We have 977 students this year and it's been right in that area for the last several years."

MARKET CONDITIONS (continued)

Michigan schools make tough cuts amid student decline

Shawn D. Lewis, The Detroit News August 16, 2015

Michigan's shrinking student population is squeezing school districts statewide, forcing many to close classroom buildings and make other painful cuts as enrollment-based revenue dries up.

Over the past decade, K-12 enrollment in public schools is down 11.1 percent statewide, falling from just under 1.7 million in 2003-04 to below 1.5 million this past school year.

The factors causing the decline include the rise of charter schools, tight state funding and a societal trend toward smaller families. Public school districts are losing students but remain saddled with fixed costs for buildings, employees and pensions that can't be shed easily.

Education experts and demographers say districts need to prepare for even fewer students in the years ahead.

"The question is whether school districts can handle the truth," said Kurt Metzger, founder of Data Driven Detroit, a public policy and data analysis organization. "Declining enrollment, combined with lowered state funding and high teacher pension costs, have resulted in a perfect storm for many districts. This is especially true for districts that have refused to recognize and acknowledge the trends that have been there for a number of years now."

Metzger, who also is mayor of Pleasant Ridge, analyzed enrollment numbers for The Detroit News and said the decline is especially pronounced among younger students. Since 2000, K-5 enrollment is down 15.1 percent, which, he said, "indicates the trend of student loss will continue."

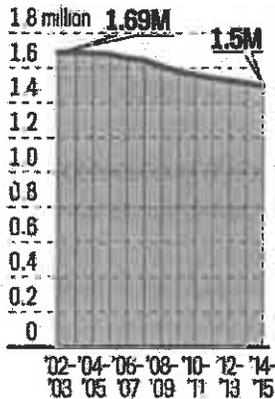
MARKET CONDITIONS (continued)

Michigan enrollment trends

The state's public school districts have more high school seniors than they did 12 years ago, but the kindergarten population is shrinking.

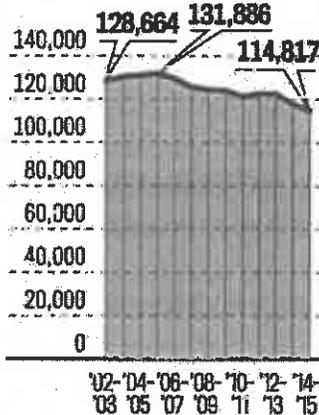
Michigan's K-12 student count

Michigan's annual public school population has dropped 11.3 percent from 2002-03 to 2014-15.



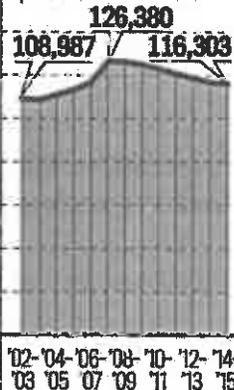
Kindergarten count

Since 2002-03, the number of kindergarten students has fallen 10.8 percent.



High school senior (12th grade) count

The number of high school seniors is up 6.7 percent from 2002-03, but down 8 percent from its peak in 2007-08.



Source: Michigan Center for Educational Performance and Information

The Detroit News

The rise of charter schools also has siphoned students from traditional public schools. Since 2000, charter enrollment has doubled, to 141,094 in 2014-15, state data show.

MARKET CONDITIONS (continued)

Potential Use of the Subject as a Charter School

For the research of the potential uses for the subject after a sale, the definition of market value assumes a sale, I have spoken with potential charter school developers, Barbra and Jim Roulette, and the Director of the Woodland School; Nathan Tarsa. Additionally, enrolment and population statics have been studied.

First, there are individuals who claim to be actively pursuing the development of a charter school on the Peninsula. Barbara and Jim Roulette are attempting to work with Hillsdale Collage to open a Barney Charter School (see <https://www.hillsdale.edu/educational-outreach/barney-charter-school-initiative/> for information on Barney Charter School initiative). They are trying to open a K-12 school.

Nathan Tarsa told me that Woodland School has a maximum enrollment of 200 and currently has about 190 students (<http://www.woodlandschool.ws/index.html>). He said that he needed 180 students to break even. The school is K-8th grade. There is one main building and two outbuildings used as additional classrooms. They have 280 acres. They currently employ 20 staff.

Old Mission School is currently a K through fifth grade facility. The student population has been steady at Old Mission School but is projected to decline next school year based on changes in the demographics of the school district. The Enrollment history is as follows:

Enrollment History Old Mission School (grades K-5):

11/12	200
12/13	174
13/14	178
14/15	164
15/16	171
16/17 projection	149

There are a total of 27 full and part time employees at the school. Additionally the school is paid rent of \$6,000 per year by the District Library for use of the facility. According to information provided by the client there is a likelihood that the rent can be increased to \$14,000 per year.

MARKET CONDITIONS (continued)

The following information has been provided regarding potential students in the Old Mission School district.

Number of Students currently living in the Old Mission boundary
(that are in the TCAPS database) Grades PK-8:

Preschool	26
Kindergarten	33
1	37
2	35
3	34
4	32
5	51
6	47
7	38
8	30
Total	363

Based on the information obtained from Woodland School and other sources and the potential number of students within the Old Mission School district of 363 it is financially feasible for the Old Mission School to become a charter school. Based on this information it is estimated that at least 190 students can be attracted to a charter school at the subject's location.

DEFINITION AND DISCUSSION OF HIGHEST AND BEST USE

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)*

Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed., s.v. "highest and best use." (Chicago: Appraisal Institute, 2015), PDF e-book, page 109

Highest and best use analysis is a three-step process. The first step involves the highest and best use of a site as though vacant. The determination must be made to leave the site vacant or to improve it. If the conclusion is to improve the site, the second step is to determine the ideal improvement. The final step is a comparison between the ideal improvement and the existing improvement. At this point, the determination must be made to maintain the property in its present form or to modify the improvements to more closely conform with the ideal.

Report Writing and Valuation Analysis, Copyright, 2006, published by the Appraisal Institute.

DEFINITION AND DISCUSSION OF HIGHEST AND BEST USE (continued)

THE SUBJECT AS IF IT IS A VACANT SITE

LEGAL CONSIDERATIONS

The property is zoned Agricultural. There are no known deed restrictions that would not allow any of the uses allowed in this zoning district. This zoning district is very restrictive as to potential uses. See the copy of the Agricultural section of the ordinance starting on page 11. Planned Unit Developments have a minimum lot size requirement of 20 acres. The zoning does not allow more than eight connected units in a multi-family configuration.

PHYSICAL CHARACTERISTICS

The subject is 15.15 acres in size. It has a very narrow section used as the driveway. It is rolling to hilly in topography. The sites' size, shape, accessibility, visibility, soil, and topography do limit its potential uses; considering its current zoning. It is too small to be used for onsite retail sales of wine. The subject is large enough for two or perhaps three, at most, single-unit residences.

ECONOMIC FEASIBILITY

This is a very difficult question in the current market. If the subject was vacant at this time it is unlikely that it would be economically feasible to build the necessary driveway to get back to the potential building sites.

MAXIMUM PROFITABILITY – HIGHEST & BEST USE, AS IF THE SITE WERE VACANT

Based on the previous discussion the use that would have the maximum profitability would be to hold the site for future development, either as single-unit residential sites or to combine with adjacent property for development.

DEFINITION AND DISCUSSION OF HIGHEST AND BEST USE (continued)

THE SUBJECT AS IT CURRENTLY EXISTS

LEGAL CONSIDERATIONS

The property is zoned Agricultural. There are no known deed restrictions that would not allow any of the uses allowed in this zoning district. This zoning district is very restrictive as to potential uses. See the copy of the Agricultural section of the ordinance starting on page 11. In a recent discussion about the subject property with the zoning administrator, Michelle Reardon, I was told that there is a low likelihood of a change in zoning to allow a multi-family use and the zoning only allows a maximum of eight connected units in a multi-family configuration.

PHYSICAL CHARACTERISTICS

The subject is a 15 classroom school with 38,335 gross square feet of above grade area. The building is in average to good condition. All mechanical systems are reported to function.

ECONOMIC FEASIBILITY

With a special use permit the subject could be used for agricultural storage or a production facility; though onsite retail sales would not be allowed unless the property owner owned or has at least 150 acres on the peninsula. Converting the subject for use as a wine storage facility has been considered. There is currently only one facility in the region that stores wine for customers. They only utilize about 3,000 square feet for storage at this time. They have a climate controlled facility with air-conditioning and a ceiling height of about 20 feet. Based on the small amount of floor area that they currently utilize it is not financially feasible to convert the subject for this potential use.

Although the economic feasibility of converting the subject to residential uses has not been estimated: considering that only eight units are allowed in a connected configuration, if a multi-family use was allowed, it would not be financially feasible to convert the subject into only eight units.

Based on analyzes done in the Sales Comparison Approach and Income Approaches it is economically feasible to continue to use the subject as a school facility; a charter school.

MAXIMUM PROFITABILITY – HIGHEST & BEST USE, CONSIDERING THE EXISTING BUILDING

Based on the four criteria for highest and best use, the subject's highest and best use is for the use of the facility as a charter school.

COST APPROACH

In the Cost Approach, an estimate of the replacement cost new is made. Next, the cost of the site improvements are estimated and added to the replacement cost. The observed depreciation is then estimated and subtracted. Lastly, the estimated market value of the land is added in to arrive at an indication of the value by this approach. This approach is most important when the subject of the appraisal is a service property, such as an operating industrial plant (appraised for a continuation of its present use), or a public building, such as a school.

*REPLACEMENT COST: The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed., s.v. "replacement cost." (Chicago: Appraisal Institute, 2015), PDF e-book, page 197*

This approach has been considered, but it is not being fully developed. This approach is not useful in estimating the subject's market value because the market for the subject has little interest in the replacement cost of the building. The market value of the subject's land, as if it is vacant, is being estimated in this section of the report.

COST APPROACH – COMPARABLE SALES (continued)

Vacant Land Comparable #101 is located at 2150 Carroll Road, Section 4, Peninsula Township. This is parcel #11-004-012-00 and MLS #1748974. Carroll Road is a public, gravel road. This 10.3 acre parcel is rolling in topography and there is an old apple orchard. The property was listed on July 16, 2013 for \$215,000. It sold on April 26, 2014 for \$190,000 with conventional financing.



COST APPROACH – COMPARABLE SALES (continued)

Vacant Land Comparable #102 is located at 2156 Phelps Road, Section 11, Peninsula Township. This is parcel #11-109-030-00 and MLS #1782421. Phelps Road is a public, gravel road. This 6.58 acre parcel is rolling in topography and there is an old cherry orchard. The property was listed on April 14, 2014 for \$192,000. It sold on September 15, 2014 for \$165,000 cash.



COST APPROACH – COMPARABLE SALES (continued)

Vacant Land Comparable #103 is located on Center Road, Section 36, Peninsula Township. This is parcel #11-336-088-00 and MLS #1811379. Center Road is a public, paved road. This parcel is located very close to Traverse City and has access to city sewer and water. This 23.37 acre parcel is rolling in topography and is partially wooded. The property was listed on February 3, 2016 for \$669,000. There have been other listings over the last several years. This is a current listing; not a sale.



**COST APPROACH (continued)
SALES COMPARISON GRID**

Item:	Subject	Comparable #101	Comparable #102	Comparable #103
Address:	2699 Island View Traverse City	2150 Carroll Road Traverse City	2156 Phelps Road Traverse City	Center Road Traverse City
Sale Price:		\$190,000	\$165,000	\$669,000
Property Rights:	Fee Simple	Similar	Similar	Similar
Adjusted Sale Price:		\$0	\$0	\$0
Financing:		Conventional	Cash	Cash
Adjusted Sale Price:		\$190,000	\$165,000	\$669,000
Conditions Of Sale:		Arm's Length	Arm's Length	Listing
Adjusted Sale Price:		\$190,000	\$165,000	(\$66,900)
Market Conditions:	May-16	Apr-14	Sep-14	Current
Adjusted Sale Price:	0%	\$190,000	\$165,000	\$602,100
Sale Price per Acre:	\$0.00	\$18,447	\$25,076	\$25,764
Number of Acres:	15	10	7	23
Location:	Central	Similar	Inferior	Superior
Topography:	Rolling to hilly	Superior	Superior	Similar
Shape:	Irregular	Superior	Similar	Similar
Access:	Paved Road	Inferior	Inferior	Similar
Cover:	Mixed	Similar	Similar	Similar
Zoning:	Ag	Similar	Similar	Res.
View:	Minor water	Inferior	Inferior	Inferior
Utilities:	N. Gas, Elec.	Similar	Similar	Superior
Demolition (SF):	None Considered	None	None	None
Net Adjustments:		\$0	(\$5,015)	(\$6,441)
Indicated Value Per Acre:		\$18,447	\$20,061	\$19,323

COST APPROACH (continued)

COMMENTS ON ADJUSTMENTS

Property Rights: All of the comparable sales sold in fee simple estate. No adjustments are necessary.

Financing: The comparable sales were traded for cash (United States tender) or equivalents thereof. No special financing was made by either the grantors or grantees in these transactions. No adjustments are necessary.

Conditions of Sale: The sales were all arm's-length negotiated sales. No adjustments are warranted with the exception of Comparable #103. This is a current listing. The asking price is reduced by 10% to a likely sale price based on the average ratio of sale price to listing price in the local market for vacant land.

Market Conditions: The comparables are all recent transactions. The market is now seen as stable for this property type.

Unit of Comparison: Common units of comparison that are used by market participants to compare vacant land comparables to the subject include the price per acre, per square foot unit, the total sale price, or the price per front foot. For properties with a highest and best use of single-unit home sites (this would be the subject's highest and best use if it was a vacant site) the price per acre is the most common unit of comparison and is used in this analysis.

Number of Acres: This is the divisor for the line above; Sale Price Per Acre. Comparables #101 and #103 are considered to be in the subject's size range. Comparable #102 is only large enough to be one single home site. As such its sale price per acre is too high to compare to the subject because of economy of scale. It is adjusted by minus 25% for this factor.

Location: The subject's location is central to the Peninsula. The Peninsula is considered to have three divisions of value. Comparable #101 has a similar location and comparable #102 is located in the farthest division and is adjusted by plus 10%. Comparable #103 is located very close to Traverse City. Its location is superior and it is adjusted by minus 10%.

COST APPROACH (continued)

COMMENTS ON ADJUSTMENTS (continued)

Topography: The subject has rolling to hill topography. Comparables #101 and #102 have superior; flatter topography. They are adjusted by minus 10%. Comparable #103 has hilly topography that is considered to be similar to the subject.

Shape: The subject is irregular in shape with considerable area lost to the long and narrow area where the driveway is located. Comparable #101 is much more regular in shape. It is superior and adjusted by minus 10%. Comparable #102 is long and narrow. Comparable #103 is irregular in shape. These two comparables are considered to be similar to the subject.

Access: The subject has access from a paved road. Comparables #101 and #102 are along gravel roads. This is considered to be inferior and they are adjusted by plus 10%. Comparable #103 has similar access from a paved road.

Cover: The subject and all the comparables are partially open and part wooded. No adjustment was necessary.

Zoning: The subject and comparables #101 and #102 are zoned Agricultural. Comparable #103 has Residential zoning that allows higher density. It is superior and adjusted by minus 10%.

View: The subject has a minor West Bay view from the edge of the property. The view improves from the second story. None of the comparables have any potential water views. They are all adjusted by plus 5%.

Utilities: The subject and comparables #101 and #102 have the same utilities as the subject. Comparable #103 has access to city sewer and water. It is adjusted by minus 10%. This adjustment considers that there are substantial costs associated with a development to install the water and sewer lines.

Demolition: The subject is appraised here as vacant land. The comparables are vacant land. No adjustments are necessary.

COST APPROACH (continued)
CONCLUSION

2699 Island View	Adjusted Sale Price	Sale Price / Acre	Indicated Value / Acre
Comparable #101	\$190,000	\$18,447	\$18,447
Comparable #102	\$165,000	\$25,076	\$20,061
Comparable #103	\$602,100	\$25,764	\$19,323
AVERAGE	\$319,033	\$23,095	\$19,277

The comparables are all located on the Peninsula. There are very few comparables to consider because of the many parcels that have conservation easements that restrict their development and the high number of parcels that have already been developed.

Comparable #101 is a reasonably current sale. This comparable is most similar to the subject in size and utility. It has the least net adjustments. It is the most influential comparable. Comparable #102 is a fairly recent sale. It has the highest gross adjustments. It is a moderately influential comparable. Comparable #103 is a currently listing not a sale. This comparable shows how little demand there is for development property at this time. It supports the range indicated by the other two comparables. Based on this analysis of these comparable sales the subject is estimated to be worth \$19,000 per acre. Thus:

Subject: 15.15 Acres @ \$19,000 Per Acre = \$287,850

INDICATED VALUE AS IF THE SUBJECT IS VACANT LAND: \$290,000

SALES COMPARISON APPROACH

The Sales Comparison Approach is a method of estimating market value by comparing sales of similar properties to the subject. Basic to this approach to value are the concepts and principles of anticipation, change, supply and demand, substitution, balance and external properties. These concepts are employed to the extent of local market conditions. Inherent with this approach to value is the principle of substitution.

The appraisal principle that states that when several similar or commensurate commodities, goods, or 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. Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed., s.v. "substitution." (Chicago: Appraisal Institute, 2015), PDF e-book, page 225

The systematic procedure followed to apply this approach is:

1. Research the market for sales and offerings of similar properties to determine the date of sale, size, location and zoning of each.
2. Verify the information as to the accuracy of the information and that the transactions are arm's length.
3. Select relevant units of comparison to analyze each sale.
4. Compare the sale properties to the subject property using the relevant units of comparison and adjust the sales prices of the comparables to reflect their differences with the subject.
5. Reconcile the various indications of value derived from the comparisons into a single indication of value or range of values.

The Sales Comparison Approach is developed with sales of schools from around the state.

SALES COMPARISON APPROACH

Comparable Sale #201 is the Norris School, 10781 E. Cherry Bend Road, Traverse City, Michigan. This school was deemed excess and sold on June 30, 2014 for \$300,000 cash to the sellers (TCAPS). The land area is 4.65 acres. The school building, built about 1960 contains 35,161 square feet. The land next to this facility was occupied by a cleaning plant that caused ground water contamination. The seller's believe that this cased the property to sell for less than it could have. The property is zoned Neighborhood Commercial. Since the sale, the building has been rented to many small businesses; artists, photographers and resale shops. It is close to or is completely full.



SALES COMPARISON APPROACH

Comparable Sale #202 is the Orchard View School, 2900 E. Apple Avenue, Muskegon, Michigan. This school was listed for sale on December 1, 2013. The sales information was obtained from another appraiser. It sold on August 15, 2014 for \$575,000 on a warranty deed. The seller paid \$10,000 in closing costs. The land area is 8.19 acres. The school building, built about 2001 with subsequent additions contains 27,551 square feet. Though this comparable's land area is smaller than the subject's its configuration is similar with only a small amount of road frontage. I confirmed the sale information with Jack Timmer of the Orchard View Schools.



SALES COMPARISON APPROACH

Comparable Sale #203 is the Kennedy School, 610 E. Parkdale Avenue, Manistee, Michigan. This is parcel #51-07-820-021-00 and MLS #12007046. This school was listed for sale on February 6, 2012 for \$550,000. The listing agent, Mike Cnudde, told me that the building had not been used for at least 6 years, had been left unheated and the roof leaked. This property is located along the main road (US-31) and is partially zoned commercial. It sold on June 17, 2015 for \$200,000 cash. The land area is 17.75 acres. The school building, built about 1962, contains 28,292 square feet. The agent told me that the buyer has not done anything to the property, but originally had plans to convert it into an adult care facility.



**SALES COMPARISON APPROACH
SALES COMPARISON GRID**

ITEM	SUBJECT 2699 Island View Traverse City	Comparable #201 10781 E. Cherry Bend Road Traverse City	Comparable #202 2900 E. Apple Avenue Muskegon	Comparable #203 610 E. Parkdale Avenue Manistee
Sale Price:		\$300,000	\$375,000	\$200,000
Property Rights:	Fee Simple	\$0	\$0	Fee Simple
Adjusted Sale Price:		\$300,000	\$575,000	\$200,000
Financing:	Cash	\$0	Cash	Cash
Adjusted Sale Price:		\$300,000	\$575,000	\$200,000
Conditions of Sale:	Arm's Lgth	\$0	Closing Costs	Arm's Lgth
Adjusted Sale Price:		\$300,000	\$565,000	\$200,000
Market Conditions:	May-16	\$0	Aug-14	Jun-15
Adjusted Sale Price:		\$300,000	\$565,000	\$200,000
Size/Price/Sq.Ft.:	38,335	\$8.53	27,551	28,292
Location:	Suburban	Superior	Superior	Superior
Economy of Scale:	38,335	Similar	Superior	Superior
Land Area in Acres:	15.15	4.65	8.19	17.75
Site Improvements:	Average	Similar	Similar	Similar
Effective Age:	10	15	5	20
Municipal Sewer/Water:	No	Superior	Similar	Superior
Other:	None	Contamination	Similar	Similar
Quality/Appeal:	Average	Similar	Similar	Similar
Condition:	Average	Inferior	Similar	Inferior
Adjusted Price/Sq.Ft.:		\$14.85	\$14.24	\$10.00
Adjusted Value:		\$569,444	\$545,799	\$614,246
Basement (Sq. Ft.):	0	\$0	\$0	\$0
Finished Basement:	0	\$0	\$0	\$0
Elevator	None	None	None	None
Indicated Value:		\$589,444	\$546,799	\$614,246
ROUNDED TO:		\$569,000	\$546,000	\$614,000

SALES COMPARISON APPROACH (continued)

COMMENTS ON ADJUSTMENTS

Property Rights: All of the comparable sales sold in fee simple estate. No adjustments are considered to be necessary.

Financing: The comparable sales were traded for cash (United States tender) or equivalents thereof. No special financing was made by either the grantors or grantees in these transactions. No adjustments are necessary.

Conditions of Sale: The sales were all arm's-length negotiated sales. All of the comparables were exposed to the market through the MLS. Comparable #202 is adjusted by minus \$10,000 for the closing costs paid by the seller.

Market Conditions: Market conditions are considered to be stable for this market during the time period between the sale dates and the date of value. No adjustments are made for changes in market conditions.

Unit of Comparison: Only two units of comparison can be used to compare the comparables to the subject, first, the price per square foot unit of measure and second, the total sale price. Active participants (buyers, sellers, tenants and landlords) in this market typically value commercial buildings by the per square foot unit of comparison. To accurately reflect the market, the per square foot unit of comparison is used to compare and adjust the comparable sales to the subject.

Location: The subject has a suburban location. All of the comparables have superior locations; much more urban with higher population densities nearby. Comparables #201 and #202 are adjusted by minus 25%. Comparable #203 is adjusted by minus 10%. In the case of comparable #203 this adjustment also considers its commercial zoning.

Economy of Scale: These adjustments consider differences in size. It is recognized that larger buildings typically cost less to construct on a square foot basis than smaller buildings this is confirmed with data from the Marshall Valuation Service. Frequently the market recognizes this also. In the case of this analysis the comparable buildings are close to the subject in size; small adjustments are made to comparables #202 and #203 of minus 5%.

SALES COMPARISON APPROACH

COMMENTS ON ADJUSTMENTS (continued)

Land Size in Acres: This adjustment is based on the difference in land area between the comparables and the subject. The adjustment for comparable #201 is based on half of the subject's estimated value per acre. The adjustments for comparables #202 and #203 are at lower acreage rates due to the lower land values at these locations. The rates are lower than the subject's estimated rate because the difference in size is considered to be surplus acreage that carries a lower value than the primary acreage necessary for the function of the property.

Site Improvements: The subject and each of the comparables have typical site improvements of landscaping and parking lots. No adjustments are considered to be necessary.

Effective Age: This adjustment is based on my observations of the comparables, reviewing the photographs in the MLS and discussions with the agents. The adjustments are 1% for each year of difference in observed effective age.

Municipal Water and Sewer: The subject does not have city sewer and water; comparables #201 and #203 have city sewer and water. They are adjusted by minus 5% for this item.

Other Special Features: The subject and the comparables do not have any special features, but this line is utilized to recognize comparable #201's contamination issues. The contamination limits the potential uses of this property. Comparable #201 is adjusted by plus 10%.

Quality & Appeal: The subject displays average quality and appeal. Each of the comparables is considered to be similar in quality and appeal. No adjustments are necessary.

Condition: The subject is in average condition. Comparable #201 was in inferior condition when it sold and is adjusted by plus \$5 per square foot. Comparable #202 was in similar condition. Comparable #203 is considered to have been in inferior condition because of its leaking roof and lack of use for a long period of time. It is adjusted by plus \$10 per square foot.

Basement: The subject and the comparables have no basement area. No adjustments are necessary.

Basement Finish: The subject and the comparables have no basement finished area. No adjustments are necessary.

Elevator: The subject and the comparables do not have elevators or any other special features.

SALES COMPARISON APPROACH (continued)
CONCLUSION

Comparable Sales	Adjusted Sale Price	Indicated Value
Comparable #201	\$300,000	\$569,000
Comparable #202	\$565,000	\$546,000
Comparable #203	\$200,000	\$614,000
Average		\$576,333

The comparables are all schools in western Michigan cities. School buildings do not sell frequently. There are very few sales available. It is not readily possible to develop any better support for the adjustments due to the lack of additional sales data. Comparable #201 is an influential comparable due to its recent sale date and location in Traverse City. Comparable #202 is a fairly recent sale. This property is located the farthest from the subject. This property was purchased by Orchard View School District and is used by them for adult education. It is a very influential comparable because it was purchased for continued use as a school. Comparable #203 is chosen as a comparable because it is a fairly recent sale of a building located in a western Michigan city. Its poor condition at the time of sale causes it to be only a moderately influential comparable.

These comparables produce a tight range of indicated values for the subject. Comparable #202 is given most consideration. The other comparables influence the subject value up into the range.

INDICATED VALUE BY THE SALES COMPARISON APPROACH: \$575,000

INCOME APPROACH

In the Income Approach, the subject's potential gross income as if rented is estimated by comparison to like rental properties in the market by the same process used in the Sales Comparison Approach. Expenses are then calculated and deducted from the rent to arrive at Net Operating Income. The Net Operating Income is then processed into indications of value based on different methods.

The method most often used is by an Overall Capitalization Rate. The rate is developed from the market by finding similar rental properties that have sold recently and dividing their Net Operating Income by their cash equivalent sale price to arrive at a Capitalization Rate. The subject's Net Operating Income is then divided by the rate selected for it from the market derived capitalization rates.

Other methods used include testing for value by using an Internal Rate of Return calculation to a required yield, and the calculation of the present value of the income stream, and the reversion of the property at the end of a projected holding period also to a required yield.

The Income Approach is most applicable to investment properties. This is generally any property held as an investment, such as offices, apartments, and stores.

MARKET RENT COMPARABLES

The subject is not operated under a lease agreement, it is owned by the school. Market rent is relied upon to develop an estimate of the subject's potential gross income as a charter school.

Charter schools throughout the state were researched and surveyed to identify schools operating in leased facilities with the most similar physical and locational characteristics to the subject. The following rental comparables are representative of the subject's placement in the market.

INCOME APPROACH

MARKET RENT COMPARABLES (continued)

Charter School Rental Comparable #301 is the Vista Academy, located at 711 32nd Street, Grand Rapids. This is a K-8 charter school that was established in 1996. The current enrollment is 760 students. The maximum enrollment is 804. The building contains 50,800 square feet with 28 classrooms, art, music, offices, media, library, gymnasium, parking and playground. It is situated on a site containing 5.04 acres. The building was constructed in 1969, renovated in 1999, and added onto in 2003.



The property is leased from National Heritage Academies, Inc to Vista Charter Academy. The current lease agreement began on July 1, 2012 with automatically renewing one year terms. The annual rent is \$736,640, net. The tenant is responsible for all operating expenses, including real estate taxes that equal \$1.23 per square foot of building area.

INCOME APPROACH
MARKET RENT COMPARABLES (continued)

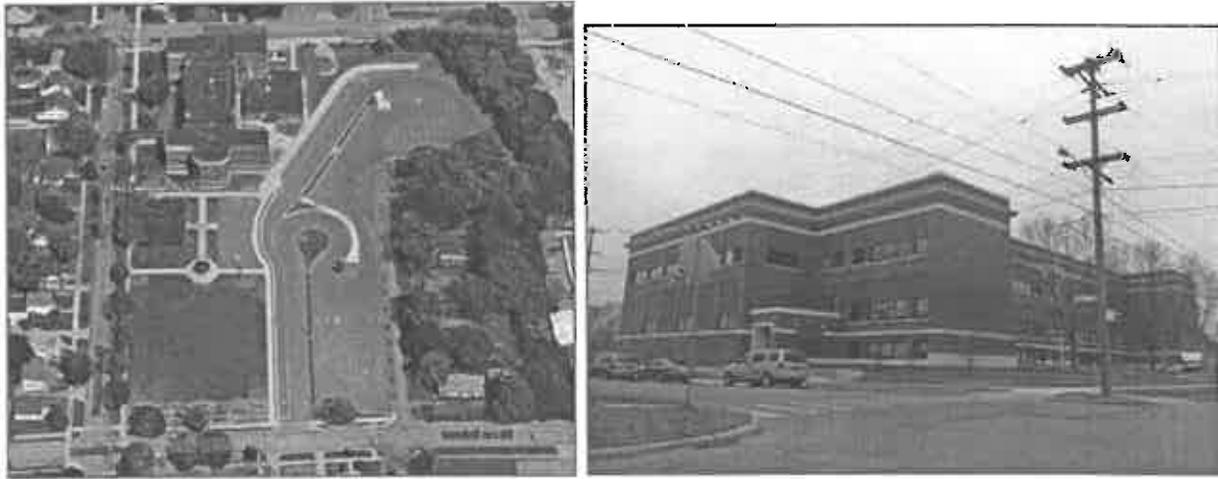
Charter School Rental Comparable #302 is the Paramount Academy, located at 3624 S. Westnedge, Kalamazoo. This is a K-8 charter school that was established in 1998. The current enrollment is 562 students. The maximum enrollment is 804. The building contains 58,000 square feet with 28 classrooms, art, music, offices, media, library, gymnasium, parking and playground. It is situated on two parcels containing a total of nine acres. The building was constructed over 40 years ago, renovated in 2001, and added onto in 2007.



The property is leased from National Heritage Academies, Inc to Paramount Academy. The current lease agreement began on July 1, 2012 with automatically renewing one year terms. The annual rent is \$736,480, net. The tenant is responsible for all operating expenses. This property is tax exempt and the tenant is not responsible for property taxes.

INCOME APPROACH
MARKET RENT COMPARABLES (continued)

Charter School Rental Comparable #303 is the River City Scholars Charter Academy, located at 944 Evergreen Street, Grand Rapids, Michigan. This is a K-8 charter school that was established in 2012. The current enrollment is 521 students. The maximum enrollment is 804. The building contains 58,067 square feet with 28 classrooms, art, music, offices, media, library, gymnasium, parking and playground. It is situated on a 4.1 acre site. The building was constructed as an elementary school many years ago. It was renovated and expanded; at reportedly \$7,000,000, in 2012.



The property is leased from National Heritage Academies, Inc to River City Scholars Charter Academy. The current lease agreement began on July 1, 2012 with automatically renewing one year terms. The annual rent is \$867,360, net. The tenant is responsible for all operating expenses, including real estate taxes that equal \$1.32 per square foot of building area.

INCOME APPROACH
MARKET RENT COMPARABLES (continued)

Charter School Rental Comparable #304 is the Eagle Crest Charter Academy, located at 11950 Riley Street, Holland, Michigan. This is a K-8 charter school that was established in 1997. The current enrollment is 733 students. The maximum enrollment is 760. The building contains 53,400 square feet with 28 classrooms. The facility also contains a gymnasium, computer room, media room, music room, conference room, and several offices. The site contains a large parking area and an outdoor play area. The building was constructed for this charter academy in 1998, it was added onto in 2001 and again in 2008.



The property is leased from National Heritage Academies, Inc to Eagle Crest Charter Academy. The current lease agreement began on July 1, 2011 with automatically renewing one year terms. The annual rent is \$745,120, net. The tenant is responsible for all operating expenses, including real estate taxes that equal \$0.92 per square foot of building area.

INCOME APPROACH
MARKET RENT COMPARABLES (continued)

Charter School Rental Comparable #305 is the Cross Creek Charter Academy, located at 7701 Kalamazoo Avenue, Byron Center, Michigan. This is a K-8 charter school that was established in 1997. The current enrollment is 794 students. The maximum enrollment is 825. The building contains 54,736 square feet with 30 classrooms, a media center, a resource room, gymnasium, multipurpose room, 11 restrooms, several offices, two student support rooms and various storage areas. The site includes two playground areas and ample parking space. The building was constructed for this charter academy in 1997, it was added onto in 2001 and again in 2006.



The property is leased from National Heritage Academies, Inc to Cross Creek Charter Academy. The current lease agreement began on July 1, 2012 with automatically renewing one year terms. The annual rent is \$741,920, net. The tenant is responsible for all operating expenses, including real estate taxes that equal \$0.57 per square foot of building area.

INCOME APPROACH
MARKET RENT COMPARABLES (continued)

Charter School Rental Comparable #306 is the Nexus Academy, located at 801 Broadway Avenue, Grand Rapids, Michigan. This is a 9-12 charter school that was established in 2012. The current enrollment is 180 students. The maximum enrollment is 246. The leased area contains 14,721 square feet with 5 classrooms, and several multi-use areas utilized for classroom area. The leased area was renovated within a multi-tenant office building. It does not include outdoor playground area.



The property is leased from Connections Education LLC, to Nexus Academy of Grand Rapids. The current lease agreement began on October 2, 2012 and expires June 30, 2017. The base rent is \$15.00 per rentable square foot and increases 2.5% upon renewals after the expiration date. This creates an annual rent of \$220,849, net. The landlord provides heat, water, and sewer service, and pays real property taxes. The tenant is responsible for electrical service and insurance.

INCOME APPROACH
MARKET RENT COMPARABLES (continued)

School	Location	Founded	Grades	Current Enrollment	Max Enrollment	Bld Size (SF)	Class rooms
Vista Academy	711 32nd St, Grand Rapids	1996	K-8	760	804	50,800	28
Paramount Academy	3624 S Westnedge, Kalamazoo	1998	K-8	562	804	58,000	28
River City Scholars	944 Evergreen, Grand Rapids	2012	K-8	521	804	58,067	28
Eagle Crest Charter Ac	11950 Riley St, Holland	1997	K-8	733	760	53,400	28
Cross Creek Charter Ac	7701 Kalamazoo, Byron Center	1997	K-9	794	825	54,736	30
Nexus Academy	810 Broadway Ave, Grand Rapids	2012	9-12	180	246	14,721	5

This group of comparables is the most applicable group available for comparison to the subject. The locations are considered similar; students throughout the state of Michigan all provide the same foundation (funds received from the state) to the school they attend.

The annual rental rates are analyzed by several units of comparison in the following table; the annual rental rate per square foot, per classroom, per enrolled student, and per maximum allowed student.

School	Annual Rent	Rent/SF	Rent/ Class Room	Rent / Current Student	Rent / Max Student
Vista Academy	\$736,640	\$14.50	\$26,309	\$969	\$916
Paramount Academy	\$736,480	\$12.70	\$26,303	\$1,310	\$916
River City Scholars	\$867,360	\$14.94	\$30,977	\$1,665	\$1,079
Eagle Crest Charter Ac	\$745,120	\$13.95	\$26,611	\$1,017	\$980
Cross Creek Charter Ac	\$741,920	\$13.55	\$24,731	\$934	\$899
Nexus Academy	\$220,815	\$15.00	\$44,163	\$1,227	\$898
Average		\$14.11	\$29,849	\$1,187	\$948
Median		\$14.23	\$26,460	\$1,122	\$916

Considering the high number of students at most of these facilities and much lower number of students estimate for the subject of 190 the most appropriate rate for the analysis of the subject is the rent per the current number of students indicated by the comparables. The comparables produce a range of \$934 to \$1,665 with an average of \$1,187 and a median of \$1,122. The school with the most similar number of students is the Nexus Academy. Its indication of rent per its current number of students is near the central tenancies adding support for the middle of the range. These rates have been proven to be finically feasible for operating public school academies in markets around Michigan.

Considering the good condition of the subject, its average quality and location, an appropriate market rental rate for the subject is selected from the middle of the range. A rental rate of \$1,150 per student is estimated for the market rental rate for the subject.

INCOME APPROACH

POTENTIAL GROSS INCOME

The selected market rate for the subject is applicable to both estimates of value.

Potential Gross Income (PGI):	190	Students @	\$1,150	=	\$218,500
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OPERATING EXPENSES

The pro forma operating statement has been developed using typical operating expenses to this market. The subject property is analyzed as being rented on a net basis with the tenant paying for all operating expenses (utilities, taxes, etc.). An expense history for the subject has not been provided and it not considered to be necessary due to the estimate of market rent on a net basis.

Expense items included in the pro forma require an allowance for vacancies and credit losses. The market data reveals that mature charters schools as tenants are very stable tenants with long histories of occupancy and reliable funding from the state. These operations do not typically change locations; rather add on to suit changing needs. A vacancy and credit loss factor of 3% is chosen for the subject. This is a long term rate that also includes frictional vacancy over the length of a typical holding period for the subject.

An allowance must be made for management. Typical charges for management range from 3.5% to 4.0% for mixed use, multi-tenant properties. Property managers in larger metropolitan areas charge as much as 6%. Charges in this market can range to as low as \$200-\$500 per year on a fixed-fee basis for single tenant buildings leased on a net basis where the manager's only responsibility is cashing the rent checks and making certain the taxes and insurance are paid. The subject is analyzed as a single-tenant net leased facility. Active management is not necessary. Two percent (2%) of the effective gross income is considered reasonable to manage the subject including all accounting and legal expenses incurred from ownership of the subject.

There are no expenses for interest or depreciation. Depreciation is a non-cash item and interest is a function of the owners financing, not the market. It is anticipated that the subject would be exempt from real estate taxes.

INCOME APPROACH
OPERATING EXPENSES (continued)

Typically, properties held as investments in this market do not allocate an expense for reserves or capital improvements. These items are covered as repairs. In addition, none of the comparables analyzed included expenses for reserves or replacements. Therefore, a reserve allocation is not made in the pro forma. Reflective of the local investor market, it is included in the capitalization rate selected for the subject.

PRO FORMA OPERATING STATEMENT

The projected operating expenses for the subject are applicable to both estimates of value.

Pro Forma Operating Statement			
Potential Gross Income (PGI):			\$218,500
LESS Vacancy & Credit Losses:	3.0%		(6,555)
Effective Gross Income (EGI):			\$211,945
Operating Expenses:			
Management/Accounting/Legal:	2.0%	\$4,239	
Total Operating Expenses:			(4,239)
Net Operating Income (NOI):			\$207,706

INCOME APPROACH (continued)

CAPITALIZATION RATE COMPARABLES

The following comparables are presented to support the selection of a capitalization rate for the subject. Sales of leased charter schools could not be identified. Sales of income producing real property in the Traverse City market are utilized to gauge local investor demands.

Capitalization Rate Comparable #401 is located at 539 East Eighth Street, Traverse City, Michigan. This is the northwest corner of East 8th Street and Franklin Street. The parcel ID# is 28-51-798-092-00. The building was constructed in 1973. It is a single story concrete block construction with brick veneer on the front side. The roof is semi-flat and covered with a membrane. There is a wood post frame awning over the unit entrances. The foundation is a poured concrete slab. The building contains 6,080 square feet. The building was configured as four units with two offices, a pizza shop and an open gym area. The property was listed for sale in the TAAR MLS on October 6, 2010 as #1720963 for \$425,000. Traverse City State Bank listed it for sale after they had foreclosed on the property on January 20, 2010. It sold 203 days later on April 25, 2011 for \$303,000, cash. At the time of the sale, there was one tenant, the pizza shop that had a long term lease; all other leases were short term. Their lease was for \$7,032, annually, through November, 2015. The tenant occupying the open gym area expired on April 30, 2011. The chiropractor tenant was leasing on a month to month arrangement paying \$13,200, annually and 1,680 square feet were vacant. Projecting a rate of \$9.00 per square foot for the vacant unit (it was listed for \$10.00 per square foot at the time of this listing) and using the contract rents on the occupied units creates a potential gross income of \$55,068. Deducting a reasonable vacancy and collection loss of 15%, an estimated \$12,000 for real estate taxes, \$1,400 for insurance, \$8,500 for common area maintenance, and \$3,000 for management, legal and accounting results in an estimated net operating income of \$21,908. Dividing this by the sale price produces a projected overall capitalization rate of 7.23%.

Capitalization Rate Comparable #402 is located at 832 US-31 South, Traverse City, Michigan. This sale took place on July 31, 2013 for \$700,000 cash. This is a net leased Dollar Store. This is quoted as a "long term" lease at \$70,000 per year. The building was constructed in 1989 and contains 15,000 square feet. Reducing the rent by 2% for a vacancy and credit loss factor and 0.5% for management produce NOI of \$68,257 and an overall capitalization rate of 9.75%.

INCOME APPROACH

CAPITALIZATION RATE COMPARABLES (continued)

Capitalization Rate Comparable #403 is the sale of a multi-tenant commercial building located at 1105 East Eighth Street, Traverse City, Michigan. It is located on the northeast corner of South Garfield Avenue and East Eighth Street. This building is a one-story, wood frame and masonry constructed building. It contains 8,455 square feet with four units. One unit operates as a party store, one unit has been a longtime occupant as a computer repair shop and there are two general office units that were vacant at the time of the sale. The building was constructed in 1946 according to city records. The property was listed in the MLS on March 7, 2012 for \$580,000. The price was reduced to \$499,000 on November 29, 2012. The sale closed on June 3, 2013 after 454 days on the market; selling for \$485,000 with conventional financing. The seller was First Financial Collateral Inc., that acquired the property in a deed in lieu of foreclosure on February 2, 2012. The property previously sold on October 5, 2005 for \$738,750, reported to the MLS as #1652505.

This building was 50% occupied at the time of the most recent sale. The listing Realtor created a pro forma with an estimate of rent for the vacant spaces of \$8.00 per square foot and total operating expenses for the property of \$27,000, equivalent to \$3.19 per square foot. The potential gross revenue was projected to be \$77,640. Subtracting 15% as a vacancy and credit loss factor, 4% of EGI for management, legal and accounting expenses, and the projected \$27,000 in operating expenses, produces \$36,354 in projected net operating income. This amount divided by the sale price of \$485,000 produces a capitalization rate of 7.50%.

Capitalization Rate Comparable #404 is the sale of a Secretary of State occupied office building located at 1759 Barlow Street, Traverse City, Michigan. This is a single occupant building located just north of South Airport Road. It is a wood frame building with vinyl lap siding built in 1990. The building was in average overall condition at the time of the sale. The gross building area is 4,918 square feet. The site contains 1.1 acres. The property was listed for sale in the TAAR MLS on March 25, 2008 for \$675,000. It was listed for sale again in September 2010 for \$550,000. Following a bank foreclosure, it was listed as MLS #1723894 on February 23, 2011 for \$489,900. It sold after 63 days on April 27, 2011 for \$439,000 with conventional financing. At the time of sale, the property had gross income of \$85,440. This is a gross lease with the landlord responsible for all expenses that expires in 2016 and includes options to renew. Reducing the gross income by the actual operating expenses reported by the listing agent and also deducting 3% for management and \$600 for legal and professional expenses yields \$40,822 in net operating income. This produces an overall capitalization rate of 9.3%.

INCOME APPROACH
CAPITALIZATION RATE COMPARABLES (continued)
COMMENTS ON CAPITALIZATION RATE COMPARABLES

Capitalization Rate Comparable #401	7.23%
Capitalization Rate Comparable #402	9.75%
Capitalization Rate Comparable #403	7.50%
Capitalization Rate Comparable #404	9.30%
Mean	8.45%

Comparables #401 and #403 were both purchased to be partly owner occupied which typically creates indications of capitalization rates below that of a purely investor owned income producing property. Comparables #402 and #404 were purchased by investors and represent single tenant occupancy with locations outside of the city limits of Traverse City.

The sale prices of the comparables do not bracket the subject's indication of value; they represent sales to lower level local investors that might consider the subject as an investment. Considering the size of the subject and the estimate of market rent, the rate selected for the subject is higher than the range of rates developed by these comparables. The needs to also consider the subject's overall risk as a new public charter school.

Considering the size and quality of the subject, it would be marketed nationwide as an income producing property.

Additional data obtained from RealtyRates.com is presented next as support for the selection of an overall capitalization rate for the subject.

INCOME APPROACH (continued)

RealtyRates Survey

The RealtyRates.com Investor Survey, from the 2nd Quarter 2016 is presented next. In addition to the surveyed rates from market participants, the reports present two additional methods of calculating an Overall Capitalization Rate using mortgage data from the respective periods in time. The reports include schools and daycare center properties located in markets nationwide. The surveyed rates include information from actual transactions; data is obtained from a polling of 312 appraisal and brokerage firms, developers, investors, and lenders nationwide. Minimum, maximum, and average rates are presented for each of the three methods.

RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2016*						
SPECIAL PURPOSE - SCHOOLS & DAYCARE CENTERS						
Item	Input					OAR
Minimum						
Spread Over 10-Year Treasury	1.0%	DCR Technique	1.15	0.047137	0.89	4.34
Debt Coverage Ratio	1.15	Band of Investment Technique				
Interest Rate	3.59%	Mortgage	80%	0.047137	0.037709	
Amortization	40	Equity	20%	0.036134	0.019233	
Mortgage Constant	0.047137	OAR				5.69
Loan-to-Value Ratio	60%	Surveyed Rates				5.41
Equity Dividend Rate	8.62%					
Maximum						
Spread Over 10-Year Treasury	3.60%	DCR Technique	1.35	0.130632	0.60	14.51
Debt Coverage Ratio	1.35	Band of Investment Technique				
Interest Rate	10.33%	Mortgage	50%	0.130632	0.078409	
Amortization	35	Equity	40%	0.197790	0.078033	
Mortgage Constant	0.130632	OAR				16.74
Loan-to-Value Ratio	60%	Surveyed Rates				14.96
Equity Dividend Rate	19.76%					
Average						
Spread Over 10-Year Treasury	5.21%	DCR Technique	1.30	0.031769	0.70	8.59
Debt Coverage Ratio	1.30	Band of Investment Technique				
Interest Rate	6.39%	Mortgage	70%	0.031769	0.057221	
Amortization	28	Equity	30%	0.11806	0.042542	
Mortgage Constant	0.031769	OAR				9.98
Loan-to-Value Ratio	70%	Surveyed Rates				10.25
Equity Dividend Rate	11.15%					

*1st Quarter 2016 Data

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FINAL RECONCILIATION

The Cost Approach has not been developed because estimating the amount physical depreciation and obsolescence is not readily possible. Within the Cost Approach an estimate of the subject's value is made to support an adjustment in the Sales Comparison Approach for the difference in land size.

The Sales Comparison Approach has been developed with comparable sales of closed, vacant schools from the western Michigan region. The Sales Comparison Approach indicates value for the subject of \$575,000. This is the bottom of the range of value for the subject and is the amount that is estimated could be achieved in a sale of the subject as a closed facility.

The Income Approach is developed based market rent from charter schools based on indications of rent on a per student basis. This approach produces an indication of value at the top of the range and anticipates a sale of the subject property for use as a charter school that has the ability to attract 190 students. The Income Approach produces an indication of value of \$1,500,000.

A study of the subject's value based on a conversion to residential condominiums or apartments has not been done due to the impracticality of estimating conversion costs without significant input from contractors. If these costs can be determine this could be an alternative valuation method. Additionally, this approach is considered to be too speculative due to the subject property's current zoning and the current zoning ordinance.

In my opinion, the market value of the fee simple interest in the subject property, as of the 26th day of May 2016, was between, **Five Hundred Seventy Five Thousand Dollars, as a vacant closed school and One Million Five Hundred Thousand Dollars, as an operating charter school (\$575,000 to \$1,500,000).**

Respectfully submitted,



Michael Tarnow, MAI, SRA
Certified General Appraiser #1201000638

ASSUMPTIONS AND LIMITING CONDITIONS

1. The owner of the fee simple estate is assumed to have a free and clear interest with no encumbrances that cannot be cleared through normal channels.
2. The information on which this appraisal is based has been obtained from sources normally used by Northern Michigan Real Estate Consultants and is considered to be reliable, but is not guaranteed.
3. Northern Michigan Real Estate Consultants reserves the right to alter the opinion on value on the basis of information withheld or not discovered in the normal course of its investigation.
4. The appraiser assumes no responsibility for matters of a legal nature affecting the property or the title thereto. The appraiser does not render any opinion as to title, which is assumed to be good and marketable.
5. The property is appraised as though under responsible ownership and that competent and aggressive management is utilized.
6. It is assumed that there is full compliance by the property and owner with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
7. It is assumed that all applicable zoning and use regulations have been, or are being, complied with.
8. It is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
9. The appraiser is not required to give testimony or appear in court because of having made this appraisal with reference to the property in questions, unless arrangements have been previously made therefore. The fee charged for this appraisal does not include payment for court testimony or for further consultation.
10. No opinion of an engineering nature is intentionally expressed or implied and no responsibility is assumed for matters concerning engineering of the property in its entirety.
11. No survey has been made especially for this appraisal. Property lines, area size, survey and other documents either of record or otherwise provided, are assumed to be correct.
12. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable and no encroachment of real property improvements is assumed to exist.

ASSUMPTIONS AND LIMITING CONDITIONS

13. Maps, plats and exhibits are for illustration only, as an aid in visualizing matters discussed within the report. They should not be relied upon for any other purpose.
14. No opinion is expressed as to the value of subsurface oil, gas or mineral rights and that the property is not subject to surface entry for the exploration or removal of such materials except as is expressly stated.
15. Unless otherwise stated, no consideration in the valuation process has been given to mineral deposits (oil, gas, coal, gravel, etc.) or timber, if any, that may be found on the subject.
16. Unless otherwise stated, the existence of potentially hazardous material, which may or may not be present on the property, was not observed by the appraisers. The appraisers have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation and/or existence of toxic waste, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
17. The appraiser was not provided with an environmental screening, environmental Phase I report, and/or a soils boring report. If environmental issues or soils, including hazardous waste, are revealed which may adversely impact the subject property, the appraiser reserves the right to alter the value conclusions contained herein.
18. Load-bearing capacity of subsoil is assumed to be adequate for the present utilization, but no borings or engineering studies have been made especially for this appraisal and the value conclusion could be affected by such information.
19. The appraiser has not been supplied with building plans and specifications, site plans, and surveys. No occupancy permits have been supplied. No responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained.
20. No termite inspection report was provided. The appraiser is not qualified in the arts and sciences of termite inspection. No responsibility is assumed for any damage caused by termites. A termite inspection is recommended.

ASSUMPTIONS AND LIMITING CONDITIONS

21. Unless otherwise stated, the appraisers make no representation or warranties as to the adequacy or condition of appliances, electrical systems, plumbing and heating, air conditioning, the presence of insulation, adequacy or condition of structural systems or any other subsystem within the property. The appraisers assumes no responsibility for any costs incurred to discover or correct any deficiencies present in the property.
22. The financial and operating projections in this report are in no way warranted or guaranteed by the appraiser signing the appraisal report or Northern Michigan Real Estate Consultants.
23. The forecasts, projections or operating estimates are based upon current market conditions, anticipated short term supply and demand factors and a continued stable economy. These forecasts are, therefore, subject to changes in future conditions. The appraiser cannot be held responsible for unforeseeable events that alter market conditions after the effective date of the appraisal.
24. It is assumed that the income, expense and other financial data supplied by the client is accurate. The appraiser assumes no responsibility for independently verifying this information. If the client has any question regarding this information, it is the client's responsibility to seek whatever independent verification is deemed necessary.
25. The overall condition of the improvements was based upon the appraiser's visual inspection. Should a qualified structural engineer make a determination on the improvements than what is contained within the report, I reserve the right to alter the value conclusions contained herein.
26. The Market Value is based upon current and expected market conditions as of the date specified. Therefore, based upon this assumption, I cannot be held reliable for unforeseeable events that may alter market conditions subsequent to the effective date of the appraisal.
27. The appraiser's conclusion(s) of value is based upon the assumption that there are no hidden or unapparent conditions of the property that might impact upon buildability. The appraiser recommends due diligence be conducted through the local building department or municipality to investigate buildability and whether the property is suitable for its intended use(s). The appraiser makes no representations, guarantees, or warranties.
28. On January 26, 1992, the Americans with Disabilities Act (ADA) took effect. This report has not considered this act and the impact it may have on the subject with respect to renovation cost and general compliance. Should a report be provided which indicates a possible renovation, I reserve the right to amend this report.

ASSUMPTIONS AND LIMITING CONDITIONS

29. Possession of this report, or a copy, does not carry with it the right of publication. None of this report shall be conveyed to any person or entity other than the appraisers' or firm's client, through advertising, solicitation materials, public relations, news, sales, or other media without the previous written consent and approval of the authors or firm with which the appraiser is connected, or any reference to the Appraisal Institute or designation. Further, the appraisers or firm assumes no obligation, liability, or accountability to any third party. If this report is placed in the hands of anyone but the client, client shall make such party aware of all the assumptions and limiting conditions of the assignment.
30. This appraisal is to be used in whole, not in part. The contents and any reference to the Appraisal Institute, or the MAI designation, shall not be used in connection with any other appraisal or disseminated to the public through advertising, public relations, news, sales or other media without the prior written permission of Northern Michigan Real Estate Consultants.
31. Disclosure of the contents of the appraisal is governed by the Bylaws and Regulations of the professional organizations with which the appraiser (s) and/or Northern Michigan Real Estate Consultants are affiliated.
32. Acceptance of and/or use of this report constitutes acceptance of these conditions.
33. This report is intended to comply with the Code of Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. It is further intended to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) and the guidelines set forth by the Financial Institution's Reform, Recovery and Enforcement Act of 1989 (FIRREA).
34. The information and opinions contained in this appraisal are set forth in my best judgment in light of the information available at the time of the preparation of this report. Any use of this report by any other person or entity, or any reliance or decisions based on this appraisal are the sole responsibility and at the sole risk of the third party. I accept no responsibility for damages suffered by any third party as a result of reliance on or decisions made or actions taken based on this report. Furthermore, I reserve the right to alter my opinion of value on the basis of information withheld or not discovered in the course of my investigation. Acceptance of and/or use of this report constitutes agreement with these terms and conditions.
35. The client hereby guarantees to NMREC and the appraiser signing this report that if this appraisal is given in whole or in part to any third party that the client cited herein will, in writing, declare to said third party to not to place any reliance on anything contained in said appraisal or parts thereof and that NMREC and the appraiser has duty to the client cited herein only and not to any third party.

CERTIFICATION

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

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

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

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

I have performed no service, 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 acceptance of this assignment.

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

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

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

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

I, Michael Tarnow, have made a personal inspection of the property that is the subject of this report.

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

The appraiser's analysis, opinions, and conclusions were developed, and the report has been prepared in conformity with the code of Professional Ethics and *Standards of Professional Appraisal Practice* of the Appraisal Foundation and the Appraisal Institute.

CERTIFICATION (continued)

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

As of the date of this report, I, Michael Tarnow, MAI, SRA, have completed the Continuing Education program of the Appraisal Institute.

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

The appraisers' qualification sheets are contained in the Addenda of this report.

A handwritten signature in black ink, appearing to read "Michael Tarnow", with a long horizontal flourish extending to the right.

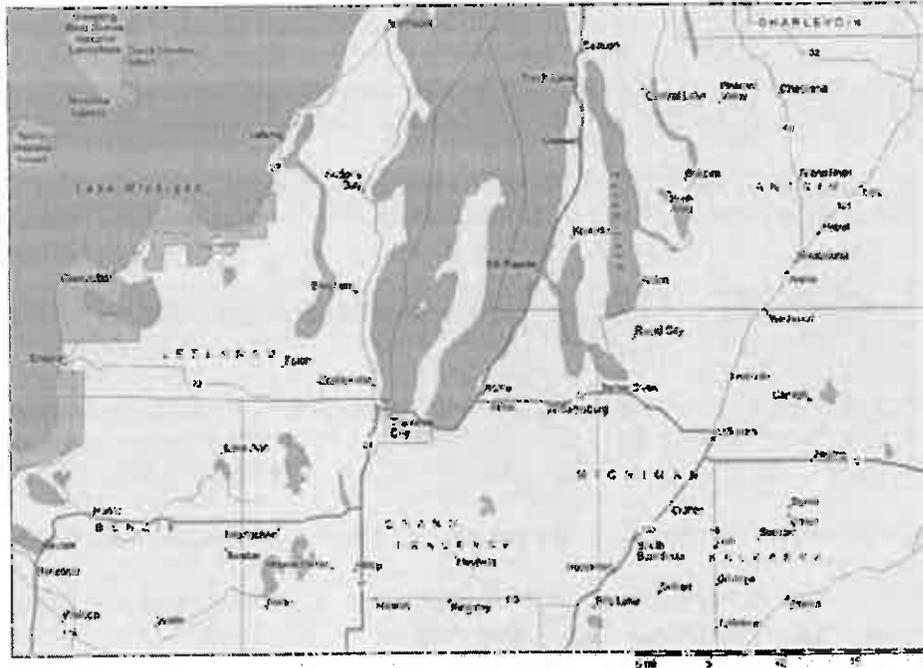
Michael Tarnow, MAI, SRA
Certified General Appraiser #1201000638

Date: June 15, 2016

A D D E N D A

REGIONAL DATA

Grand Traverse County is located in Northwestern Lower Michigan. The county is also located around the Grand Traverse Bay of Lake Michigan. East Bay and West Bay are separated by the Old Mission Peninsula. The area is primarily known for tourism, not only for its beautiful Lake Michigan coastline, but also inland areas, several large lakes and forests. This is also the world leader in cherry production. The Cherry Festival is celebrated every year in July.



Grand Traverse County is truly one of Michigan's wonders on the Great Lakes.

The County also has a diverse economic base, including plastics manufacturing, woodworking, food processing, and medical technology, just to name a few. Traverse City is the county seat.

TRAVERSE CITY

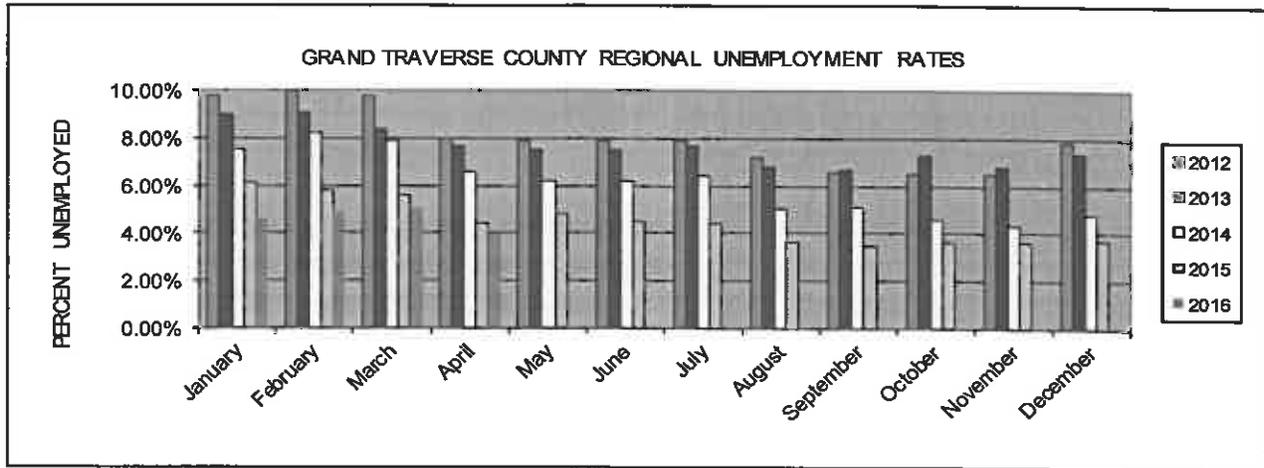
Traverse City is located at the bases of East and West Grand Traverse Bay. It is the County Seat of Grand Traverse County. It was incorporated as a village in 1881 as a village and later as a city in 1885.

This area constitutes the largest urban area in the northwestern part of the lower peninsula of Michigan. With the exception of Traverse City, this region is sparsely populated. Grand Traverse County contains a total area of 462 square miles.

REGIONAL DATA (continued)

As of April 2016, the labor force was 47,789 people of which 45,854 were employed; this left 1,935 idled and created Grand Traverse County County's average unemployment rate of 4.0%. This average jobless rate was lower than the rates for the past four years for the same period. *(These rates are Not Seasonally Adjusted.) Source: milmi.org*

The ten week summer season is an especially busy time of the year for tourism. The National Cherry Festival is in the second week of July. This nationally known festival brings over 300,000 people into the area, every year. The Traverse City Film Festival has become huge draw to the area. Statistical annual information for Grand Traverse County for is in the following charts.



The following information shows the recent annual employment statistics for the county.

YEAR	2012	2013	2014	2015	2016
Grand Traverse County					April
Total Labor Force:	46,582	45,866	46,254	47,573	47,789
Employed:	42,866	42,493	44,049	45,815	45,854
Unemployed:	3,716	3,373	2,205	1,758	1,935
Unemployment Rate:	8.0%	7.4%	4.8%	3.7%	4.0%

milmi.org

The next chart shows how Michigan's jobless rate compares with the National unemployment rate. The unemployment rate for Michigan has remained consistently higher than the national rate.

		UNEMPLOYMENT RATE													
	Annual 2014	Annual 2015	Jan-16	Feb	Mar	April	May-15	June	July	Aug	Sept	Oct	Nov	Dec	
MI	7.3%	7.3%	4.9%	4.8%	4.8%	4.3%	5.50%	5.5%	5.3%	5.1%	5.0%	5.0%	5.1%	4.5%	
US	6.2%	6.2%	5.3%	5.2%	5.1%	4.7%	5.50%	5.30%	5.60%	5.20%	5.10%	4.80%	4.80%	4.80%	

milmi.org Not Seasonally Adjusted

REGIONAL DATA (continued)

The business employment by sector is broken into the categories below. There are 50,733 estimated civilian employees aged 16+ in Grand Traverse County. The Manufacturing and Service Industries make up the majority of the employers in the county.

Grand Traverse County 2015 Estimated Employed Civilians Aged 16+	Percentage of Employees Per Industry
Agriculture; Forestry; Fishing; Hunting	0.2%
Mining	0.3%
Utilities	0.2%
Construction	5.6%
Manufacturing	8.4%
Wholesale	2.8%
Retail Trade	17.3%
Transportation; Warehousing	1.6%
Information	1.6%
Finance; Insurance	3.1%
Real Estate; Rental; Leasing	2.0%
Professional, Scientific; Technical Services	4.7%
Management of Companies; Enterprises	0.3%
Administration; Support; Waste Management Services	2.6%
Educational Services	5.9%
Health Care; Social Assistance	16.2%
Arts; Entertainment; Recreation	2.3%
Accommodation; Food Services	14.0%
Other Services	5.6%
Public Administration	4.3%
TOTAL EMPLOYEES AGED 15+	55,379

ccim stdbonline 2/2016

REGIONAL DATA (continued)

Following, is a list of the principle employers in Grand Traverse County, as well as a list of the other major employers in the county.

PRINCIPAL EMPLOYERS IN GRAND TRAVERSE COUNTY	
Business	# Employees
Munson Medical Center	3,740
Traverse City Area Public Schools	1,984
Grand Traverse Resort & Casino	943
Northwestern Michigan College	700
Traverse Bay Intermediate School District	618
Grand Traverse County Government	530
Sara Lee Bakery	500
Grand Traverse Pavilions	470
Hagerty	450
Interlochen Center for the Arts	350
Great Wolf Lodge	320
Team Elmers	294
Northwestern Bank	260
Bill Marsh Automotive Group	200
City of Traverse City	193
Britten Banners, inc	182
Meijer	168
Coldwell Banker Schmidt	158
Cone-Drive Operations, Inc	158
Traverse City Record Eagle	141
Skilled Manufacturing, Inc	133
Grand Traverse Area Catholic Schools	125
Grand Traverse Industries	125
Park Place Hotel	125
Northwest Michigan Surgery Center	123

GT Area Chamber of Commerce website

REGIONAL DATA (continued)

TRAVERSE CITY – TOP 20 –

1. Munson Medical Center 9740
2. Traverse City Area Public Schools 1984
3. Northwestern Michigan College 700
4. Grand Traverse Pavilions 470
5. Hegarty 450
6. Northwestern Bank 215
7. Bill Marsh Automotive 200
8. City of Traverse City 193
9. Majjar 168
10. Coldwell Banker Schmidt 158
11. Cone-Drive Operations, Inc 158
12. Traverse City Record-Eagle 141
13. Grand Traverse Area Catholic Schools 125
14. Grand Traverse Industries 125
15. Park Place Hotel 125
16. Century, Inc 118
17. AlcoTec Wire Corporation 116
18. Consumers Energy 94
19. Northern Lakes Community Mental Health 87
20. Clark Manufacturing 80

DOWNTOWN TRAVERSE CITY – TOP 20 -

1. Hegarty 450
2. City of Traverse City 193
3. Coldwell Banker Schmidt 158
4. Traverse City Record-Eagle 141
5. Park Place Hotel 125
6. Northwestern Bank 90
7. Northern Lakes Community Mental Health 87
8. Traverse City State Bank 55
9. Fifth Third Bank 54
10. Gourdie Fraser 50
11. Plante & Morse 26
12. Hobby Inn 20
13. Smith Haughey Rice & Rogge 11
14. Reimann, LLC 37
15. Red Ginger 36
16. Financial & Investment Management Group, Ltd (FIM Group) 29
17. Chase Bank 24
18. Bayshore Resort 23
19. Salamander Technologies 22
20. Smith & Johnson 20

List Updated March 1, 2011 / Current numbers may vary slightly. Suggestions, comments or for more information please contact Liz McKellar at liz@scchamber.org.

REGIONAL DATA (continued)

According to the 2000 population census, Grand Traverse County experienced a population increase from 1990 to 2000 of 20.8%, for a total county population of 77,654. The population for the county is projected to continue to increase.

Grand Traverse	POPULATION STATISTICS				
	1990 CENSUS	2000 CENSUS	2010 CENSUS	2015 ESTIMATE	2020 ESTIMATE
Total Population	64,273	77,654	86,986	89,655	93,451
Median Age	33.2	37.6	41.3	42.6	43.4
Total Households	23,965	30,396	35,328	36,975	38,788
Male Population	31,303	37,864	42,952	44,376	46,282
Median Age	U/A	36.3	39.6	40.8	41.6
Female Population	32,970	39,790	44,034	45,279	47,169
Median Age	U/A	38.8	43.1	44.5	45.4

Source: CCIM stdbonline

The population figures presented, are for the permanent population only. During the summer months, the population increases substantially. This illustrates how important tourism is to the local economy.

The area continues to grow at a brisk pace. An article in the March 9, 2000 Traverse City Record Eagle noted that the 13 county region (referred to as northwest Lower Michigan) grew 26.5 percent from 1990 to 1999. It was the fastest growing area in Michigan, according to estimates released by the U.S. Census Bureau. Statewide, population growth climbed only 6.1 percent over the same decade.

	1990	2000	2010	2015 ESTIMATE	2020 ESTIMATE
POPULATION					
MICHIGAN	9,295,304	9,938,444	9,883,640	9,870,786	9,944,000
UNITED STATES	248,710,012	281,421,906	308,745,538	318,536,439	330,622,575

2/2015 <http://quickfacts.census.gov/qfd/states/26000.html>

The data reflect estimated household income in 2010 for persons 15 years and older. It includes income from wages or salary, net self-employment, interest dividends, rentals or royalties, Social Security, Retirement, Disability and welfare. Household income is the total for all persons over age 15 in the household. Median household income is the income where half of all households in an area have a larger income and half have a smaller income.

Grand Traverse County	HOUSEHOLD INCOME			
	1990 CENSUS	2000 CENSUS	2015 ESTIMATE	2020 ESTIMATE
Median HH Income	\$29,034	\$43,354	\$50,060	\$56,220
Average HH Income	\$35,138	\$55,621	\$67,007	\$76,149
Per Capita Income	\$13,289	\$22,111	\$27,754	\$31,724
Median Home Value	\$66,651	\$123,327	\$190,605	\$204,652
Average Home Value	\$81,302	\$156,006	\$221,304	\$233,734

stdbonline.esri.com/ 2/2016

REGIONAL DATA (continued)

This area of Michigan has become known as the Gold Coast because of its many miles of sandy beaches on Lake Michigan. Traverse City qualified as an All American City for 1983 - 1984.

Michigan has long been known as an attractive area for vacations. This is especially true of the northwest portion of the state. This region has become a four season recreational area. Fishing is available almost all year long in the many lakes, rivers and streams. Skiing and snowmobiling are winter attractions. Morel mushroom hunting is a famous spring event. Summer is the prime tourist season with boating, fishing and many other water related activities and tourist festivals. The fall offers color tour season and hunting season.

Traverse City is generally considered a destination resort area. Tourism continues to grow in the region. According to information obtained from the Grand Traverse Convention and Visitors Bureau, there are 61 motels in the general area. There are approximately 3,614 rooms available.

RETAIL

Traverse City is the center for retail activity in northwestern Michigan. Traverse City's downtown area is small, but healthy economically. Many of the stores in this area tend to be specialty shops, catering to tourists. Cherryland Center is located just south of the Traverse City CBD. The Mall contains about 450,000 square feet of space and is anchored by Sears, Younkers and K-Mart.

The Grand Traverse Mall is located at the intersection of US-31 and South Airport Road, in Garfield Township. It contains about 600,000 square feet. J.C. Penney and Target opened stores in the fall of 1991. Marshal Fields (formerly Hudson's) opened in the summer 1992 and was converted to Macy's in 2007. The first interior retail stores opened in the spring 1992. This mall is a regional mall and is larger than the Cherryland Mall.

Horizon Outlet Mall opened in the fall of 1990, a factory outlet mall has been struggling. It is located along US-31, north of the Grand Traverse Mall.

In 2004, Kohl's store opened, it is located between the Horizon Outlet Mall and The Great Wolf Lodge. This shopping complex includes Bed Bath & Beyond and Michael's craft store.

The downtown area has lost a few stores; the most notable is J.C. Penney. This property was purchased by Horizon Books, a local book retailer, and reopened in May 1993 as a super bookstore. Most other stores have been re-rented after their tenants left to move to the Grand Traverse Mall or closed from the new competition. The vacancy rate downtown is minimal. The downtown remains healthy because of its attraction to tourists and the strong Downtown Development Authority. In 2003, a new parking deck was opened to help eliminate the parking problem and to attract consumers to the downtown area.

REGIONAL DATA (continued)

OTHER SERVICES

Farming has been a stable industry in this area since before the turn of the century. A large percentage of the area's acreage is devoted to orchards. Tart cherries are the primary product. There are also some dairy farms.

A limited amount of acreage is used for wheat, hay, feed corn and other grains. While many acres are devoted to farming, there are still many acres of woodlands. The cutting of the pine forests for lumber in the early 1900s has now allowed the forests to rejuvenate themselves and become climax forests of prime hardwood. A considerable amount of the forest land is owned by the state and federal government. The governments are improving the forests and allowing some harvesting. These public lands attract many tourists each year for hunting and camping.

There is some manufacturing in the region. A large portion of manufacturing plants serviced the automobile assembly plants in southeastern Michigan. Many plants are closing.

HOSPITAL

The beginnings of Munson Medical Center can be traced to James Decker Munson, MD, who donated a boarding house for use as a community hospital in 1915. Later to become known as Munson Medical Center, the hospital was northern Michigan's first general hospital, and was organized as the hospital division of the State Psychiatric Hospital. Through the years, Munson Medical Center has grown and improved services, including the first open-heart surgery on July 3, 1990.

Repeatedly named one of the top 100 hospitals in the country, Munson Medical Center is a regional referral center, serving patients from 32 counties. With 391-inpatient beds, Munson is the largest hospital in northern Michigan. Munson has some of the most widely respected medical specialists in the country, with nearly 400 physicians representing 41 specialties. Located in Traverse City, Munson Medical Center reaches out by providing local specialty clinics in many communities throughout the region.

In 2003, Munson opened a Hospitality House for out-of-town families with critical care patients staying at the hospital. The Hospitality House was formerly part of the Traverse City State Hospital. This area is currently being developed into many different uses including restaurants and shops.

REGIONAL DATA (continued)

MARKETING AREA

There had been a lot of residential construction activity in the area until 2006. Most activity was centered in the four townships surrounding Traverse City. There is a slow transition along some of the busier roads in the city from older single family residences (built around the turn of the century) to assemblages for new offices and retail stores.

The marketing area is from Grand Traverse Bay, 100 miles southwest of the Mackinac Bridge to the upper peninsula of Michigan; 148 miles north of Grand Rapids; 241 miles northwest of Detroit and 310 miles northeast of Chicago; and 170 miles northwest of Lansing, the state's capital.

The major roads in the area are US-31, the major north/south road along the westerly side of the state; M-22, a scenic road along the Lake Michigan shoreline; M-37, a less significant, but straighter north/south inland road; M-72, the major east/west road running from Empire on the west to Grayling and I-75 toward the middle of the state and on to the east. All of these roads are paved two wide with gravel shoulders. There are exceptions within urban areas and the occasional passing lane.

The closest expressway is US-131 east of Kingsley. This is the route to the south; Grand Rapids and Chicago. There is a long range plan to continue the expressway northward and no plan to bring the road as far west as Traverse City.

The regional airport, Cherry Capital, is located in Traverse City. It is serviced by a number of feeder airlines which are affiliated with major airlines. They generally will coordinate their schedules so the passenger can continue to their destination after a stop at a hub airport. Nonstop flights are available to Grand Rapids, Minneapolis, Lansing, Saginaw, Detroit, Chicago and Milwaukee. Recently the airport underwent a major construction project on a new terminal and more runways.

REGIONAL DATA (continued)

Lake Michigan provides clear, clean water for recreation and consumption. The proximity of this much water helps to moderate temperatures in the area.

Grand Traverse County			
	%	SQ MILES	KM
Total Area	100.00%	601.13	1,557
Land	77.37%	465.07	1205
Water	22.63%	136.06	352
Michigan		58,110 SQ. MILES	
United States		3,531,905 SQ. MILES	

wikipedia.org/wiki/Grand_Traverse_County,_Michigan

Grand Traverse County is governed by a nine member partisan elected Board of Commissioners. There is an appointed County Coordinator who takes care of daily operations of the county.

Traverse City is governed by a seven member non-partisan commission. The City Commission consists of six members and the Mayor who are elected at large. The six members of the City Commission have four-year terms each and the Mayor has a two-year term of office. The Mayor is a voting member of the City Commission. The City Commission annually meets and chooses one of its members as a Mayor Pro Tem. The Mayor Pro Tem holds the office for one year. The city is operated by an appointed manager.

The city and three adjacent townships operate sewer and water systems. The city and these townships also cooperate in a metro fire department and a central dispatch. In addition, each of the municipalities operates its own fire department. Within the city limits there are three police departments; the City Police, the County Sheriff and the State Police.

The city and the Traverse City Area Industrial Fund have promoted industrial development by constructing local industrial parks. One park is located adjacent to the Cherry Capital Airport in Traverse City and another is located in Garfield Township, about two miles south of the city limits.

Air service

- Grand Traverse County is served by Cherry Capital Airport, which is located near Traverse City.

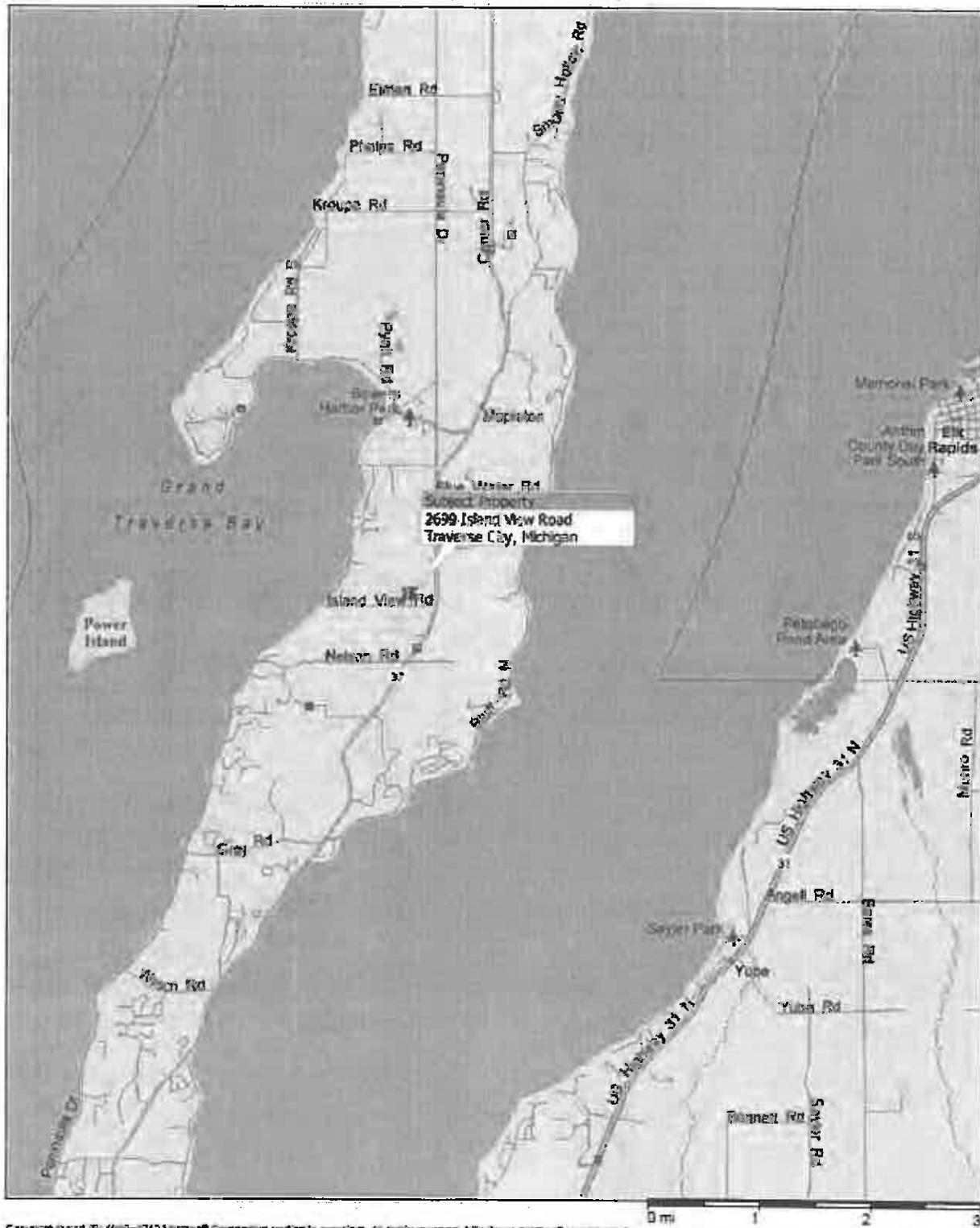
Highways

-  US 31
-  US 131
-  M-22
-  M-37
-  M-72
-  M-113
-  M-137
-  M-186

Grand Traverse County		
DISTANCES	MILES	KM
Chicago	300	482
Cleveland	410	659
Detroit	250	402
Indianapolis	380	611
Lansing	180	289
Pittsburgh	525	844

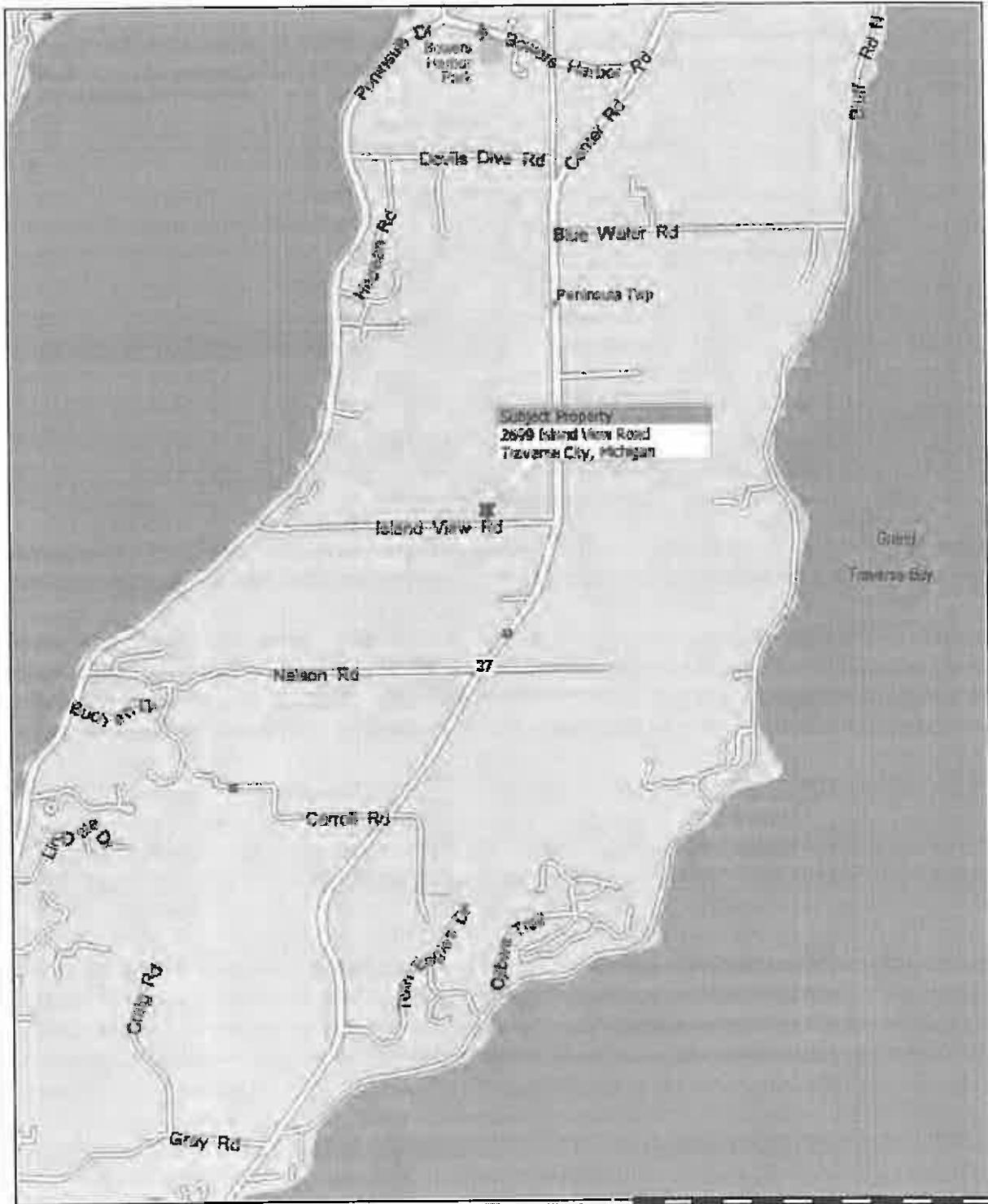
ref.michigan.org/medc/miinfo/places/

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VACANT LAND COMPARABLE #101

REALTOR Professional Report



Vacant Lot/Land **MLS # 1748974**
County: Grand Traverse
Township: Peninsula **Sec # 4**
Water: **Waterfront:**
Sub:
School Distr: Traverse Bay Area Intermediate
Tax ID: 11-004-012-01 **3000000**
Owner: Bank
Est. % Timber: **Est. % Tillable:**
Special Assess: **Min Rte:**
Unbranded Virtual Tour

Subject
Asking Price: \$215,000
Less than 1 Acre:
Deeded Water: No
Access:
Lot Number:
Dimensions: meters & bounds
Manufactured Allowed: Yes
Est. % Other:
Assn Fee \$
Branded Virtual Tour

Sold Co-op Number: 000 Carroll Road
Approx Number of Acres: 10.00
Topography: Rolling

City: Traverse City **Zip:** 49505

Miscellaneous: Countryal View

Present Use:
Amen/Best: None

Utilities Avail: None

Road: Public/Maintained, Gravel

Zoning: Agricultural, Horses and Borses, Deed Restrictions, Bldg & Use Restrictions

Land Use Restr:

Water Installed: None
Waste Installed: None
Waterfront Type: None

Water Options: Private Well
Waste Options: Private Septic

Agent Only Remarks

Documents: Sellers Disclosure, Deed Restrictions

Financing: Conventional, Cash

Building and Use restrictions on (ne, Great for agnic/land use,

Public Remarks

10+ Acres of Private, gently rolling acres on Old Mason peninsula, expansive view over the countryside and your own Apple Orchard. Excellent Bldg site, all on a county maintained road. Only 3.5 miles from town. Subject to building and use restrictions, excellent grape growing potential.

Directions

Take Peninsula Drive north from Carfield. Turn right onto Carroll Rd.

List Off 1 - Off Net Ph: RE/MAX BAYSHORE-LEELANAU - 231-943-1500
List Agent - Agr Net Ph: Patrick Miele - 231-943-3232
List Agent - Email: Patrick.Miele@remax.com
List Agent - Agent Name:

Exclusive Right to Sell
SA Comp: 2.5
SA Comp: 3.5
Other Comp: 0
Deal #157

List Off 2 - Off Net Ph:
List Agent - Agr Net Ph:
List Agent - Email:

Sell Off 1 - Off Net Ph: REAL ESTATE ONE-ROANDOLPH - 231-943-4346
Sell Agent - Agr Net Ph: Jack N Lane - 231-975-0900
Sell Agent - Email: jlan@jacklanestate.com

Sold Price: \$190,000
Terms: Conventional Mortgage
Conclusion: No
Amount:
Closed: 4/22/2014
List Date: 7/16/2013
CRP: 200

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VACANT LAND COMPARABLE #102

REALTOR Professional Report



Vacant Lot/Land **MLS # 1702421**
County: Grand Traverse
Township: Peninsula **Sec # 11**
Water: **Wright Pt**
Sub:
School Dist: Traverse City Area Public S
Tax ID: 28-41-109-030-40 7 1 2 3 4 5 6
Owner: Brian
Est. % Timber: **Est. % Tillable:**
Special Assesst: **M/R R/R:**

Asking Price: \$102,000
Less than 1 Acre:
Decided Water: No
Access:
Lot Number:
Dimensions: irregular
Manufactured Allowed? Unknown
Est. % Others:
AA# Pca B

Select

Sold In House **000 Phelps Road**
Approx Number of Acres: 5.56
Topography: Rolling

City: Traverse City **Zip:** 49684

Miscellaneous: Bay View

Present Uses:
Amenities: None

Utilities Avail: Electric

Road: Public Maintained, Dirt

Zoning: Agricultural, Homes and Farms, Farming, Tillable

Land Use Restrictions:

Water Installed: Private Well
Waste Installed: None
Waterfront Type: None

Water Options: Private Well
Waste Options: None

Other:

Documents: None

Financing: Conventional, Cash

Agent Only Remarks

There is currently electricity and a well on the property as well as irrigation in place. The cherry trees that are currently on the property have not been harvested in several years. This would make great crops of fresh growing ground.

Public Remarks

This 5.5 acre is a very unique property. It has views of West Grand Traverse Bay in the back of the property that would make for a great building site. The front of the property currently has non-producing cherry trees but would make excellent ground for growing grapes or apples. The privacy for this piece is quite remarkable and it is surrounded by orchards and vineyards. Please click on the Green "I" for the marketing package including information on hops and potential income.

Directions

Center Road to West on Phelps. Property on the South side of the road just before the curve.

List Ofc 1 - Ofc M/P **Century 21 Northland - 231-929-7988**
List Agent - Agt M/P **Lance Marstonki - 231-499-8264**
List Agent - E-mail **lmarstonki@c21northland.com**
List Team - Team Name

Exclusive Right to Sell
90 Comp 1
SA Comp 2
Other Comp 6
Dual MLS#

List Ofc 2 - Ofc M/P
List Agt 1 - Agt M/P
List Agt 2 - E-mail

Sold Price - \$105,000
Terms - Cash
Commission - No
Amount
Closed 0/15/2014
List Date - 4/14/2014
DOM 150

Sell Ofc 1 - Ofc M/P **Century 21 Northland - 231-929-7988**
Sell Agt 1 - Agt M/P **Michael W Appleby - 231-499-8269**
Sell Agt 1 - E-mail **michael.appleby@c21northland.com**

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VACANT LAND COMPARABLE #103

REALTOR Professional Report



Vacant Lot/Land **MLS # 1811379** **Asking Price:** \$655,000 **Select**
County: Grand Traverse **Less than 1 Acre:**
Township: Peninsula **Sec # 36** **Dooded Waters:** No
Water: **Waterfront:** **Access:**
Sub: **Lot Number:**
School Distric: Traverse City Area Public S. **Dimensions:** irregular
Tax ID: 28-11-336-088-00 **Manufactured Allowed?** No
Owner: PCM **Est. % Timber:** **Est. % Other:**
Special Assesmt: **Min Rts:** **Acres Fee \$**

Active **6683 Center Road** **City:** Traverse City **Zip:** 49605

Approx Number of Acres: 23.37

Topography: Rolling, Wooded

Present Use:

Miscellaneous: Countryside View, Development Property

Amenities: None

Utilities Avail: Electric, Natural Gas, Telephone, Cable TV, Cable Internet

Roads: Public Maintained, Blacktop

Zoning: Residential

Land Use Restrictions:

Water Installed: None

Water Options: Municipal Water

Waste Installed: None

Waste Options: Municipal

Waterfront Type: None

Documents: Lengthy Legal

Financing: Cash, Land Contract/MLA

Agent Only Remarks

Property is an assemblage of 3 parcels: 28-11-336-088-00; 28-336-088-10; 28-11-336-092-00. Land Contract terms will be considered.

Public Remarks

Prime development land at the base of Old Mission Peninsula. Land Contract terms. This is the best residential development opportunity in Grand Traverse County. Property is served by municipal water and sewer plus natural gas, electric, phone and cable. Can be developed into 30 units under a PUD. Located on the west side of Center Road across from Port of Old Mission and abuts The Landing. Property includes a yellow rental home at the south end of the property and a garage near the northern boundary.

Directions

From Traverse City, travel north on Center Road 17 miles north of the Peninsula Drive traffic light. Property is on west side of road.

Sell Off: 1 - Off Nbr Ph **Keller Williams-Grand Traverse - 231-947-8220**
List Agent - Agt Nbr Ph **R Douglas Metzger - 231-949-3125**
List Agent - Email **douglmetzger@kw.com**
List Agent - Text Name

Exclusive Right to Sell
90 Comp 4.0
SA Comp 0.0
Other Comp 0.0
Total MLSP

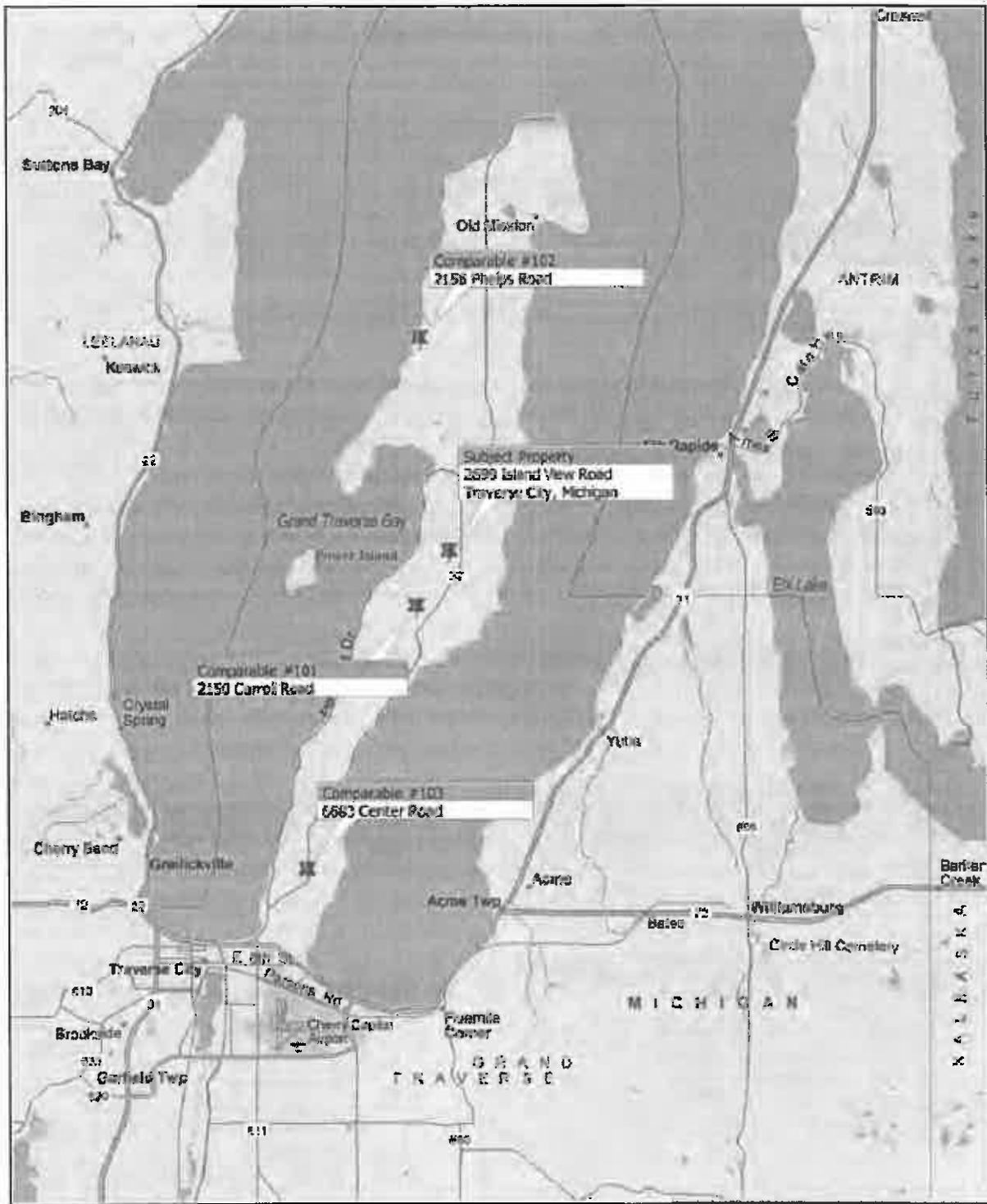
Sell Off: 2 - Off Nbr Ph **Keller Williams-Grand Traverse - 231-947-8200**
List Agent - Agt Nbr Ph **Sally Erickson - 231-210-5125**
List Agent - Email **sally@sallyerickson.net**

Sold Price
Terms
Concession
Amount
Closed
List Date 2/3/2016
DOM 133

Sell Off: 3 - Off Nbr Ph
Sell Agent - Agt Nbr Ph
Sell Agent - Email

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VACANT LAND COMPARABLE SALES



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COMPARABLE SALE #201



Property Identification

Property Type
Address

Formerly Norris School
10781 E Cherry Bend Road, Traverse City, Leelanau County,
Michigan

Location

Section 28

Tax ID

004-028-059-00

Township

Elmwood Township

Sale Data

Grantor

TCAPS

Grantee

GTRAC LLC

Sale Date

June 30, 2014

Liber Page

1201/21

Property Rights

Fee Simple

Conditions of Sale

Arm's Length

Financing

Cash

Verification

Online Records

Sale Price

\$300,000

Cash Equivalent

\$300,000

Land Data

Size

4.65 Acres

Zoning

Neighborhood Commercial

Topography

Level

Utilities

All Urban

Shape

Irregular

Corner Location

Yes

Type of Road

Paved

Environmental

Unknown

Contamination

COMPARABLE SALE #201 (continued)

General Physical Data

Gross SF 35,161

Year Built 1960

Remarks

The land next to this facility was occupied by a cleaning plant that caused ground water contamination. The seller's believe that this cased the property to sell for less than it could have. Since the sale, the building has been rented to many small businesses; artists, photographers and resale shops. It is close to or is completely full.



COMPARABLE SALE #202



Property Identification

Property Type	Formerly Orchard View School
Address	2900 E Apple Avenue, Muskegon, Muskegon County, Michigan
Tax ID	61-10-023-400-0006-00
Township	Muskegon Township

Sale Data

Grantor	Waypoint Academy
Grantee	Orchard View School District
Sale Date	August 15, 2014
Liber Page	4029/467
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash
Verification	Jack Timmer, Orchard View Schools

Sale Price	\$575,000
Cash Equivalent	\$565,000 (Seller paid \$10,000 in closing costs)

Land Data

Size	8.19 Acres
Zoning	R-1, Single Family Residential District
Topography	Level
Utilities	Electric, Natural Gas, Private Well & Septic
Shape	Irregular
Corner Location	No
Type of Road	Paved
Environmental Contamination	Unknown

COMPARABLE SALE #202 (continued)

General Physical Data

Gross SF	27,551
Year Built	2001; Additions 2003 & 2006
Type of Construction	Class C, Masonry Frame



COMPARABLE SALE #203



Property Identification

Property Type	Formerly Kennedy School
Address	610 E. Parkdale Avenue, Manistee, Manistee County, Michigan
Tax ID	51-07-820-021-00
Township	Manistee Township

Sale Data

Grantor	Manistee Township School
Grantee	Clous
Sale Date	June 17, 2015

Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash
Verification	MichRIC MLS#12007046 & Manistee County Online Records & Listing Agent, Mike Cnudde

Sale Price	\$200,000
Cash Equivalent	\$200,000

Land Data

Size	17.75 Acres
Zoning	C-1 and R-1
Topography	Level
Utilities	All Urban
Shape	Irregular
Corner Location	No
Type of Road	Paved
Environmental Contamination	Unknown

COMPARABLE SALE #203 (continued)

General Physical Data

Gross SF 28,292

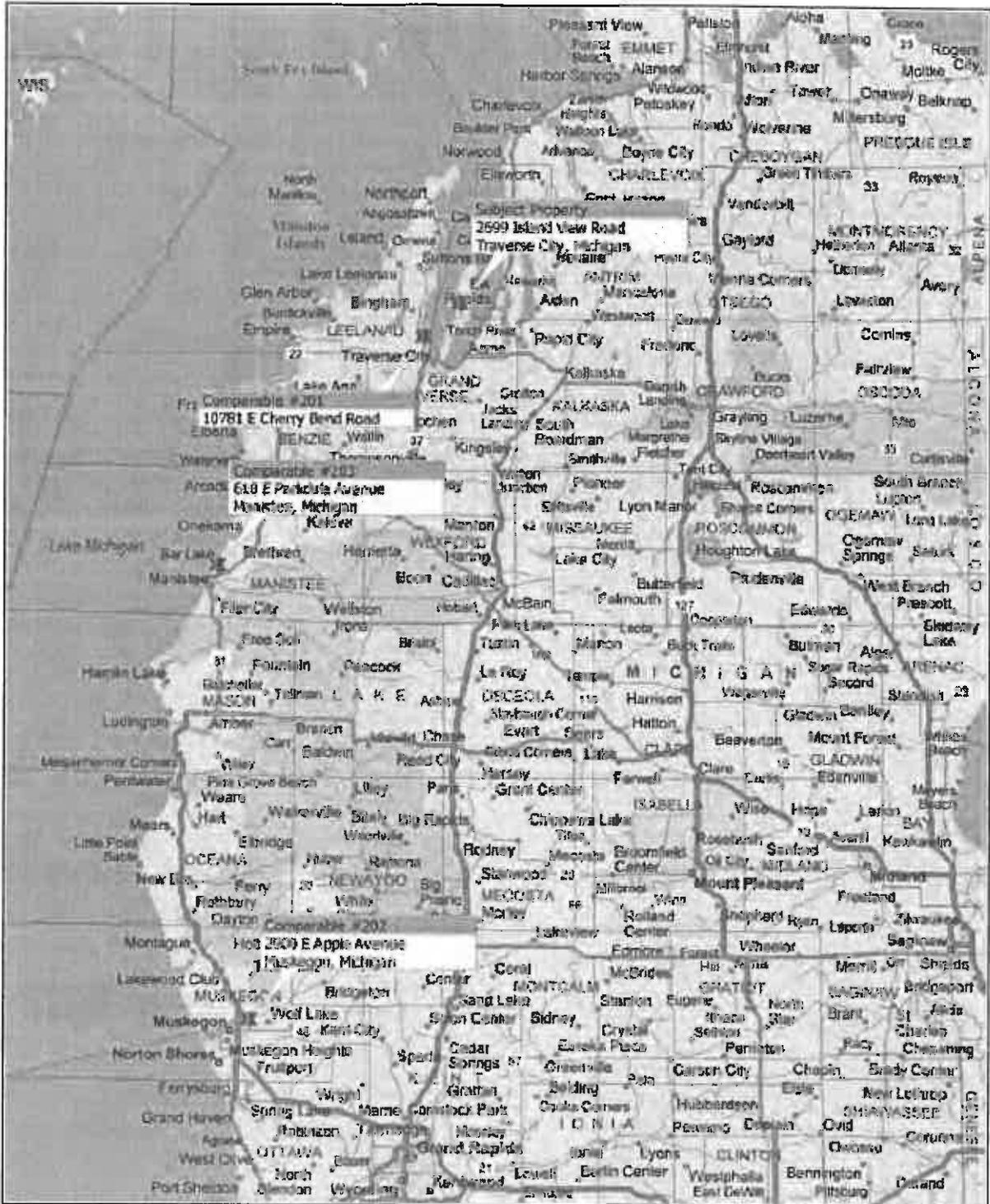
Year Built 1962

Remarks

The listing agent indicated that the building had not been used for at least 6 years and had been left unheated and the roof leaked. The agent told me that the buyer has not done anything to the property, but originally had plans to convert it into an adult care facility.

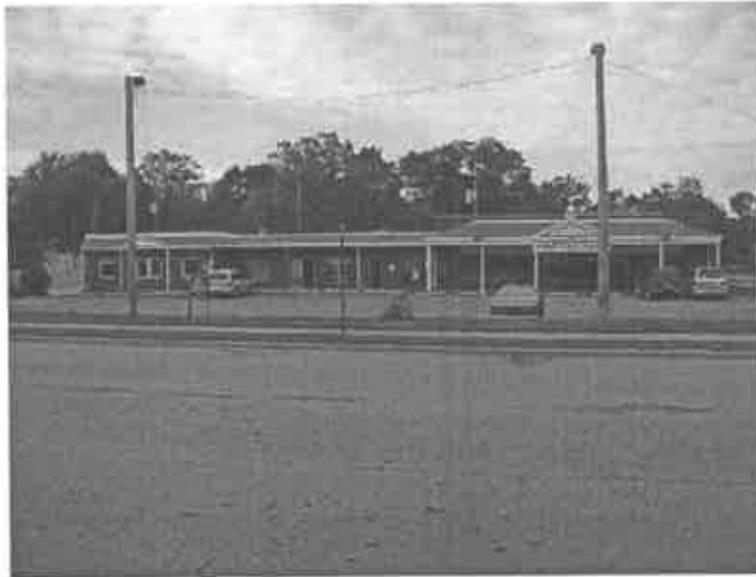


COMPARABLE SALES



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CAPITALIZATION RATE COMPARABLE #401



Vacant		\$15,120
Family Chiro		\$13,200
Pizza		\$7,032
Karate		\$19,716
PGI		\$55,068
V&CL	15%	\$8,260
EGI		\$46,808
Tax		\$12,000
Ins		\$1,400
Cam		\$8,500
Mngt, legal etc		\$3,000
Op Exp		\$24,900
NOI		\$21,908
Sale Price		\$303,000
Ro		7.23%

Property Identification

Record ID	650
Property Type	Mixed Use
Address	539 East Eighth Street, Traverse City, Grand Traverse County, Michigan
Location	NW Corner of East 8th & Franklin Street
Tax ID	28-51-798-092-00
Market Type	Suburban

CAPITALIZATION RATE COMPARABLE #401 (continued)

Sale Data

Grantor	Traverse City State Bank
Grantee	Johnd Properties LLC
Sale Date	April 25, 2011
Deed Book/Page	2011R-07752
Property Rights	Fee Simple
Marketing Time	203 DOM
Conditions of Sale	Bank Owned
Financing	Cash
Verification	TAAR MLS# 1720963

Sale Price	\$303,000
Cash Equivalent	\$303,000

Land Data

Land Size	0.630 Acres or 27,443 SF
Zoning	Office, Retail, Commercial
Topography	Level
Utilities	All Urban
Shape	Rectangular
Corner	Yes
Road	Paved
Environmental Contamination	Unknown

General Physical Data

Building Type	Single Tenant
Gross SF	6,080

Construction Type	Concrete Block
Roof Type	Membrane
Foundation	Slab
Stories	1
Year Built	1973
Condition	Average

CAPITALIZATION RATE COMPARABLE #401 (continued)

Remarks

The building is divided into four units with two offices, a pizza shop and an open gym area.

At the time of sale there was one tenant, the pizza shop that had a long term lease; all the other leases were short term.



CAPITALIZATION RATE #402



Property Identification

Record ID	815
Property Type	Retail
Address	832 US-31 South, Traverse City, Grand Traverse County, Michigan
Location	Section 5
Tax ID	28-02-005-055-20
MSA	Blair Township

Sale Data

Grantor	TM Properties, LLC
Grantee	Chums Corners CH, LLC
Sale Date	July 31, 2013
Deed Book/Page	2013R-15248
Property Rights	Leased Fee
Marketing Time	460 DOM
Conditions of Sale	Arm's Length
Financing	Cash
Verification	NGLR MLS# 1723294

Sale Price	\$700,000
Cash Equivalent	\$700,000

Land Data

Land Size	2.420 Acres or 105,415 SF
Zoning	CM, Commercial Manufacturing
Topography	Gently Sloping to Level
Utilities	All Urban
Shape	Irregular
Corner Location	No
Type of Road	Paved
Environmental Contamination	Unknown

CAPITALIZATION RATE #402 (continued)

General Physical Data

Building Type	Single Tenant	
Gross SF	15,000	
Area Breakdown	Showroom	8,400
	Offices	1,600
	Service Area	5,000
Construction Type	Concrete & Steel	
Roof Type	Composite	
Foundation	Slab	
Stories	1	
Year Built	1990 2010 Renovated	

Remarks

This property has a long term lease at the time of sale. The tenant is Dolgencorp, LLC, conducting business as a Dollar General store. The lease is for 10 years beginning in 2010. There are two 5-year options to renew. The annual rent payment in years 1 through 5 is \$70,000 and in years 6 through 10 is \$77,000. The lease terms are net to the landlord.



CAPITALIZATION RATE COMPARABLE #403



Property Identification

Record ID 113
Property Type Retail & Office, Commercial
Address 1105 E Eighth Street, Traverse City, Grand Traverse County, Michigan 49686
Tax ID 28-51-482-108-00
Comment Office and Retail

Sale Data

Grantor First Financial Collateral Inc.
Grantee RLK Real Estate Holding LLC
Sale Date June 3, 2013
Property Rights Lease Fee
Marketing Time DOM 454
Conditions of Sale Arm's Length
Financing Conventional
Liber/page 2013R-10802
Verification NGLR MLS# 1733759 & Online Services

Sale Price \$485,000
Cash Equivalent \$485,000

Land Data

Land Size 0.327 Acres or 14,240 SF
Topography Level
Utilities Municipal Water & Sewer, Natural Gas
Dimensions 178' x 80'
Shape Rectangular
Corner Location Corner Lot: Yes
Type of Road Paved Road Frontage
Environmental Contamination Unknown

CAPITALIZATION RATE COMPARABLE #403 (continued)

General Physical Data

Building Type	Multi Tenant
Gross SF	8,455
Construction Type	Wood & Masonry Frame
Roof Type	Membrane
Foundation	Slab
HVAC	Forced Air
Stories	1
Floor Height	12'
Year Built	1946 Remodeled From Time to Time
Condition	Average

Indicators

Floor Area Ratio	0.61
Land to Building Ratio	1.65:1

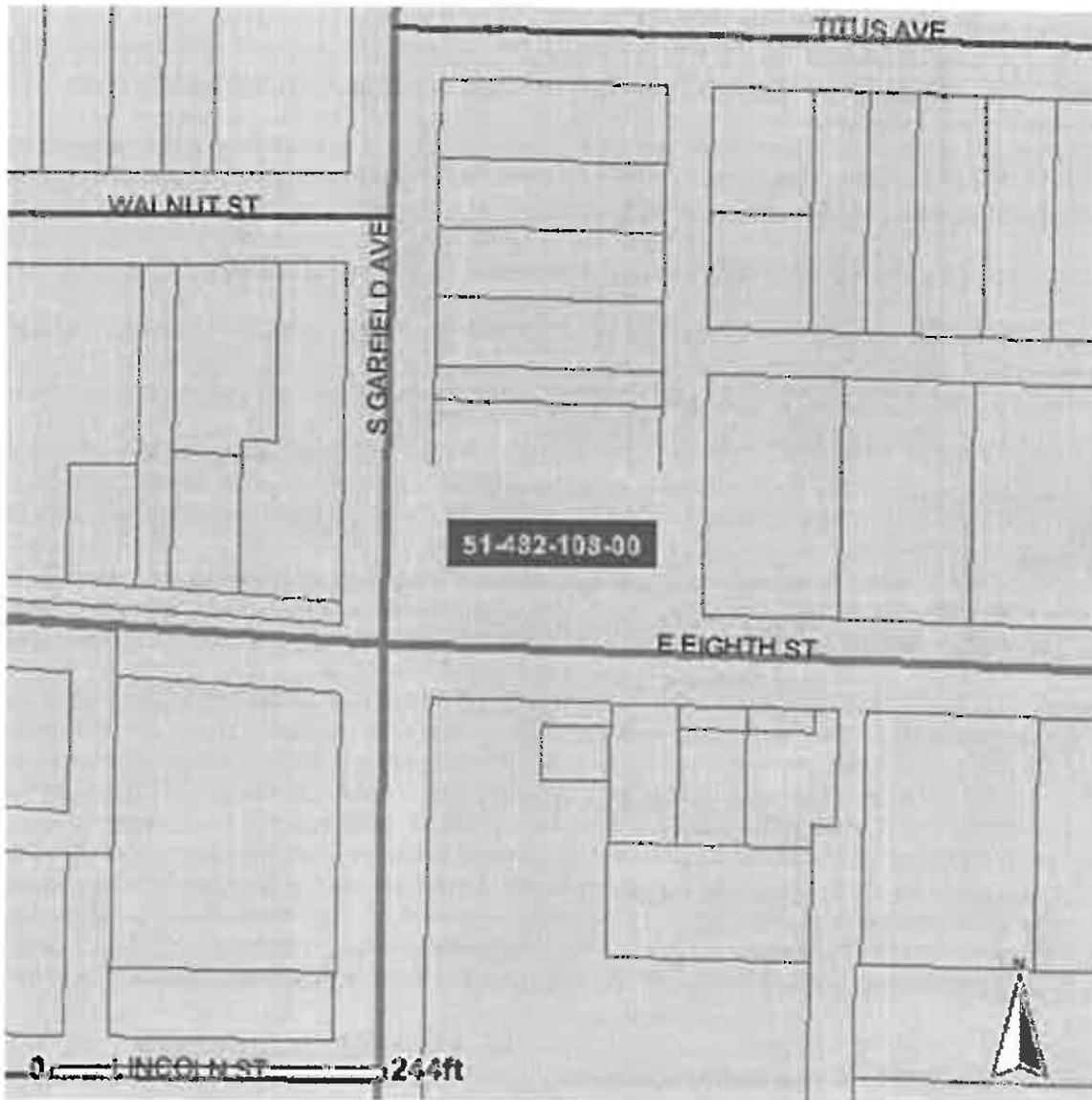
Remarks

This is a four tenant strip office and retail center located on one of the busiest intersections in the area. It is a masonry building with two office tenants and two retail tenants.

This building has been remodeled from time to time and a new membrane roof cover was installed in 2002. Also, part of a lot across the alley is included with this property.



CAPITALIZATION RATE COMPARABLE #403 (continued)



CAPITALIZATION RATE COMPARABLE #404



Property Identification

Record ID 93
Property Type Office Building, Commercial
Address 1759 Barlow Street, Traverse City, Grand Traverse County, Michigan 49686
Tax ID 28-05-014-055-00
MSA Garfield Township
Market Type Urban

Sale Data

Grantor Northwestern Bank
Grantee Blair Plaza LLC
Sale Date April 27, 2011
Deed Book/Page Liber/Page 2011R-07726
Property Rights Fee Simple
Marketing Time DOM 63
Conditions of Sale Arm's Length
Financing Conventional Mortgage
Sale History Listed for \$489,800; Originally Listed in 03/2008 for \$675,000
Comment Was relisted several times over the years.
Verification MLS#1723894; Online Records

Sale Price \$439,000
Cash Equivalent \$439,000

Land Data

Land Size 1.100 Acres or 47,916 SF
Front Footage 132 ft Barlow
Zoning C-1
Topography Level
Utilities Municipal Water, Sewer, Natural Gas, Electricity
Dimensions 132' x 400'
Rail Service No
Corner Location Corner Lot: No
Type of Road Paved Road

CAPITALIZATION RATE COMPARABLE #404 (continued)

General Physical Data

Building Type	Single Tenant
Gross SF	4,918
Construction Type	Wood Frame with Vinyl Lap
Roof Type	Asphalt Shingle
Foundation	Concrete Slab
HVAC	Forced Air; Central Air
Year Built	1990 Updated, Expanded in 2006
Condition	Average

Indicators

Floor Area Ratio	0.10
Land to Building Ratio	9.74:1

Remarks

Leased to the State of Michigan through 2016, with a five year option to extend. It has over 70 parking spaces. The property is conveniently located near South Airport Road and La Franier in the middle of a busy commercial corridor.



CAPITALIZATION RATE COMPARABLE #404 (continued)



QUALIFICATIONS OF THE APPRAISER

MICHAEL TARNOW, MAI, SRA

**Co-Owner and Founder of Northern Michigan Real Estate Consultants, Inc.
(formerly Michael Tarnow & Associates, P.C.)
State Certified General Real Estate Appraiser (State of Michigan) #1201000638**

PROFESSIONAL DESIGNATIONS

- **RM** now **SRA** (Residential Member) Appraisal Institute since November 13, 1978 -#1223
- **MAI** (Member, Appraisal Institute) Appraisal Institute since September 22, 1989 - #8261
- State Certified General Real Estate Appraiser (State of Michigan) #1201000638
- NAR Green Designation, as of August 13, 2010

Michael Tarnow has also successfully completed the Appraisal Institute's Professional Development Programs for the Valuation of Conservation Easements (2007) and Litigation (2010). He is included in the Appraisal Institute's Program's Registry located on the Appraisal Institute's website (www.appraisalinstitute.org). Completion of a program shows that participants have completed education and passed related course exams in the particular specialized topic.

REAL ESTATE AND APPRAISAL EDUCATION

UNIVERSITY OF MICHIGAN EXTENSION

- Real Estate Business III
- Real Estate and the Government
- Real Estate Law
- Principles of Appraisal I (residential), Spring 1975
- Principles of Appraisal II (commercial), Spring 1976

APPRAISAL INSTITUTE CLASSES

- Single-Family Residential Appraisal, Course VIII, 1976
- Basic Appraisal Principles, Methods & Techniques, Class I-A, 1977 - (Successful Challenge)
- Capitalization Theory & Techniques, Class I-B, 1979 - (Successful Challenge)
- Litigation Valuation, February 1980
- Case Studies in Real Estate Valuation, February 1984
- Valuation Analysis and Report Writing, March 1984 (Successful Challenge)
- Computer Assisted Investment Analysis, March 1991
- Standards of Professional Practice, June 1993
- Highest and Best Use & Market Analysis, October 1996
- Appraising Conservation Easements, October 2007
- Condemnation Appraising: Principles & Applications, Sponsored by Appraisal Institute, June 2010, Grand Rapids, MI
- The Appraiser as an Expert Witness: Preparation & Testimony, November 2010 Flint, Michigan
- Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets, April 2012 Flint, Michigan
- Review Theory - General, June 2015 Chicago, IL

SEMINARS

- Seminars prior to 2000 are not shown.
- Valuation of Partial Interests (divided & undivided), June 2000
- Symposium, Environmental & Property Damages: Standards, Due Diligence, Valuation & Strategy, April 2002, Toronto, Canada
- Eminent domain conference, Sponsored by CLE, September 2002, Novi, MI
- Law of Easements, Sponsored by Lorman Education Services, June 2003, Traverse City, MI
- Uniform Appraisal Standards for Federal Land Acquisitions, Sponsored by Appraisal Institute, October 2003
- National Uniform Standards of Professional Appraisal Practice, Sponsored by ASA, December 2003
- Reducing Real and Personal Property Tax, Sponsored by Lorman Education Services, July 2004, Traverse City, MI
- Real Estate Finance, Value & Investment Performance, Sponsored by Appraisal Institute, May 2005, Flint, MI
- Analyzing Distressed Real Estate, Sponsored by Appraisal Institute, May 2005, Flint, MI
- Subdivision Valuation, Sponsored by Appraisal Institute, December 2005, Livonia, MI
- Eminent Domain National Conference, Sponsored by Eminent Domain Institute, May 2005, Las Vegas, NV
- Michigan Laws and Rules, Sponsored by Appraisal Institute, June 2007, Dearborn, MI
- 7 Hour National USPAP Course, Sponsored by Appraisal Institute, June 2007, Dearborn, MI
- Litigation Appraising: Specialized Topics and Applications, Sponsored by Appraisal Institute, May 2009, Grand Rapids, MI
- Michigan Economy 2009, Sponsored by Appraisal Institute, May 2009, Grand Rapids, MI
- Business Practices and Ethics, Sponsored by Appraisal Institute, June 2010, Flint, MI
- Michigan Laws and Rules, Sponsored by Appraisal Institute, May 2012, Grand Rapids, MI
- 7 Hour National USPAP Course, Sponsored by Appraisal Institute, May 2012, Grand Rapids, MI
- Marketability Studies: The Six-Step Process and Basic Applications, April 2013, Flint, MI
- 7 Hour National USPAP Course, Sponsored by Appraisal Institute, June 2014, Flint, MI
- Business Practices and Ethics, Sponsored by Appraisal Institute, June 2014, Flint, MI
- 2 Hours Michigan's License Law, Sponsored by Appraisal Institute, June 2014, Flint, MI
- 7 Hour National USPAP Course, Sponsored by Appraisal Institute, May 2016, Grand Rapids, MI
- Capitalization Rates: Real World Applications – Michigan, May 2016, Grand Rapids, MI

WEBINARS

- Wind Turbine Effects on Value, Sponsored by the Appraisal Institute, March 2015

PROFESSIONAL EXPERIENCE

- Entered Real Estate profession in 1968 as a salesperson
- Received Brokers License in 1970
- Worked in sales in Detroit until 1971
- Moved to Traverse City in 1971
- Worked for new home builder in sales until 1973
- Worked as a broker in general real estate sales office until 1975 – (started doing appraisal work at this time)
- Started working as an independent Fee Appraiser in 1975

PROFESSIONAL AFFILIATIONS

- Traverse Area Association of Realtors
- Michigan Association of Realtors
- National Association of Realtors
- Traverse City Multiple Listing Service
- Appraisal Institute

PARTIAL CLIENT LIST

- Michigan Department of Natural Resources (M-DNR)
- Michigan Department of Transportation (M-DOT)
- Federal Deposit Insurance Corporation (FDIC)
- Northwestern Bank
- PNC Bank – Michigan
- Fifth Third Bank
- Bank One
- Huntington National Bank
- Comerica Bank
- City of Traverse City
- Traverse City Light & Power
- United States Department of Agriculture – Forestry Division
- United States Department of the Interior – National Park Service
- United States Coast Guard
- Garfield Township, Grand Traverse County
- Chase Bank
- Melrose Township, Charlevoix County
- Leelanau County
- Grand Traverse County

MAJOR APPRAISAL ASSIGNMENTS (partial list)

Alpena	Gaylord	Manistee
Boyer City	Grand Rapids	Petoskey
Cadillac	Grayling	Rogers City
Charlevoix	Kalamazoo	Sault Ste. Marie
Cheboygan	Livonia	Traverse City
Elk Rapids	Ludington	

Additional information on major appraisal assignments is available upon request.

QUALIFIED AS EXPERT WITNESS

- Grand Traverse County Circuit Court
- Grand Traverse County District Court
- Michigan Tax Tribunal
- Leelanau County District Court
- United States Bankruptcy Court
- Other Courts

MAI DESIGNATION

The MAI membership designation is held by appraisers who are experienced in the valuation and evaluation of commercial, industrial, residential and other types of properties, and who advise clients on real estate investment decisions.

The current requirements for the MAI designation are:

- Pass rigorous education requirements
- Pass a final comprehensive examination
- Submit specialized experience which must meet strict criteria
- Receive credit for a demonstration appraisal report
- Conduct his or her professional activities in accordance with the Appraisal Institute's Code of Professional Ethics and are subject to a peer review process, which enforces the Code of Professional Ethics
- Appraisal Institute MAI members are required to adhere to strict continuing education requirements to ensure they are up-to-date with the evolving real estate field.

SRA Designation

The SRA professional membership designation is held by real estate solutions providers who are experienced in the analysis and valuation of residential real property.

The current requirements for the SRA designation are:

- Pass rigorous education requirements
- Submit residential experience which must meet strict criteria
- Receive credit for a demonstration appraisal report
- Conduct his or her professional activities in accordance with the Appraisal Institute's Code of Professional Ethics and are subject to a peer review process, which enforces the Code of Professional Ethics
- Appraisal Institute SRA members are required to adhere to strict continuing education requirements to ensure they are up-to-date with the evolving real estate field.

The Appraisal Institute conducts a program of continuing education for its designated members. MAIs and SRAs who meet the minimum standards of this program are awarded periodic educational certification.

I am currently certified under this program.

The Appraisal Institute is the oldest organization of professional appraisers in the United States. The Appraisal Institute is the result of the 1990 merger of the American Institute of Real Estate Appraisers and the Society of Real Estate Appraisers. It is the largest organization of Real Estate Appraisers.

Founded in 1932, the Appraisal Institute has, during its 77-year history, attained a national reputation for professional service to the public. Courts, government agencies, lending institutions, developers and real estate brokers have relied upon – and in many cases sought out – reports prepared by appraisers who hold the MAI and RM designation. With the merger, the designations include the SRA, which is equivalent to the RM.

The Appraisal Institute has an intensive program designed to test knowledge, experience and judgment in the field of real estate appraising, and membership in the Institute is awarded only to those who have demonstrated their ability to meet these stringent requirements. These standards demand that a member have years of practical appraisal experience, pass extensive written tests, and submit numerous appraisal reports demonstrating the ability to render competent service to clients. Moral character, ethical conduct and professional services are always subject to review by the Appraisal Institute.

Over the years The Appraisal Institute has been a pioneer in the field of continuing appraisal education. Its first case study course was presented in 1935. Today, the Institute offers a series of thirteen different intensive one and two week courses ranging from basic appraisal principles and techniques to more technical subjects. It is also a major publisher of appraisal textbooks, monographs and periodicals.

All members must subscribe to the Institute's rigid Code of Ethics and Standards of Professional Conduct.

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

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CERTIFIED GENERAL APPRAISER
LICENSE

MICHAEL ALLEN TARNOW
413 N DIVISION STREET
TRAVERSE CITY MI 49684

REGISTRATION NO.
1203800636

EXPIRES DATE
07/31/2016

EXPIRES NO.
2044050

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