

Helsom and Associates

Certified General Real Estate Appraisers

38627 Wellington

Clinton Twp, Michigan 48036

Ofc: 586-212-1882 E-mail: BILLHELSON@MSN.COM

DATE: April 25, 2012

TO: City of Rochester Recreation Dept.

RE: Restricted-Use Appraisal Report

500 E. Second St

Rochester, MI. 48307

To whom it may concern:

In accordance with your request of recent date, I am submitting a Restricted-Use Appraisal Report for the above mentioned property. The purpose of this appraisal report is to estimate Market Value of the real property that is the subject of this report, based on a sales comparison analysis, solely for the use by the client identified in this report and their assignees. It may not be used or relied upon by any other party. Any party who uses or relies upon any information in this appraisal report, without the written consent of Helsom and Associates does so at their own risk.

The intended user of this appraisal report is limited solely to the identified client. This is a Restricted-Use Appraisal Report and the appraiser's opinions and conclusions set forth in this report may not be understood properly without additional information in the appraiser's work file for additional cost.

The appraiser is licensed in the State of Michigan as a Certified General Real Estate Appraiser. Michigan's law requires appraisers to be licensed/certified and are regulated by the Michigan Department of Labor and Economic Growth, Licensing Division, P.O. Box 30018, Lansing, Michigan. 48909.

The appraiser for this assignment completed the following steps:

- Analyzed regional, city, neighborhood, and site data.
- Inspected the subject property and the neighborhood.
- Reviewed data regarding taxes, zoning, utilities, easements and city services.
- Considered comparable sales, confirmed data with principles.
- Analyzed the data to arrive at conclusions via each approach to value used in this report.
- Reconciled the results of each approach to value employed into a probable range of market data and finally an estimate of market value defined herein.

I certify that I have no interest present or prospective interest in the property. Also my fee is not contingent upon the value reported. The term "Market Value" as used herein is the most probable price expressed in terms of money which the property will bring if exposed for sale in the open market allowing reasonable time to find a purchaser who will buy with knowledge of all its use for which it is adapted and for which it is capable of being used.

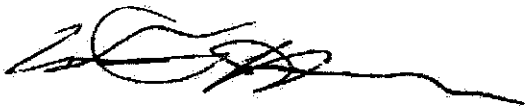
By receipt and acceptance of this appraisal report constitutes acceptance of the foregoing limiting conditions contained in the addendum of this report.

After a careful study, analysis, a correlation of all data pertinent to its value, it is my opinion that the market value of said subject property in "as" condition as of April 24, 2012, the effective date of this appraisal is:

\$1,300,000 to \$1,400,000

Respectfully submitted,

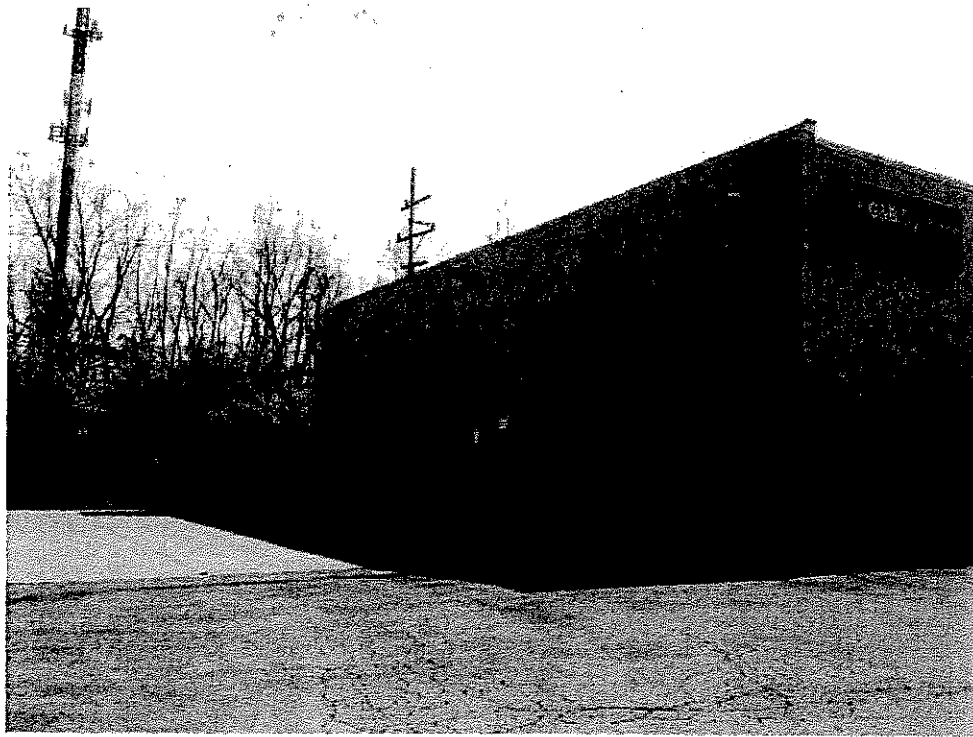
Helsom & Associates



William L. Helsom
Certified General Appraiser, #1201001595



Front



Rear

SUMMARY OF SALIENT FACTS

Client:

City of Rochester Recreation Dept

Property Location:

500 E Second St, City of Rochester, Oakland County, Michigan 48307

Type of Property

Light Industrial Building.

Occupancy:

Owner Occupied

FEMA Classification:

Class C, not located in a flood hazard location.

Land Area:

97,246 Square Feet = 2.23 Acres

Building Area:

33,973 Square Feet

Building Height:

18-20 feet average

Year Built:

1970

Parking:

Adequate on site.

Zoning:

LM, Light Industrial.

Legal Description:

LOT 19, EAST THIRD STREET URBAN RENEWAL PLAT.

Intended Use/User of the Appraisal:

To assist the client in providing valuation of subject. The appraisal was completed for the City of Rochester Recreation Dept. under their authorization.

Present Use of Land:

L. Industrial/Warehouse

Map Reference and Census Tract No.:

2160-2540

Estate Appraised:

Fee Simple Estate (as if unencumbered)

Date of Appraisal:

April 24, 2012 (Date of Inspection)

Sales History:

None past 5 years.

Estimated Market Time:

2-4 years.

Property Tax Data:

In July, 1993, the Michigan Governor signed into law S.B.1. This law eliminated the millage for school operating purposes, which accounts for 60-65% of real estate taxes. The Assessor of a local unit of government must, by the first week of March of each year, prepare an assessment as of the prior December 31. The assessment is then subject to review by the Board of Review. The Equalization Department for the individual counties then studies the assessments as prepared by the Assessor are at the legislated 50% level. If not, the county can adjust the assessments to the proper level by the use of an equalization factor. The State Tax Commission then analyzes the work of the county equalization departments to determine whether the county totals represent proper levels of assessment. After the three levels of equalization are completed, the Assessor's assessments are converted to a State Equalized Valuation, (SEV). Beginning with the 1995 year the Taxable Value is the basis for the tax amounts assessed to real and personal property. In July, 1993, the Michigan Governor signed into law S.B.1. This law eliminated the millage for school operating purposes In July, 1993, the Michigan Governor signed into law S.B.1. This law eliminated the millage for school operating purposes In July, 1993, the Michigan Governor signed into law S.B.1. This law eliminated the millage for school operating purposes In July, 1993, the Michigan Governor signed into law S.B.1. This law eliminated the millage for school operating purposes. For 1996 the Taxable Value is the 1995 Taxable Value multiplied by the rate of inflation or 5 percent whichever is lower. Property taxes are computed by multiplying the local millage rate by the Taxable Value. The taxes are levied and billed on July 1 and In July, 1993, the Michigan Governor signed into law S.B.1. This law eliminated the In July, 1993, the Michigan Governor signed into law S.B.1. This law eliminated the In July, 1993, the Michigan Governor signed into law S.B.1. This law eliminated the millage for school operating purposes millage for school operating purposes In July, 1993, the Michigan Governor signed into law S.B.1. This law eliminated the millage for school operating purposes December 1 of each year. The 2011 estimated real estate taxes are shown below.

Assessments:

2011 State Equalized Value: \$503,850

2011 Taxable Value: \$503,850

2011 Taxes: \$26,884

Parcel ID No. 1514128005

Owner of Record:

G & B Distribution, LLC

Valuation Process:

Value Via The Cost Approach.....Not Applicable

Value Via The Income Approach.....Not Applicable

Value Via The Sales Comparison Approach.....\$1,300,000-\$1,400,000

OVERVIEW OF APPRAISAL PROCESS

The appraisal process is a methodology wherein an estimate of market value as defined within the specific report is established through a formal valuation process. An outline form of the valuation process, or appraisal process, taken from the *Appraisal of Real Estate's* Tenth Edition published by the Appraisal Institute follows. The valuation process permits the appraiser to define the specific value problem and reason for the appraisal, as well as incorporate into the analysis the variances created by the uniqueness of real property and its varying potential types of legal ownership.

The valuation process is formalized and specific steps are required. The scope of the appraisal outlines the steps by which data was obtained for the valuation analysis set forth within this appraisal report.

The valuation analysis requires the applicability of the three fundamental approaches to value be considered, and where appropriate, the approaches are to be utilized. The cost approach is a method of estimating the specific costs of reproducing the existing improvements, reducing the cost to a value contribution by deducting the appropriate depreciation, and adding the value of the site or land. The income approach is a method of estimating the subject property's ability to produce a revenue stream through its rental or sale of individual components, as appropriate, and converting the estimated income stream into a value estimate through an appropriate capitalization process. The sales comparison, or direct sales comparison approach, is a value derived by analyzing specific sales of similar properties and adjusting the value indications produced by those properties for the variances between the subject property's specific features and those of the sales.

The following report contains a description of each appropriate approach to value in more detail in the section of the appraisal report, which utilizes that approach. The value estimates from the approaches are reconciled into an estimate of value. The weight given to each approach considers the similarity between that approach and the probable decision process of potential sellers and buyers for the subject property and the quality of the data, including its similarity to the subject property and the adjustments required, if any, for changes in market conditions between the date of the transactions and the date of valuation. The three approaches are

interrelated. The direct sales comparison approach, income approach, and cost approach consider and often incorporate portions of the analysis and data produced by the other approaches.

It must be noted the value estimate provided reflects market conditions as of a specific date and depending on future changes in market conditions will have varying degrees of applicability on dates different than those utilized and set forth within the appraisal report. The valuation estimate is for a specific interest in the real property. Another interest, be it partial or subject or not subject to specific leases and other conditions set forth in the appraisal report, may have a different value estimate.

The valuation process is a systematic procedure employed to provide an answer as to a specific value of a specific property at a specific time for a specific legal interest. Use of the estimate of value on a different date, for different purposes, or for different interests is often inappropriate.

SALES COMPARISON APPROACH TO VALUE

The application of the Sales Comparison Approach to Value technique as a tool for the solution of an appraisal problem involves the researching of the activities of actual sellers and buyers in the marketplace. The appraiser considers current listings and recent sales of properties as similar to the subject as possible and analyzes the prices asked and paid. Elements of similarity and differences between the subject and comparables are noted and adjustments are applied to the sale price of the comparables in order to reconcile the elements of difference. By this method, the way in which the subject property would be viewed by the typical informed buyer can be projected, and an estimate of "Market Value" based upon market evidence may be applied.

The Sales Comparison Approach is developed for the subject property with its identity an existing light industrial building. Such properties compete in a different market with other kinds of properties and the appraiser, therefore, chose to perform an intensive study within a 5-mile radius of the subject in respect to the recent sales of similar properties.

The sales used were considered as the most reliable indicators of "Market Value" for the subject. These were selected from data available due to their similarities in time, being the most recent data available and consequently requiring the least amount of time adjustment, in order to allow for differences between date of transfer and effective date of this appraisal report.

The sale price was divided by the number of square feet of building including land in order to generate a readily usable basis for comparison. The physical characteristics of each property were then compared to those of the subject property with particular reference to location, size, amenities and the date of sale. To indicate an effective sales price per square foot including land for the subject, the appraiser has utilized sales comparables that best represent the subject property. Any and all additional pertinent data is available to the client upon request for additional cost.

After analyzing comparable sales of similar light industrial buildings, it is our opinion that the subject has an estimated market value of \$1,300,000 to \$1,400,000.

CERTIFICATION

We certify that to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analysis, opinions and conclusions are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analysis, opinions and conclusions.
3. We have no (or the specified), present or prospective interest in the equipment that is the subject of this report and we have no (or the specified) personal interest of bias with respect to the parties involved.
4. Our compensation is not contingent upon the reporting of a predetermined value or direction in value than favors the cause of the client, the amount of the value estimate, the attainment of stipulated result, or the occurrence of the subsequent event.
5. Our analysis opinions and conclusions were developed and this report has been prepared in respect with Uniform Standards of Professional Appraisal Practice.
6. Jason J Helsom, a limited appraiser assisted in the inspection, data collection, and final reconciliation of this report.
7. It was performed within the context of the competence provision of the Uniform Standards of Professional Appraisal Practice.
8. Where necessary for compliance with minimum standards of the Federal Financial Institution Reform Recovery, and Enforcement Act of 1989 (FIRREA), this appraisal is not based on a requested minimum valuation or approval of a loan.

LIMITING CONDITIONS

1. The description of the appraised equipment being correct.
2. The equipment being free of encumbrances, etc., except as noted herein.
3. The title to the interest appraised being good and marketable. As I am not qualified to render an, "opinion of title," no responsibility is assumed or accepted for matters of a legal nature affecting the equipment being appraised.
4. All existing liens and / or encumbrances have been disregarded, and the equipment appraised as though free and clear, under responsible ownership and competent management. Typical financing as may be customarily secured for the purchase of equipment such as the items appraised had been considered.

5. Information, estimates and opinions upon which my opinions are conclusions are based were obtained from sources considered reliable and are believed to be true and correct. They are however not warranted. Should information upon which the conclusions were based in total or in part be proven false, I reserve the right to amend my conclusions accordingly.
6. It is assumed that there are no hidden or unapparent conditions, which would render the equipment's title more or less valuable. No responsibility is assumed for such conditions or for engineering, which might be required to discover such factors.
7. As I am not an engineer, I am not qualified to judge the integrity of any improvements. The estimate of value is predicated upon the assumption that all improvements are sound and suffer no defects other than those noted in this letter.

CONTINGENT AND LIMITING CONDITIONS

The certification of the appraiser appearing in the appraisal report is subject of the following conditions and to such other specific and limiting conditions as are set forth by the appraiser in the report.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the equipment appraised or the title there to, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The equipment is appraised as though under responsible ownership. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the equipment. The appraiser has made no survey of the equipment.
2. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the equipment in question, unless arrangements have been previously made therefore.
3. The appraiser assumes that there are no hidden or unapparent conditions of the equipment, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions or for engineering, which might be required to discover such factors.
4. Information, estimates and opinions furnished to the appraiser and contained in this report were obtained from sources considered reliable and believed to be true and correct. However, now responsibility for accuracy of such

items furnished to the appraiser can be assumed by the appraiser nor responsible for any typographical error since they do not affect value or marketability of the subject.

5. Disclosure of the contents of the appraisal report is governed by the Uniform Standards of Professional Appraisal Practices.
6. Neither all nor any part of the content of the report or copy thereof (including conclusions as to the equipment value, the identity of the appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the appraiser is connected) shall be used for any purposes by anyone to the consent of the appraiser; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the appraiser.
7. On all appraisals, subject to satisfactory completion, repairs or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workman like manner.
8. That it is assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the appraisal report.
10. That is assumed that all required licenses, 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 values contained in this report are based.
9. That it is assumed that the utilization of the equipment and improvements is within the boundaries or property lines of the property described and that there is no encroachments, trespass, or easement unless stated within the report.
10. That no environmental impact studies were either requested or made in
11. conjunction with this appraisal and the appraiser hereby reserved the right to alter, amend, revise or rescind any of the value options, based upon any subsequent environmental impact studies, research or investigation.
12. That acceptance of any / or use of this appraisal report constitutes acceptance of the foregoing limiting conditions.

13. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser(s). The appraiser(s) has no knowledge of the existence of such materials on or in the property. The appraiser(s), however, is not qualified to detect such substances. The presence of substances such as asbestos, ureaformaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there are no such materials 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.
14. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I (we) have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that requirements of the act. If so, this fact could have a negative noncompliance with the requirements of ADA in estimating the value of the property.

QUALIFICATIONS OF THE APPRAISER

William L. Helsom

Professional Memberships

American Society of Appraisers
Retired Member (ASA)
Appraisal Institute

Retired Member (SRA)

Association of Governmental Appraisers

Retired Member (MGA)

License

State of Michigan

Certified General Appraiser

Number: 1201001595

General

Active in the real estate business since 1970. Has over 30 years in experience appraising all classes of real estate.

Has qualified as an expert witness in real estate matters before the Wayne County Circuit and Probate Court, Oakland County Circuit and Probate Courts and Macomb County Circuit and Probate Courts.

Has rendered opinion of value in consultation and appraisal of most types of real property for individuals, corporations, attorneys, banks, builders, developers, architects, churches, schools, savings and loan associations, insurance companies, public utilities, courts of law: Municipal, State and Federal agencies since 1972.

Single to four family residential, multi-family residential, condominiums, stores, service stations, auto wash, Light and medium industrial, outdoor advertising,

churches, schools, professional and general office buildings, vacant (residential, commercial and industrial) lots, subdivisions, and acreage.

Market value appraisals have been prepared for: buyers, sellers, employee transfer, mortgage loans insurance, probate of estates, Federal income tax, partial and whole taking under right of eminent domain for highways, schools, urban renewal programs, parks, and miscellaneous municipal requirements.

Has appraised for both respondents and petitioners in eminent domain proceedings.

He holds membership in numerous, civic, fraternal, real estate and appraisal organizations; - Served as a National Governor, Detroit Chapter Officer and Past President in 1977 and 1980 of the Association of Government Appraisers; has served as a National Governor, State Director for Michigan And Chapter Officer for the America Society of Appraisers. Served as a Director for the Michigan Association of Realtors and the Macomb County Board of Realtors and was President of the Michigan Multiple Listing Service in 1980.

Has Appraised For

1st Union Mortgage Corp	GMAC
50 State Real Estate	Associates Relocation MGT. Co
Advance Mortgage Corp	Bank of Boston
America Savings Assoc	Bank One
Anheuser - Bush, Inc.	Bankers Mortgage Company
Appraisal Management Co.	Bloomfield Savings and Loan
Bank of the commonwealth	Busch Properties
Benchmark Mortgage Corp	Corinthian Mortgage Corporation
Better Homes Relocation	Central Mortgage Corporation

Birmingham Mortgage Cor
Boatman's Relocation
Cambridge Mortgage Corp
Capital Federal Savings BK
Capital Mortgage Corp
CBS, Incorporated
Christensen Assoc Mgt. Co
Chrysler Corporation
Chrysler First
Citizens Mortgage Corp
City Mortgage Corporation

Citizens Insurance
Colonial Federal Savings
Colonial Central Savings Bank
Comerica Bank
Credit Union Mortgage Corp
CRS Finances
CSX Transportation
Cuna Corporation
Detroit Board of Education
Dupont De Nemours & Co., Inc.
E.M.S. Mortgage corporation

City of Roseville
Idwell Banker Relocation
Columbia Mortgage Corp
Commerce Mortgage Corp
Community Mortgage Corp
Detroit Bank And Trust
Empire of America

Equitable Mortgage Corporation
Equitable Relocation
Federal Bureau of Investigation
Federal National Mortgage Assoc
First Family Mortgage Co. Inc.
First Family Mortgage Corp
First Federal Savings Bank

Empire Relocation

Fifth Third Bank

Farmers Group Insurance

Federal Home Loan Bank

Federal National Mtg Assoc

Fidelity Security Mortgage

Franklin Bank

First Macomb Bank

First of America

First Pennsylvania Bank

Flagstar Bank

Ford Consumer Finance Co

Fort Wayne Mortgage Corp

Gehrke Mortgage Corp

Home Bldg Finance Corp

HUD – FHA

IBM Corporation

Independence One Corp

J.T. Barnes Mortgage Corp

John Adams Mortgage Corp

Key Mortgage Corporation

Liberty Mortgage Corp

First National Bank

First Security Mortgage

Fleet Mortgage Corporation

Franklin Savings and Loan

Friendly Inc.

Guardian Financial Corporation

Hammond Mortgage Corporation

Home Pool

Homequity, Inc.

Hudson's Employee's Credit Un

Huntington Bank

ICM Mortgage Corporation

Joint Military Service Credit Un

Keystone Relocation Services

Liberty State Bank

Lincoln - Rowe Mortgage Corp

Lutheran Fraternities of America

Macomb County Road Comm

Manufacturers Financial

McDonald's Corporation

Merrill Lynch Relocation Mgt.

Michigan National Bank

Liberty Mortgage Corp

Liberty State Bank

Lomas Nd Nettleton Co

Macabees Mortgage Corp

Macomb County Comm

Macomb Cty Prosecutors

Madison National Bank

Manufacturers Bank

Marathon Mortgage Corp

Mi. State Employees Credit Un

Mid-State Mortgage Corporation

National Bank of Detroit

NBD Mortgage Corporation

Nissan Corp

Numerica Financial Service

Option One Mortgage Corp

People Federal Savings

PHH U.S. Mortgage Corporation

Manufacturers Financial

Mi. Bank / Port Huron

Mortgage Corp of America

O.C. Federal Credit Union

Oak Hills Mortgage Corp

Paramount Mortgage Corp

PHH Home Equity

Prudential Relocation

Roadway Services, Inc.

State Farm Insurance

Tek-NI-Kal Credit Union

Pioneer Bank

Prudential Relocation

Real Estate One, Inc.

Reliance Mortgage Corporation

Relocation Services

Republic Mortgage Corporation

Residential Relocation Service

Ross Mortgage Company

Ryan Mortgage Corporation

Security Bank - St Clair Shores

Security Bank and Trust

Towne Mortgage	Security Federal Savings
Tracy & Associates, Inc.	St. Clair Financing
Trans Equity	State Employee's Credit Union
Traveler's Relocation	Tranex Financial, Inc.
U.S. Corp of Engineers	U.S. Mutual Corporation
U.S. Department of Justice	Union Mortgage Corporation
U.S. Marshals Service	United Guarantee
West Shell Relocation	Universal Mortgage Corporation
Worldwide Relocation	Western Relocation

Academic

1. Berkley High School. Berkley, Michigan (1962)
2. Central Michigan University, Mt. Pleasant, Michigan
Bachelor of Science in Business Administration (Finance Major, 1970)
3. Eastern Michigan university, Ypsilanti, Michigan
Graduate School of Economics (1971)
4. Numerous Appraisal Courses and Seminars (National Association of Independent Fee Appraisers and Appraisal Institute)

Professional Endorsements:

1. 1976 - Awarded the (SA) Senior Appraiser designation of the Association of Governmental Appraiser
2. 1978 - Awarded the (C A - S) Senior Certified General Appraiser designation of the American Association of Certified Appraisers.
3. Awarded the (CRA) Certified Review designation of the National Association of Review Appraisers

Continued...

4. 1980 – Awarded the (SRA) designation of the Society of Real Estate Appraisers.
5. 1980 – Awarded the (SGA) Senior Government Appraiser designation of the Association of Government Appraisers
6. 1983 – Awarded the (MGA) Master Government Appraiser designation of the Association of Government Appraisers
7. 1985 – Awarded the (ASA) Real Property – Urban classification / designation of the American Society of Appraisers (tested and certified to appraise all classes of real estate)
8. 1991 – Tested and licensed to appraise all classes of real estate in the State of Michigan.

Helsom and Associates
Certified General Real Estate Appraisers
38627 Wellington
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Ofc: 586-212-1882 Fax: 586-408-6020

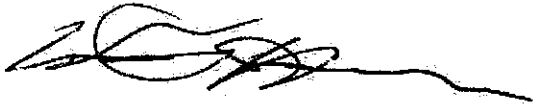
DATE: April 24, 2012

TO: Rochester Recreation Dept.
City of Rochester

RE: Invoice for appraisal services rendered
500 E Second St
Rochester MI

FEE: Restricted-Use Appraisal Report: \$800.00

Respectfully submitted,
Helsom & Associates



William L. Helsom
Certified General Appraiser
#1201001595

