



Agenda
City Commission Special Meeting
Tuesday, May 19, 2026 - 5:00 PM
151 Martin Street, Birmingham, MI
City Commission Room 205

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Clinton Baller, Mayor

2. ROLL CALL

Mya Brown, Deputy City Clerk

3. OPEN TO THE PUBLIC FOR MATTERS NOT ON THE AGENDA

The City of Birmingham welcomes public comment which may be limited to a certain number of minutes per person speaking, announced at the Mayor's discretion at the beginning of the public comment portion of the agenda, on items or discussions that do not appear anywhere else in the printed agenda. The Commission will not participate in a question and answer session and will take no action on any item not appearing on the posted agenda. The public can also speak to agenda items as they occur when the presiding officer opens the floor to the public. When recognized by the presiding officer, please state your name for the record, and direct all comments or questions to the presiding officer.

4. NEW BUSINESS

- A. Resolution authorizing the purchase of 380 S. Bates and to execute the Purchase Agreement between the City of Birmingham and Community House.

AND

To direct the City Manager to pursue and implement the necessary steps to keep the Community House operating and staffed during the ownership transition, including but not limited to, ensuring the continued operation of the child care facility in the building.

5. ADJOURN

City boards and committees meet in person, and most have a virtual option available to the public. Members of the public may attend the City Commission meeting in person at Birmingham City Hall or attend virtually.

Link to Access Virtual Meeting: <https://zoom.us/j/655079760>

Telephone Meeting Access: 877 853 5247 US Toll-free

Meeting ID Code: **655 079 760**

City Hall is open to the public during regular business hours, Monday through Friday from 8 a.m. – 5 p.m. The Police Department lobby entrance on the east side of City Hall on Pierce Street operates as the after-hours public entrance.

Individuals requiring assistance to enter the building should request aid via the intercom system at the parking lot entrance gate on Henrietta Street.

Persons who require mobility, visual, hearing, or other assistance for effective participation in this public meeting should contact the City Clerk's Office at (248) 530-1880, or (248) 644-3405 (TDD) at least one day before the meeting to request help.

Las personas con incapacidad que requieren algún tipo de ayuda para la participación en esta sesión pública deben ponerse en contacto con la oficina del escribano de la ciudad en el número (248) 530-1800 o al (248) 644-3405 (para las personas con incapacidad auditiva) por lo menos un día antes de la reunión para solicitar ayuda a la movilidad, visual, auditiva, o de otras asistencias. (Title VI of the Civil Rights Act of 1964)



DATE: May 19, 2026
TO: City Commission
FROM: Jana L. Ecker, City Manager
Mary Kucharek and Tracy Gaudenzi, City Attorneys
Rebecca Grove, Kathleen Martone and Brendan Best, Varnum Law Attorneys
SUBJECT: Purchase of 380 S. Bates Street – Community House

INTRODUCTION:

The Community House has accepted an offer by the City of Birmingham to purchase the Community House building and land, subject to approval by the City Commission, and ultimately by the United States Bankruptcy Court. This purchase agreement, if approved, will guarantee the preservation of the Community House building and grounds, as well as the community events and programming offered at the Community House for the past 100 years. The purchase agreement with the Community House is being presented to the City Commission for review and approval.

BACKGROUND:

Since the end of 2025, the City of Birmingham and The Community House Association are parties to litigation pending in the Oakland County Circuit Court, Case No. 2025-219218-CB, involving, among other matters, deed restrictions governing the use of the property at 380 S. Bates, known as The Community House. Earlier this year, The Community House Association filed a Chapter 11 bankruptcy proceeding in the United States Bankruptcy Court for the Eastern District of Michigan, Case No. 26-43351.

Over the past several months, the City has been negotiating with The Community House to purchase 380 S. Bates as part of a potential settlement. The City and The Community House Association have negotiated a proposed transaction for the acquisition of the property through a sale process pursuant to Section 363 of the United States Bankruptcy Code. This purchase is intended to settle the litigation between the City and the Community House, and is intended to allow the bankruptcy proceeding to be finalized.

The parties have negotiated a Purchase Agreement setting forth the terms and conditions for the acquisition of 380 S. Bates by the City of Birmingham, on behalf of a nonprofit entity to be formed, of which the City shall be the sole member for purposes of maintaining and administering the Community House consistent with all deed restrictions for the benefit of the Birmingham community and its residents.

The Purchase Agreement generally provides that The Community House Association, Birmingham, Michigan (TCHA) will sell the property at 380 S. Bates Street, Birmingham, Michigan, together with substantially all personal property, to the City of Birmingham, on behalf of a nonprofit entity to be formed, for a \$5,200,000 purchase price, with a \$100,000 earnest money deposit due

within five business days after signing. The terms of the Purchase Agreement include standard language and concepts, and provides for the following provisions:

- the purchase includes the Marshall Fredericks sculptures, all fixtures and equipment in the building,
- provides for the transfer of all documentation relating to operations, maintenance, donor agreements etc.,
- the use of the name "The Community House",
- provides for 50% of the value of the endowment held by the Community Foundation for Southeast Michigan (CFSEM) for the benefit of The Community House Association or, if the split is not approved by CFSEM, the establishment of a donor advised fund for the City Foundation to be managed by CFSEM in an equivalent amount (approximately \$800,000, which will be held back from the purchase price if the endowment split is not approved by CFSEM prior to the closing date). These funds are intended to support the future maintenance and community use of the property.
- post-closing covenants for the City's non-profit entity to preserve the sculptures, donor wall and Miller Tribute Terrace, mutual releases and dismissal with prejudice of the pending Oakland County lawsuit,
- a confidentiality provision and restrictions on the issuance of press releases or public announcements,
- continuation of the Early Childcare Center, banquet center and other community programming.

If the Purchase Agreement is approved by the City Commission, it is important to note that the sale remains subject to approval by the United States Bankruptcy Court, satisfactory title insurance and title review, environmental review and other due diligence investigations, if necessary. Once the Purchase Agreement is approved by the City Commission and fully executed, TCHA will promptly file a motion to approve the Purchase Agreement with the United States Bankruptcy Court for the Eastern District of Michigan in its Chapter 11 bankruptcy proceeding. The Bankruptcy Court will likely hold a hearing on the motion during the weeks of June 14 or June 21, 2026. Creditors and parties in interest will have an opportunity to object to the sale pursuant to applicable bankruptcy law. Assuming Bankruptcy Court approval, the parties would then proceed to close on the transaction on or prior to June 30, 2026, subject to the City's satisfaction or waiver of certain limited conditions and contingencies related to title condition and other due diligence items.

In addition, during the due diligence period prior to closing it is recommended that the City pursue and implement the necessary steps to ensure the transition and continuation of the Community House operations and staffing, including but not limited to, working with the existing child care facility in the building to continue their operations.

LEGAL REVIEW:

The attorneys at Beier Howlett (City Attorneys) and Varnum Law (hired specifically for the Community House issues) have reviewed the proposed Purchase Agreement the legal team is the legal team is satisfied with the terms of the agreement.

FISCAL IMPACT:

The purchase price for this property is Five Million, Two Hundred Thousand Dollars (\$5,200,000.00). A One Hundred Thousand Dollars (\$100,000) deposit is due upon signing the purchase agreement. This amount will be credited toward the purchase price for the property at closing.

It is anticipated that there will be monies needed in the future for the renovation and

modernization of the Community House building, as well as ongoing maintenance costs for the building and property, which the City's split of the endowment fund may assist in funding.

PUBLIC COMMUNICATIONS:

The agenda packet includes all background material, the purchase agreement, and related public documents. All filings with the Oakland County Circuit Court and the United States Bankruptcy Court are also public documents and are available for public review.

SUMMARY:

The City Commission is asked to review the proposed Purchase Agreement executed by The Community House Association, to adopt a resolution to authorize the purchase of 380 S. Bates Street and to execute the Purchase Agreement between the City of Birmingham, on behalf of a nonprofit entity to be formed, and The Community House Association. In addition, the City Commission is asked to direct the City Manager to pursue and implement the necessary steps regarding the transition of the Community House operations and staffing, including but not limited to, working with the existing child care facility in the building to continue their operations.

ATTACHMENTS:

- Purchase Agreement
- City of Birmingham Community House Foundation PowerPoint Presentation
- Integra Realty Resources Detroit Community House property appraisal, August 13, 2024

SUGGESTED COMMISSION ACTION:

Make a motion to adopt and approve the attached resolution authorizing the purchase of 380 S. Bates and to execute the Purchase Agreement between the City of Birmingham and Community House.

AND

To direct the City Manager to pursue and implement the necessary steps to keep the Community House operating and staffed during the ownership transition, including but not limited to, ensuring the continued operation of the child care facility in the building.

CITY OF BIRMINGHAM
RESOLUTION AUTHORIZING THE PURCHASE OF REAL ESTATE PROPERTY

At a special meeting of the City Commission of the City of Birmingham, Oakland County, Michigan, held on the 19th day of May, 2026, at City Hall, 151 Martin Street, Birmingham, MI, 48009.

Moved by: _____

Seconded by: _____

WHEREAS, the Birmingham City Commission recognizes the historic and community significance of the property commonly known as the "Community House" located at 380 South Bates Street, Birmingham, Michigan (the "Property"); and

WHEREAS, the City of Birmingham and The Community House Association are parties to litigation pending in the Oakland County Circuit Court, Case No. 2025-219218-CB, involving, among other matters, deed restrictions governing the Property; and

WHEREAS, The Community House Association has filed a Chapter 11 bankruptcy proceeding in the United States Bankruptcy Court for the Eastern District of Michigan, Case No. 26-43351; and

WHEREAS, the City of Birmingham and The Community House Association have negotiated a proposed transaction for the acquisition of the Property through a sale process pursuant to Section 363 of the United States Bankruptcy Code; and

WHEREAS, the parties have negotiated a Purchase Agreement setting forth the terms and conditions for the acquisition of the Property by the City of Birmingham, on behalf of a nonprofit entity to be formed, of which the City shall be the sole member for purposes of maintaining and administering the Community House consistent with all deed restrictions for the benefit of the Birmingham community and its residents; and

WHEREAS, the Purchase Agreement includes provisions relating to the division of endowment funds intended to support the future maintenance and community use of the Property; and

WHEREAS, the Purchase Agreement further includes mutual releases and dismissal with prejudice of the pending Oakland County Circuit Court litigation upon closing; and

WHEREAS, the sale remains subject to approval by the United States Bankruptcy Court, satisfactory title insurance and title review, environmental review and other due diligence investigations, if necessary.

NOW, THEREFORE, BE IT RESOLVED, that the Purchase Agreement for the property of 380 South Bates Street, Birmingham, Oakland County, Michigan 48009 shall be executed.

BE IT FURTHER RESOLVED, that purchase price for the subject property is Five Million Two Hundred Thousand and 00/100 Dollars (\$5,200,000.00), together with an earnest money deposit and related closing costs and transaction expenses as provided in the Purchase Agreement.

BE IT FURTHER RESOLVED, the Mayor or Mayor Pro Tem and City Clerk are hereby authorized to execute on behalf of the City of Birmingham.

Passed, adopted and approved this ____ day of _____, 2026.

AYES: _____

NAYS: _____

PRESENT: _____

ABSENT: _____

CERTIFICATION

I, Alexandria D. Bingham, being the duly appointed and qualified Clerk of the City of Birmingham, Oakland County, Michigan, do hereby certify and declare that the foregoing is a true and correct copy of Resolution, the original of which is on file in my office, adopted by the City of Birmingham Commission at a special meeting held on May 19, 2026.

Alexandria D. Bingham, City Clerk

and

Clinton Baller, Mayor

1 **REAL ESTATE PURCHASE AGREEMENT**

2
3 This Real Estate Purchase Agreement (this "Agreement") is made and entered into as of the Effective Date
4 (as that term is defined below), by and between **The Community House Association, Birmingham, Michigan**, a
5 Michigan nonprofit corporation with an address of 380 S. Bates Street, Birmingham, Michigan 48009 (the "Seller"),
6 and **The City of Birmingham**, on behalf of a nonprofit entity to be formed, with an address of 151 Martin Street,
7 Birmingham, Michigan 48009 (the "Purchaser"). Purchaser and Seller are each a "Party" and are together referred to
8 herein as the "Parties."
9

10 Seller agrees to sell and Purchaser agrees to purchase the following parcel of land situated in the City of
11 Birmingham, County of Oakland, State of Michigan, commonly known as 380 S. Bates Street, Birmingham,
12 Michigan 48009 (the "Property"), together with all tenements, hereditaments, rights, easements and privileges
13 belonging or in any way appertaining to the Property, including any mineral rights, water rights, air rights, if any, and
14 all fixtures, improvements, and appurtenances, and to pay therefor a sum equal to: Five Million Two Hundred
15 Thousand and 00/100 Dollars (\$5,200,000.00) (the "Purchase Price") upon the conditions set forth herein.
16

17 1. **Deposit.** Purchaser will deposit, within five (5) business days after the Effective Date, the sum of
18 One Hundred Thousand and 00/100 Dollars (\$100,000.00) as an earnest money deposit (the "Deposit") with ATA
19 National Title Group, Seaver Title Division, Attn: David Barris (the "Title Company"). The Deposit shall only be
20 refundable to Purchaser upon Seller's default, Seller's failure to timely satisfy a condition precedent to Closing that
21 is the Seller's responsibility hereunder (including, without limitation, with respect to curative title or survey matters),
22 a casualty or condemnation event affecting the Property, or any other event set forth in this Agreement that entitles
23 the Purchaser to a refund of the Deposit (collectively, "Refund Events").

24 2. **Closing.** The closing (the "Closing") of this sale will take place *via* escrow or at the office of the
25 Title Company on June 30, 2026, or such earlier date as agreed upon by Purchaser and Seller following conclusion
26 of Seller's June events, but in no event prior to satisfaction or waiver by Purchaser of all conditions and contingencies
27 contained in this Agreement.
28

29 3. **Deed.** At Closing, Seller will deliver to Purchaser a covenant deed in proper form for recording, duly
30 executed, witnessed, and acknowledged, and insured by the Title Company, so as to convey to Purchaser the fee
31 simple title to the Property, subject only to the Permitted Exceptions. The term "Permitted Exceptions" shall mean
32 only the following interests, liens, and encumbrances: (a) liens for ad valorem taxes not payable on or before Closing,
33 and (b) other matters determined to be acceptable by Purchaser during the Due Diligence Period, as contemplated by
34 Paragraph 5 of this Agreement ("Title Matters"). The Permitted Exceptions shall not include any standard Schedule
35 B-II exceptions, liens, leases, or monetary encumbrances. For clarity, the terms and conditions of the Trust Deed
36 recorded at Liber 761, Page 380, Oakland County Records and the Quit-Claim Deed and Oakland County Probate
37 Court Order appended thereto recorded at Liber 11349, Page 661, Oakland County Records and the Lis Pendens
38 recorded by the Purchaser at Liber 60637, Page 373, Oakland County Records shall be Permitted Exceptions.
39 Payment of the Purchase Price will be made by immediately available federal funds.
40

41 4. **Evidence of Title.** As evidence of title and within five (5) days after the Effective Date, Seller will
42 obtain, at Seller's cost, a commitment for an ALTA Owner's Policy of title insurance (the "Title Commitment") issued
43 by the Title Company in the amount of the Purchase Price and without standard exceptions, bearing a date later than
44 the Effective Date and guaranteeing the title in the condition required under this Agreement. Purchaser will cause
45 the Title Company to issue at Closing a marked-up commitment or *pro forma* owner's policy with respect to the
46 Property naming Purchaser as the insured. At Purchaser's election, Purchaser shall be responsible for providing any
47 survey certified to Purchaser, Seller and the Title Company to remove any survey exception. As soon as possible
48 after the Closing, Purchaser will cause the Title Company to furnish to Purchaser an ALTA owner's extended policy
49 of title insurance with respect to the Property, at Seller's expense (the "Title Policy").

50 5. **Title Objections.** Not later than ten (10) days following Purchaser's receipt of the last of (i) the
51 Commitment, and (ii) a survey (which Purchaser shall notify Seller within ten (10) days of the Effective Date
52 that it has ordered, or elected not to obtain), Purchaser shall have the right to object to any matter of title or survey.
53 If timely objection to a matter reflected in the title commitment or survey is made, Seller will have ten (10) days from

54 the date Seller is notified in writing of the particular defect(s), either (a) to remedy the defect(s) in a manner acceptable
55 to Purchaser in its sole and absolute discretion, (b) to obtain title insurance over such defect(s) satisfactory to
56 Purchaser, or (c) to advise Purchaser that it will not or cannot remedy such defects. If Seller is unable or unwilling
57 to remedy the defect(s) or to obtain title insurance over such defect(s), then Purchaser may, at its option, upon written
58 notice to Seller, (x) terminate this Agreement and the Purchaser will receive a refund of the Deposit and neither Seller
59 nor Purchaser will have any further obligation to the other except as otherwise provided herein, (y) reduce the
60 Purchase Price by the amount by which Purchaser and Seller mutually agree represents the value of such Property
61 reduced by said objectionable item(s) (neither party will be obligated to agree to a value) and proceed to Closing
62 according to the terms hereof, or (z) waive such defect(s) and proceed to Closing according to the terms hereof. If
63 Seller remedies the specified objections or obtains title insurance over such defects within the time specified,
64 Purchaser agrees to complete the transaction as provided herein, subject to the satisfaction of all conditions and
65 contingencies under this Agreement. Seller acknowledges that it must discharge at Closing, at its cost, any mortgage
66 or other monetary encumbrances or liens, pay any outstanding violation fees or invoices, and terminate any leases
67 which encumber the Property, if any. If the Title Commitment is amended or supplemented after Purchaser has
68 submitted its objections, the same time periods, procedures and notices for objections and clearance of title shall
69 apply to matters disclosed thereby. Purchaser may supplement Purchaser's objections to title and/or survey with any
70 new or later discovered conditions, defects, encroachments or other objections to title or survey which are not
71 acceptable to Purchaser. If Purchaser makes any such objections the terms of this Paragraph shall apply as if Purchaser
72 made any such objection prior to the expiration of the Due Diligence Period.

73 6. **Survey.** Purchaser may obtain, at Purchaser's sole cost and expense, a survey of the Property
74 (the "Survey"). The legal description from the Survey, if obtained, will be used in all conveyancing documents with
75 respect to the Property.

76 7. **Inspections.** Purchaser and its designees will have until 5:00 PM on June 15, 2026 (the "Due
77 Diligence Period") to review and inspect all physical aspects of the Property, including an inspection of the building(s)
78 and environmental testing and borings (collectively, the "Inspections"). Within five (5) days of the Effective Date
79 Seller shall provide Purchaser with copies with all reports in its possession from any prior inspections including but
80 not limited to environmental inspections or testing. Seller will cooperate with Purchaser regarding the Inspections
81 and will consent to the submission of plans, applications, and the like as required by Purchaser, and Seller will execute
82 and submit all necessary and appropriate instruments in connection therewith. Purchaser shall indemnify, defend,
83 protect and hold Seller harmless from any loss, injury or damage suffered or incurred by Seller to the extent caused
84 by Purchaser in the conduct of the Inspections. Within the Due Diligence Period, Purchaser may, in its sole discretion,
85 for any reason, elect whether or not to go forward with this Agreement to Closing, which election shall be made by
86 notice to Seller given within the Due Diligence Period. Purchaser's termination notice shall describe the reasons
87 for such termination. If such notice not to go forward is timely given, this Agreement and all rights, duties and
88 obligations of Purchaser and Seller hereunder shall terminate. Notice will be deemed effective on the date deposited
89 with a recognized overnight courier service or upon delivery *via* electronic mail to the addresses provided below.
90 Seller agrees to provide access to the Property to Purchaser and its designees from and after the Effective Date upon
91 prior notice from Purchaser and on the terms and conditions set forth in this Paragraph. Purchaser has the right to a
92 final walkthrough of the Property 24 hours prior to Closing to confirm that the Property and its contents remain in
93 the condition required hereunder.

94 Prior to any third party engaged by Purchaser accessing the Premises to conduction Inspections,
95 Purchaser shall cause such third party shall provide to Seller with a certificate of insurance to be held by Seller
96 evidencing that policies of insurance for bodily injury, death or property damage liability coverages in amounts
97 not less than One Million and 00/100 (\$1,000,000.00) Dollars combined single limit), and an excess/umbrella
98 liability coverage in an amount not less than Two Million and 00/100 (\$2,000,000.00) Dollars shall be in effect
99 with respect to Purchaser. Such policies must be written on an occurrence basis so as to provide blanket liability
100 and broad form property damage coverage, and shall name Seller as an additional insured on the liability
101 insurance certificate. In addition, Purchaser shall cause any such third party shall correct any damage done to
102 the Property as a result of its conducting such Inspections. The provisions of this Section shall survive both (i)
103 the Closing and the recordation of the Deed and shall not be deemed merged into the Deed upon its recordation,
104 and (ii) any termination of this Agreement.

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107 8. **Possession.** Seller will deliver exclusive possession of the Property at Closing to Purchaser, free and
108 clear of all tenants, other possessory or occupancy rights, and liens or encumbrances other than the Permitted
109 Exceptions. Seller will deliver to Purchaser all keys, cards, and access and security codes to the Property at Closing.
110 To the extent any personal property of Seller remains on the Property after Closing, such personal property shall be
111 deemed abandoned by Seller and will be the property of Purchaser.

112 9. **Taxes and Prorated Items.** There will be no closing prorations or adjustments. Seller will pay all
113 operating expenses and utility charges through the Closing Date, and Purchaser will assume all maintenance and
114 operating costs and expenses from and after the Closing Date.

115 10. **Seller's Representations.** All representations are deemed made to "Seller's knowledge" which
116 is the actual knowledge of Alison Gaudreau, President of Seller, without inquiry. Subject to the foregoing, Seller
117 represents and warrants to Purchaser as follows:

118 (a) from the Effective Date to the Closing, Seller will not transfer all or any portion of the
119 Property nor enter into any "backup" agreement for the sale of the Property, renew any lease nor create any new lease,
120 nor create any easement, liens, mortgages or encumbrances on the Property;

121 (b) Seller is the sole fee simple owner of the Property and no leases or mortgages affect the
122 Property which will not be terminated or discharged as of the date of Closing;

123 (c) this Agreement and all documents executed by Seller will be duly authorized, executed and
124 delivered by Seller and are legal, valid and binding obligations of Seller;

125 (d) Omitted;

126 (e) Seller is not a "foreign person" (as defined in the Internal Revenue Code, Section 1445(F)(3))
127 and the sale of the Property is not subject to any withholding requirements imposed by the Internal Revenue Code or
128 other law;

129 (f) except as previously disclosed to Purchaser, there are no pending or threatened
130 condemnation involving the Property, and Seller has received no notice from any governmental agency or authority
131 or other potential condemnor concerning any right-of-way, utility or other taking which may affect the Property;

132 (g) there is no pending violation of environmental or health laws, nor has Seller received any
133 notice of correction, the failing of which would result in such violation;

134 (h) The Property presently complies with all applicable environmental laws. The Property does
135 not now contain and has not contained any underground storage tanks or material amounts of hazardous materials,
136 as defined under any environmental law, in violation of any environmental law. Seller has not used Hazardous
137 Materials at the Property in violation of applicable environmental laws; and

138 (i) As of the Effective Date, there are no leases, options, contracts, or rights of third parties
139 affecting the Property.

140 This Paragraph will be true and correct in all material respects on the Effective Date and on the date
141 of Closing.

142 11. **Purchaser's Representations.** Purchaser represents and warrants to Seller that this Agreement and
143 all documents executed by Purchaser in connection with the transaction contemplated by this Agreement have been
144 and will be duly authorized, executed and delivered by Purchaser and are legal, valid and binding obligations of
145 Purchaser. This Paragraph will be true and correct in all material respects on the date of Closing.

146 12. **Reserved.**

147 13. **Reserved.**

148 14. **Payment of Fees/Closing Costs.** Seller will be responsible for the payment of any and all transfer
149 taxes related to the conveyance of the Property, the premium for the Title Policy, the brokerage commission payable
150 to any broker, Seller's attorney fees, and one-half (1/2) of the closing costs charged by the Title Company. Purchaser
151 will be responsible for the cost of the Survey, if any, the Inspections, one-half (1/2) of the closing costs charged by
152 the Title Company, the premium for any endorsements to the Title Policy requested by Purchaser (other than those
153 necessary to cure any title or survey objections, which shall be the responsibility of Seller), Purchaser's attorney fees,
154 and the recording fee for the covenant deed. At Closing, Purchaser and Seller will execute any documents and
155 affidavits required by the Title Company or which are normally and customarily required in a transaction of this type,
156 including an owner's affidavit. All other costs and fees in connection with the transaction contemplated by this
157 Agreement shall be the responsibility of the party that is customary and standard for commercial real estate
158 transactions in Oakland County, Michigan.

159 15. **Purchaser's Default.** In the event of default by Purchaser, which default remains uncured for a
160 period of ten (10) days after Purchaser's receipt of written notice from Seller, Seller may, as its sole and exclusive
161 remedy, elect to declare a forfeiture hereunder whereupon the Deposit will be paid to Seller as agreed-upon,
162 bargained-for liquidated damages, and neither Party will have any further obligations to the other, except as otherwise
163 set forth in this Agreement.

164 16. **Seller's Default.** In the event of default by Seller, which default remains uncured for a period of ten
165 (10) days after Seller's receipt of written notice from Purchaser, Purchaser may, at its option, either (a) pursue its
166 legal and equitable remedies, including specific performance of this Agreement, or (b) terminate this Agreement in
167 which event the Deposit will be returned to the Purchaser in full termination of this Agreement and neither party will
168 have any further obligations to the other, except as otherwise set forth in this Agreement.

169 17. **Assignment/Successors.** Purchaser may assign this Agreement without the prior consent of Seller.
170 The covenants contained in this Agreement will bind and inure to the benefit of the heirs, personal representatives,
171 successors, successors-in-interest and assigns of the respective parties.

172 18. **Risk of Loss/Condemnation.** Until the transfer of title on the date of Closing, Seller has the risk of
173 loss or damage to the Property. If any loss or damage occurs prior to the transfer of title on the date of Closing,
174 Purchaser may, at its option, either (a) cancel this Agreement and the Purchaser will receive a refund of the Deposit,
175 or (b) continue under this Agreement, with all insurance proceeds with respect to the Property being assigned and
176 paid to Purchaser. If all or any part of the Property is condemned or any condemnation action or proceeding is
177 commenced prior to the transfer of title on the date of Closing, Purchaser may, at its option, either (y) cancel this
178 Agreement and Purchaser will receive a refund of the Deposit, or (z) complete the purchase, with all condemnation
179 proceeds and claims with respect to the Property being assigned to Purchaser.

180 19. **Notices.** Any notice, demand, or other communication required to be given or to be served upon any
181 Party hereunder shall be in writing and delivered to the person to whom the notice is directed, either: (i) in person;
182 (ii) delivered by delivery service (including any express mail or overnight delivery service); or (iii) sent by electronic
183 mail. Any notice given by overnight delivery service for next business day delivery shall be deemed given on the
184 date of deposit with the overnight carrier for next business day delivery. Any notice, demand, or other communication
185 given other than by overnight carrier shall be deemed to have been given and received when delivered (if by electronic
186 mail, as evidenced by the date such electronic mail is sent) to the address of the Party to whom it is addressed as
187 stated below.

188 For purposes of Notice, the addresses of the Parties shall be as follows:

189 If to Seller: The Community House Association, Birmingham, Michigan
190 380 S. Bates Street
191 Birmingham, MI 48009
192 Attn: Alison Gaudreau
193 Email Address: agaudreau@communityhousehelps.org

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with a copy to: Kerr, Russell & Weber, PLC
500 Woodward Avenue, Suite 500
Detroit, MI 48226
Attn: C. David Bargamian or Jason Bank
Email Address: dbargamian@kerr-russell.com; jbank@kerr-russell.com

If to Purchaser: City of Birmingham
151 Martin Street
Birmingham, Michigan 48009
Attention: Jana Ecker, City Manager
Email Address: jecker@bhamgov.org

with a copy to: Varnum LLP
480 Pierce Street, Suite 300
Birmingham, Michigan 48009
Attention: Kathleen Martone
Email Address: kamartone@varnumlaw.com

20. **Counterparts.** This Agreement may be executed in a number of identical counterparts, each of which for all purposes is deemed an original, and all of which constitute collectively one and the same agreement. This Agreement may be executed by the exchange of signature pages sent by facsimile or electronic mail which will be deemed binding upon Purchaser and Seller, with originals to follow upon request. This Agreement may be executed through the use of electronic signature software, such as DocuSign.

21. **Brokers.** Seller and Purchaser represent to each other that other than with respect to Savills, who represents Seller, they have no obligations or agreements relating to commissions or finder's fees for the sale of the Property. Seller and Purchaser each agree to hold each other harmless from any such demands, claims, payments (including attorney's fees and costs) related to commissions or finder's fees in the event of a breach of this Paragraph. Seller will be responsible for paying any court-approved real estate commissions to Savills. The provisions of this Paragraph will survive the Closing or other termination of this Agreement.

22. **Exclusivity.** From and after the Effective Date, Seller and its affiliates, owners, and principals may not, indirectly or directly, through any manager, director, officer, agent, financial adviser, or otherwise, solicit, initiate, or encourage submission of proposals or offers related to any acquisition or purchase of the Property or any equity interest in Seller or its affiliates. Neither Seller nor its affiliates will participate in any negotiations regarding, or furnish to any other person, any information with respect to, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other person to do or seek any of the foregoing.

23. **Effective Date.** The term "Effective Date" shall mean the day that the last party hereto signs this Agreement and delivers the fully executed Agreement to the other party.

24. **Confidentiality.** Seller and Purchaser will, prior to the Closing, keep all non-public information regarding this Agreement and the other Party strictly confidential, except as may be required by law or in connection with any enforcement proceedings, including, without limitation, any lawsuit between the Parties. No press release or other public announcement related to this Agreement or the transactions contemplated hereby will be issued by any Party hereto without the prior approval of the other Party. Nothing in this Paragraph shall prohibit any Party from disclosing any such information to its attorneys, accountants, consultants, or lenders. In addition, it shall not be a violation of this provision for Purchaser to make application at any time from and after the Effective Date for any governmental approvals or applications required by Purchaser.

25. **Severability.** The invalidation of any one or more of the provisions of this Agreement by judgment or court order will in no way affect the validity of any of the other provisions of this Agreement and the same will remain in full force and effect.

244 26. **Time.** In computing any period of time prescribed by the terms of this Agreement, the day from
245 which the designated period of time begins to run will not be included. The last day of the period so computed will
246 be included unless it is a Saturday, Sunday, or legal holiday (i.e., not a business day), in which event the period will
247 run until the next business day. In the event any day on which any act is to be performed by Seller or Purchaser under
248 the terms of this Agreement is not a business day, the time for the performance of any such act will be extended to
249 the next day which is a business day.

250 27. **Division of Endowment.** The parties acknowledge and agree that The Community Foundation for
251 Southeast Michigan ("CFSEM") holds an endowment for the benefit of Seller to support the charitable purposes of
252 The Community House of Birmingham (the "Endowment"). Seller is a beneficiary of the Endowment but does not
253 own or have any rights or control over the Endowment. Ownership and control of the Endowment and distributions
254 therefrom is vested in CFSEM. Within five (5) days after the Effective Date, Seller shall execute and deliver to
255 CFSEM a letter (the "Endowment Division Letter") requesting that, upon Closing, CFSEM divide the Endowment
256 into two separate endowments: (i) one endowment for the continuing benefit of Seller (the "Seller Endowment") and
257 (ii) one endowment for the exclusive benefit of Purchaser (or the foundation to be created by it) to support the
258 maintenance of the Property (the "Purchaser Endowment"). The letter will request that the Seller Endowment and the
259 Purchaser Endowment each hold fifty percent (50%) of the then-current value of the Endowment (the "Division
260 Value"). The requested division of the Endowment as set forth herein is referred to as the "Requested Division".
261 Failure to timely deliver the Endowment Division Letter shall be a Seller default hereunder. Seller shall fully and
262 diligently support the Requested Division and shall provide all cooperation, documentation, information, and
263 assistance necessary to consummate the Requested Division. Seller shall respond to any requests for such cooperation
264 within ten (10) business days of receipt of a request therefor. Failure to timely respond to any such request, either
265 prior to Closing or during the Post-Closing Endowment Division Period (as that term is defined below), if applicable,
266 will be a Seller default.

267 28. **Closing Escrow for Division of Endowment.** The parties intend that CFSEM's approval of the
268 Requested Division occur prior to the Closing Date; provided, however, that in the event that the Requested Division
269 does not occur prior to the Closing Date, an amount equal to the Purchaser's Division Value shall be withheld from
270 the Purchase Price and placed in escrow with the Title Company pursuant to the terms hereof (the "Endowment
271 Escrow"). The parties agree that they shall continue to work diligently and in good faith with CFSEM to consummate
272 the Requested Division for a period beginning on the Closing Date and ending on the date that is the later to occur of
273 (a) ninety (90) days after the Closing Date (as may be extended by written agreement of the parties in their sole
274 discretion), or (b) the date that all required approvals for the Requested Division have been obtained (the "Post-
275 Closing Endowment Division Period"). If the Requested Division is approved by CFSEM's board of trustees during
276 the Post-Closing Endowment Division Period, Title Company shall release the Endowment Escrow to Seller. If the
277 Requested Division is not completed prior to the expiration of the Post-Closing Endowment Division Period or
278 CFSEM fails to approve the Requested Division, then,

- 279 a. Purchaser shall, within thirty (30) days following the expiration of the Post-Closing Endowment
280 Division Period or the date that CFSEM issues a written notice of denial of the Requested Division,
281 establish a donor advised fund at CFSEM in accordance with CFSEM's standard policies and
282 governing documents (the "Alternate Fund"); and
- 283 b. The Purchaser shall serve as the donor advisor with respect to the Alternate Fund, with the authority
284 to recommend distributions therefrom in accordance with CFSEM's policies; and
- 285 c. If the Alternate Fund is established, within ten (10) business days following establishment of the
286 Alternate Fund, Title Company shall release the Endowment Escrow directly to the Alternate Fund;
287 and
- 288 d. For clarity, the Seller shall remain the sole beneficiary of the Endowment, free and clear of any claim
289 thereto by Purchaser.

290 29. **Property Condition; Personal Property.** Except as set forth in this Agreement, Purchaser and
291 Seller acknowledge and agree that Purchaser is acquiring the Property in its as-is condition. Notwithstanding the
292 foregoing, Seller agrees that it shall maintain the Property, including all of its contents, in substantially the same
293 condition as they exist on the Effective Date hereof. For the avoidance of doubt, Seller shall not remove, strip,
294 relocate, or dispose of any plaques, artwork, the commercial kitchen, catering, or banquet equipment, or any items
295 used to maintain the early childhood center (the "ECC") and banquet center ("Banquet Center") operations on the

296 Property; provided, however, that employees of Seller shall have the right to remove their personal property (e.g.,
297 personal items of ECC employees, and knives of the culinary staff at the Banquet Center). Furthermore, the sale of
298 the Property shall include the conveyance by Seller of the name "Birmingham Community House", the Marshall
299 Fredericks sculptures currently located on the property, all books and records related to the operation and maintenance
300 of the Property, including ECC and Banquet Center employee rosters, operating expense history, vendor contracts,
301 and donor records regarding gift restrictions. At Closing, the Seller will convey such personal property by quitclaim
302 bill of sale, and Purchaser shall release Seller from all claims and liabilities concerning such property at Closing. All
303 items of personal property that are not included in the sale of the Property are identified on attached Exhibit A.

304 30. **Post-Closing Covenants.** Purchaser agrees that post-Closing it will maintain the Marshall Fredericks
305 sculptures, Miller Tribute Terrace and donor wall in their current locations at the Property, subject to reasonable
306 Property-related conditions, legal requirements, and other conditions that may impact the ability to maintain such
307 items in their current locations. This covenant shall survive Closing and recordation of the Covenant Deed.

308 31. **Closing Obligations.** At Closing, the parties will execute and deliver to each other mutual releases
309 and waivers of all claims, including any claims or counter-claims that were, or could be brought in the pending lawsuit
310 in the Oakland County Circuit Court, Case No. 25-219218-CB (the "Lawsuit"), against each other and their
311 respective officers, directors, commissioners, employees, agents, successors and assigns. Simultaneously with
312 the closing, the parties shall file with the Oakland County Circuit Court a dismissal of the Lawsuit with prejudice.

313 32. **Use and Occupancy Plan.** Purchaser intends to use the Property for the benefit of the residents of
314 the City of Birmingham consistent with the deed restrictions governing the Property, and intends to and will make
315 best efforts to continue providing a childcare center and other current services and programming currently offered by
316 Seller. Seller shall cooperate with Purchaser to facilitate discussions and perform other work necessary and related
317 to the preservation, stabilization, and transition of the Banquet Center and ECC to the extent reasonably requested by
318 Purchaser. The Purchaser will make best effort to offer employment to such of Seller's existing staff as required
319 including subject to operational conditions and requirements.

320 33. **Bankruptcy Sale.** The parties acknowledge and agree that the transaction contemplated by this
321 Agreement is being performed through a private sale process under Section 363 of the United States Bankruptcy
322 Code overseen by the United States Bankruptcy Court in Seller's pending Chapter 11 proceeding, Case No. 26-43351
323 (the "Bankruptcy Court"). On or before one (1) business day after the Effective Date, Seller will prepare and file
324 necessary pleadings (the "Motion") seeking Bankruptcy Court approval of the transaction contemplated by this
325 Agreement. The transaction contemplated by this Agreement is contingent upon Bankruptcy Court approval.

326 34. **Entire Agreement.** This Agreement contains the entire agreement between Seller and Purchaser,
327 and there are no other terms, conditions, promises, undertakings, statements or representations, either written or oral
328 or express or implied, concerning the sale contemplated by this Agreement. This Agreement may be amended only
329 by an instrument in writing signed by both Seller and Purchaser.

330 *[Signatures appear on following page]*

331

SIGNATURE PAGE TO REAL ESTATE PURCHASE AGREEMENT

332
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336

PURCHASER:

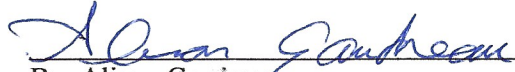
The City of Birmingham, on behalf of
an entity to be formed,

By: _____
Its: _____

Date: _____, 2026

SELLER:

The Community House Association, Birmingham,
Michigan,
a Michigan nonprofit corporation


By: Alison Gaudreau
Its: President

Date: May 17, 2026

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EXHIBIT A

Excluded Personal Property

The following office furniture and equipment:

- a. Three (3) L-shaped desks including cubicle/partition walls, drawers, and two (2) -drawer file cabinets
- b. Three (3) desk chairs
- c. Three (3) lamps
- d. Three (3) laptop computers and docking stations
- e. Six (6) computer screens
- f. Three (3) keyboards and mice
- g. One (1) five (5)-drawer file cabinet
- h. Six (6) free standing three (3)-drawer file cabinets
- i. One (1) conference table
- j. Ten (10) conference chairs
- k. One (1) small fridge
- l. Two (2) printers
- m. One (1) folding machine
- n. One (1) small table
- o. One (1) wall-mounted TV
- p. One (1) wall-mounted mirror

City of Birmingham Community House Foundation

Proposed Formation & Request for Approval

Briefing to the
Birmingham City Commission

Prepared by Varnum LLP • May 2026

AT A GLANCE

501(c)(3) Public Charity

Michigan nonprofit, nonstock, member-managed

City as Sole Member

Board designated by the City

9-Member Board

2 City Commissioners + 7 at-large; plus 2 ex-officio (City Manager & City Attorney)

Decision Today

Approve consent resolutions to authorize formation

What we are asking the Commission to approve

DECISION REQUESTED

Approve the consent resolutions authorizing formation of the City of Birmingham Community House Foundation as a Michigan nonprofit, 501(c)(3) public charity, with the City of Birmingham as sole member.

01

Why now

If the purchase of the Community House is successful, the Foundation will be established in accordance with the property's deed restrictions and its long history as a center for civic, social, and philanthropic life in Birmingham.

02

What it does

Owns, maintains, and improves the Community House and funds the social, philanthropic, and civic activities it has long supported for Birmingham residents.

03

How it is governed

City as sole member; Board of 9 directors designated by the City — 2 City Commissioners and 7 at-large community stakeholders — with the City Manager and City Attorney as ex-officio, non-voting members.

A foundation built around the Community House

DEFINITION

A mission-driven 501(c)(3) public charity organized to acquire, maintain, and improve the Community House and to carry on the social, philanthropic, and civic activities it has long hosted for Birmingham residents.

A center for the community — the Articles authorize acquiring, leasing, purchasing, improving, and maintaining real and personal property to provide and maintain that center.

Mission-locked — the Foundation's assets stay dedicated to the Community House and its civic purposes.

KEY FEATURES



Tied to the Community House

Formed in connection with a successful purchase of the Community House and consistent with the property's deed restrictions and historical use.



Charitable purpose

Social, philanthropic, and civic activities for Birmingham residents under § 501(c)(3).



Funded by gifts & grants

Financed primarily through charitable gifts, grants, and contributions



Public accountability

Annual financial report; charitable trust registration; IRS Form 990 filings.

Why a public charity is the right fit for Birmingham

RECOMMENDED • PUBLIC CHARITY

Broadest fundraising reach with strong public trust

■ Broader donor base

Open to gifts from residents, businesses, and community foundations.

■ Eligible for most grants

Recognized vehicle for charitable contributions and grants supporting the Community House.

■ Strong public trust

Public-support test and public reporting reinforce accountability to the community.

■ Less restrictive regime

Avoids private-foundation excise rules absent IRS reclassification — the right fit for a community-facing center.

Carrying forward the purposes of the Community House

01

Community Gathering & Events

A welcoming center for weddings, receptions, reunions, and civic gatherings that have long defined the Community House for Birmingham residents.

02

Civic Programming

Forums, lectures, and civic events that bring residents together and support engagement in the life of the City.

03

Philanthropic Activities

Fundraising, grants, donor-advised gifts, and matching campaigns directed to community priorities at the Community House.

04

Educational Programs

Classes, workshops, and youth and adult learning opportunities consistent with § 501(c)(3) charitable and educational purposes.

05

Cultural & Social Activities

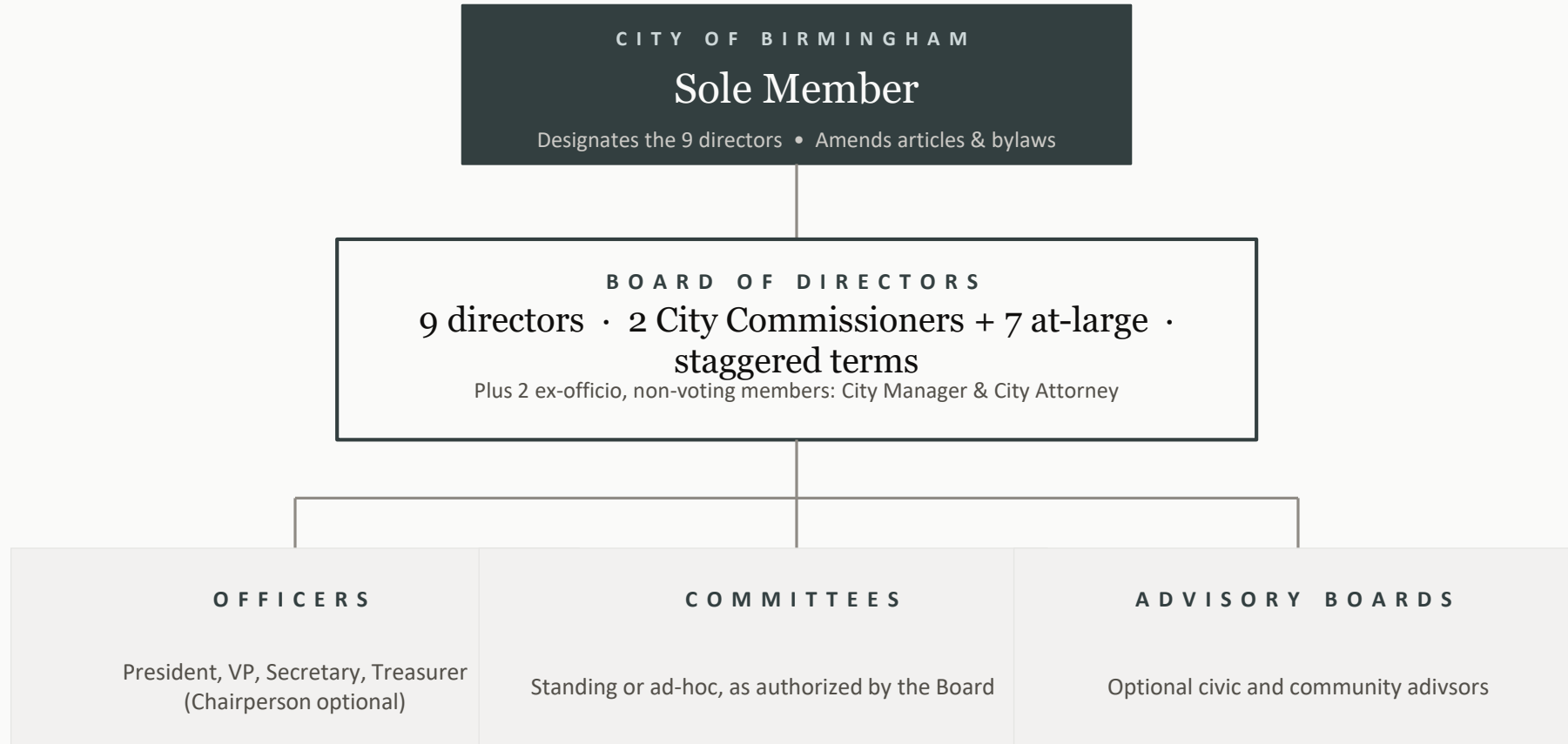
Concerts, exhibits, performances, and social events that animate the Community House and serve Birmingham residents.

06

Maintain & Improve the Property

Acquiring, maintaining, and improving the Community House — fulfilling the Articles' purpose of providing and maintaining a center for these activities.

Member-managed nonprofit, City as sole member



Board size, terms, and member controls

9

initial directors

Designated by the City

2 + 7

Commissioners + at-large

Plus 2 ex-officio non-voting

Staggered Terms

For continuity of the Board

Approximately ½ expire each year

Representative of Residents

of Birmingham

Goal: a board that reflects the community

CITY OF BIRMINGHAM RETAINS

- Sole-member status
- Designation and removal of directors
- Amendment of Articles and Bylaws (member-only)
- Annual financial report from the Board within 4 months

INITIAL DIRECTORS

- 2 City Commissioners, chosen by the City Commission
- 7 at-large community stakeholders with specialized expertise — fundraising, nonprofit governance, legal, programming, philanthropy, finance or similar fields
- 2 ex-officio, non-voting members: City Manager and City Attorney
- Staggered terms; goal of a board representative of the Birmingham community

Built-in legal and financial guardrails

1

501(c)(3) restrictions

No private inurement; no substantial lobbying; no campaign intervention.

2

Financial transparency

Annual financial reporting to the member

3

State oversight

Registration with the Michigan Attorney General Charitable Trust Division.

4

Federal recognition

IRS Form 1023 application for recognition of exempt status.

5

Board authorization

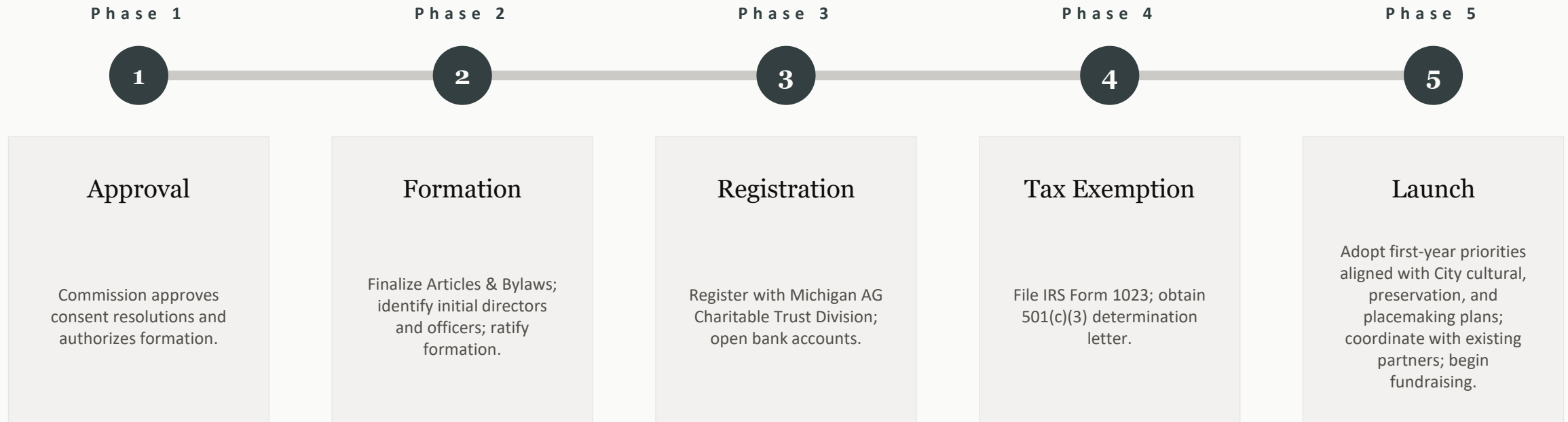
Required for contracts, loans, checks, deposits, and legal actions.

6

Asset lock

On dissolution, assets revert to the City of Birmingham — or to a foundation created by the City — for public purposes, consistent with the Community House deed restrictions.

From approval to operational foundation



Recommended next steps

MOTION

Approve the consent resolutions authorizing formation of the City of Birmingham Community House Foundation, designating the City as sole member, and authorizing organizational filings.

SEEKING ACTION THAT ALLOWS:

- 1 Adoption the Articles of Incorporation/Action of Incorporator
- 2 Authorizes the filing of the Articles of Incorporation
- 3 Authorize the preparation of Bylaws
- 4 Authorize charitable trust registration with the Michigan Attorney General and filing of IRS Form 1023

Recommended motion: “Move to approve the consent resolutions and authorize the City’s designation as sole member of the City of Birmingham Community House Foundation and the authorization of related organizational filings”

DISCUSSION

Questions & Discussion

Thank you to the Commission for considering the formation of the City of Birmingham Community House Foundation — a public-charity vehicle dedicated to the civic, philanthropic, and community priorities of our residents.

Integra Realty Resources
Detroit

Appraisal of Real Property

The Community House
Special Purpose Property
380 S. Bates St.
Birmingham, Oakland County, Michigan 48009

Prepared For:
Element 22 Commercial Group

Date of the Report:
August 13, 2024

Report Format:
Appraisal Report

IRR - Detroit
File Number: 142-2024-0923



Subject Photographs



The Community House
380 S. Bates St.
Birmingham, Michigan

Aerial Photograph





August 13, 2024

Kaili Schneiderhan
Executive Assistant
Element 22 Commercial Group
2425 11th Street, Suite D
Kalamazoo, MI 49009

SUBJECT: Market Value Appraisal
 The Community House
 380 S. Bates St.
 Birmingham, Oakland County, Michigan 48009
 IRR - Detroit File No. 142-2024-0923

Dear Ms. Schneiderhan:

Integra Realty Resources – Detroit is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop the following opinions of value:

The market value as is of the fee simple interest in the subject property as of the effective date of the appraisal, July 30, 2024

The client for the assignment is Element 22 Commercial Group. The intended users of this report are Element 22 Commercial Group and Chief Financial Credit Union. The intended use of the report is for to assist client and intended users in making a lending decision. No other party or parties may use or rely on the information, opinions, and conclusions contained in this report.

The subject is an existing special purpose property containing 38,995 square feet of gross building area. The improvements were constructed in 1923, 1990 and are 100% owner occupied as of the effective appraisal date. The site area is 0.85 acres or 37,070 square feet.

The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute and applicable state appraisal regulations. The appraisal is also prepared in

accordance with the appraisal regulations issued in connection with the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA).

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis that were used to develop the opinion of value.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, the concluded opinions of value are as follows:

Value Conclusion			
Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	July 30, 2024	\$7,040,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. This analysis assumes that 5,000 SF of excess land that is identified within can be legally divided from the parent parcel and sold to a developer.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

1. None.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.



Kaili Schneiderhan
Element 22 Commercial Group
August 13, 2024
Page 3

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Detroit



Constantino G. Naoum
Michigan Certified General Real Estate
Appraiser #1205068135
Telephone: 248.979.9690
Email: dnaoum@irr.com



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Michigan Certified General Real Estate
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Telephone: 248.979.9663
Email: asanna@irr.com



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Quality Assurance

IRR Quality Assurance Program

At IRR, delivering a quality report is a top priority. Integra has an internal Quality Assurance Program in which managers review material and pass an exam in order to attain IRR Certified Reviewer status. By policy, every Integra valuation assignment is assessed by an IRR Certified Reviewer who holds the MAI designation, or is, at a minimum, a named Director with at least ten years of valuation experience.

This quality assurance assessment consists of reading the report and providing feedback on its quality and consistency. All feedback from the IRR Certified Reviewer is then addressed internally prior to delivery. The intent of this internal assessment process is to maintain report quality.

Designated IRR Certified Reviewer

An internal quality assurance assessment was conducted by an IRR Certified Reviewer prior to delivery of this appraisal report. This assessment should not be construed as an appraisal review as defined by USPAP.

Executive Summary

Property Name	The Community House
Address	380 S. Bates St. Birmingham, Oakland County, Michigan 48009
Property Type	Special Purpose - Assembly/Meeting Place
Owner of Record	Community House
Tax ID	19-36-132-007
Land Area	0.85 acres; 37,070 SF
Gross Building Area	38,995 SF
Year Built; Year Renovated	1923, 1990; Various
Zoning Designation	R7, Multiple-Family Residential
Highest and Best Use - As if Vacant	Multifamily use
Highest and Best Use - As Improved	Continued community use
Exposure Time; Marketing Period	12 months; 12 months
Effective Date of the Appraisal	July 30, 2024
Date of the Report	August 13, 2024
Property Interest Appraised	Fee Simple
Market Value Conclusion	\$7,040,000

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than Element 22 Commercial Group and Chief Financial Credit Union may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. This analysis assumes that 5,000 SF of excess land that is identified within can be legally divided from the parent parcel and sold to a developer.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

1. None.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Strengths, Weaknesses, Opportunities, Threats (SWOT Analysis)

The analyses presented in this report consider the internal strengths and weaknesses of the subject property, as well as opportunities and external threats. The overall valuation influences are summarized in the following table.

Valuation Influences

Strengths

- Located in downtown Birmingham across from Shain Park, considered one of the most prestigious areas in southeast Michigan.
- Considered a fabric of the community.
- The property was observed to be well maintained with renovations and replacements made as needed.

Weaknesses

- Located in a historic preservation district that requires approval to conduct any exterior renovations or potential expansion.
- The basement level is considered a vital component of the current operations, would not carry the same value to a prospective buyer versus the two floors above grade.
- The property is currently tax-exempt, however, any private buyer would need to consider the impact of property taxes on the purchase of the property.

Opportunities

- A rezoning of the subject can be requested to expand the potential uses of the property.

Threats

- Elevated construction and labor costs, which would elevate costs to repurposing the property to another use as allowed per the zoning restrictions.
-

Identification of the Appraisal Problem

Subject Description

The subject is an existing special purpose property containing 38,995 square feet of gross building area. The improvements were constructed in 1923, 1990 and are 100% owner occupied as of the effective appraisal date. The site area is 0.85 acres or 37,070 square feet. A legal description of the property is provided below.

Property Identification	
Property Name	The Community House
Address	380 S. Bates St. Birmingham, Michigan 48009
Tax ID	19-36-132-007
Owner of Record	Community House

T2N, R10E, SEC 36 MERRILL'S PLAT LOTS 85 TO 90 INCL, ALSO LOTS 94, 95 & 96 7/24/90FR 001T0004INCL&006

The subject site is developed with special-use property referred to as The Community House, which houses various social functions. The overall site has frontage along Bates Street, Merrill Street, Townsend Street, and Chester Street.

The building contains two stories above grade with a floor area of 24,557 SF. The first floor mainly houses the social events and includes several sitting rooms, ballroom, stage, commercial grade kitchen, library, and also some early childhood toddler rooms. The main ballroom can accommodate 230 guests. The second level houses the administration offices and foundation offices. The building also contains a finished lower level that contains an additional 14,438 SF, with a portion having daylight windows. The lower level contains various classrooms, ballet studios, and childhood centers. The property contains an area for outdoor activities and a small park/garden.

The subject property is located in an historic zoning district which requires the property owner to get approval for any renovations or improvements for the exterior of the structure. The property owner can conduct any renovations to the interior of the structure without needing approval from the historic zoning commission (HTC). Any additions or expansion of the current structure would need to receive approval from the HTC. Further, given the historic district, full removal of the existing improvements is not an option.

The subject property is zoned R7, Multiple-Family Residential. In discussions with the City of Birmingham Planning Director, the subject property can repurpose the building as long as it conforms to current zoning requirements under the R7 district.



Based upon current market conditions, the most likely repurpose of the building would be for multifamily units or retirement community. Costs for such an endeavor would be high and above the scope of this assignment. A rezoning of the property can be explored, but highly unlikely at this time.

The property appears to contain an excess land component that is situated along the northwest corner of the overall site, which would represent the southeast corner of Merrill Street and Chester Street. Due to the scarcity of land available in downtown Birmingham, the property owner would be advised to pursue a land split of this portion of the site due to being underutilized. A similar division was conducted in the 1990's regarding the existing brownstones located on the northeast corner of Townsend Street and Chester Street, directly across from this excess land, which was sold to a residential developer.

A metes and bound legal description was not available to calculate the land area of this portion of the subject's site. Based on a review of aerial photography and online measurement tools, this portion of the site is estimated at 5,000 SF. As such, a separate valuation will be conducted on this excess land component and added into the valuation of the existing structure. This analysis assumes that this 5,000 SF of excess land can be legally divided from the parent parcel and sold to a developer.

Sale History

No known sales or transfers of ownership have taken place within a three-year period prior to the effective appraisal date.

Pending Transactions

Based on discussions with the appropriate contacts, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date.

Appraisal Purpose

The purpose of the appraisal is to develop the following opinion(s) of value:

The market value as is of the fee simple interest in the subject property as of the effective date of the appraisal, July 30, 2024

The date of the report is August 13, 2024. The appraisal is valid only as of the stated effective date or dates.

Value Type Definitions

The definitions of the value types applicable to this assignment are summarized below.

Market Value

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

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

Appraisal Premise Definitions

The definitions of the appraisal premises applicable to this assignment are specified as follows.

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.²

Property Rights Definitions

The property rights appraised which are applicable to this assignment are defined as follows.

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.³

Client and Intended User(s)

The client is Element 22 Commercial Group. The intended users are Element 22 Commercial Group and Chief Financial Credit Union. No other party or parties may use or rely on the information, opinions, and conclusions contained in this report.

¹ Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472

² Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

³ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

Intended Use

The intended use of the appraisal is for to assist client and intended users in making a lending decision. The appraisal is not intended for any other use.

Applicable Requirements

This appraisal report conforms to the following requirements and regulations:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute;
- Applicable state appraisal regulations;
- Appraisal requirements of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), revised April 9, 2018;
- Interagency Appraisal and Evaluation Guidelines issued December 10, 2010.

Report Format

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis used to develop the opinion of value.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have previously appraised the property that is the subject of this report for another client. We have provided no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

Appraiser Competency

No steps were necessary to meet the competency provisions established under USPAP. The assignment participants have appraised several properties similar to the subject in physical, locational, and economic characteristics, and are familiar with market conditions and trends; therefore, appraiser competency provisions are satisfied for this assignment. Appraiser qualifications and state credentials are included in the addenda of this report.

Scope of Work

Introduction

The appraisal development and reporting processes require gathering and analyzing information about the assignment elements necessary to properly identify the appraisal problem. The scope of work decision includes the research and analyses necessary to develop credible assignment results, given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

To determine the appropriate scope of work for the assignment, the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors were considered. The concluded scope of work is described below.

Research and Analysis

The type and extent of the research and analysis conducted are detailed in individual sections of the report. The steps taken to verify comparable data are disclosed in the addenda of this report. Although effort has been made to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Subject Property Data Sources

The legal and physical features of the subject property, including size of the site and improvements, flood plain data, property zoning, existing easements and encumbrances, access and exposure, and condition of the improvements (as applicable) were confirmed and analyzed.

Contacts

In addition to public records and other sources cited in this appraisal, information pertaining to the subject was obtained from the following party:

Property Contacts		
Contact Name	Title/Role	Company
Tim Hunt	CFO	The Community House

Inspection

Details regarding the property inspection conducted as part of this appraisal assignment are summarized as follows:

Property Inspection		
Party	Inspection Type	Inspection Date
Constantino G. Naoum	Interior and exterior	July 30, 2024
Anthony Sanna, MAI, CRE	Exterior	July 30, 2024

Valuation Methodology

Three approaches to value are typically considered when developing a market value opinion for real property. These are the cost approach, the sales comparison approach, and the income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

The sales comparison approach is the most reliable valuation method for the subject due to the following:

There is an active market for similar properties, and sufficient sales data is available for analysis.

This approach directly considers the prices of alternative properties having similar utility.

This approach is typically most relevant for owner-user properties.

The cost approach is not applicable to the assignment because:

The age of the property would limit the reliability of an accrued depreciation estimate.

This approach is not typically used by market participants, except for new (or proposed) or nearly new properties.

The income capitalization approach is not applicable to the assignment considering the following:

There is not an active rental market for similar properties that would permit us to develop a reliable estimate of the property's income generating potential.

This approach does not reflect the primary analysis undertaken by a typical purchaser.

Similar properties are typically owner-occupied, decreasing the reliability of this approach.

Economic Analysis

Surrounding Area Analysis

The subject is located in downtown Birmingham. Area boundaries and delineation are indicated in the following table. A map identifying Birmingham and the location of the property follows below.

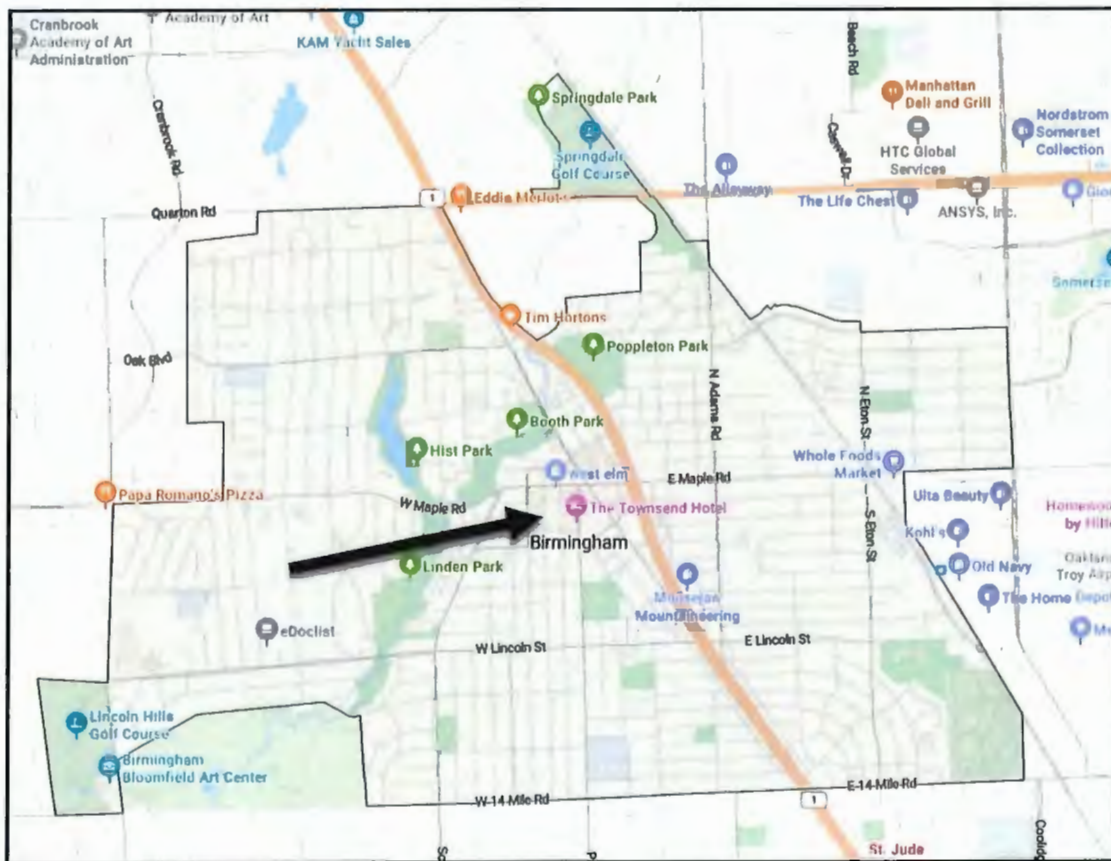
Boundaries & Delineation

Boundaries

Market Area	Metropolitan Detroit
Area Type	Suburban

Delineation

North	West Big Beaver Road
South	West 14 Mile Road
East	Coolidge Highway
West	South Cranbrook Road



Birmingham contains 4.8 square miles and is surrounded by the communities of Bloomfield Hills and Bloomfield Township to the north, West Bloomfield and Bloomfield Township to the west, Beverly Hills and Royal Oak to the south, and Troy and Clawson to the east. Birmingham is situated in the southeast portion of Oakland County. The market area is located approximately 20 miles north of downtown Detroit, 45 miles northeast of Ann Arbor, and 50 miles southeast of Flint.

Access and Linkages

Primary access and linkages to the market area, including highways, roadways, public transit, and airports, are summarized in the following table.

Access & Linkages	
Vehicular Access	
Major Highways	I-75 and I-696
Primary Corridors	Maple Road, West Big Beaver, Coolidge Highway, Woodward Avenue, 14 Mile Road, and Crooks Road
Vehicular Access Rating	Average
Public Transit	
Providers	SMART bus (Suburban Mobility Authority for Regional Transportation)
Transit Access Rating	Average
Airport(s)	
Name	Detroit Metropolitan Wayne County Airport (DTW)
Driving Time	45 Minutes
Primary Transportation Mode	Automobile

Access to Birmingham is via Woodward Avenue which connects the area to Bloomfield Hills and Pontiac to the north, and Royal Oak, Ferndale and Detroit to the south. Primary highway access to the area is via I-75 which is located about five miles to the northeast and I-696, about five miles to the south. Other roadways providing access to the area include Southfield Road, Adams Road and 14 Mile Road, Maple Road (15 Mile) and Quarton Road (Big Beaver Road/16 Mile).

Demand Generators

The typical generators of demand affecting the Birmingham market area discussed and analyzed below.

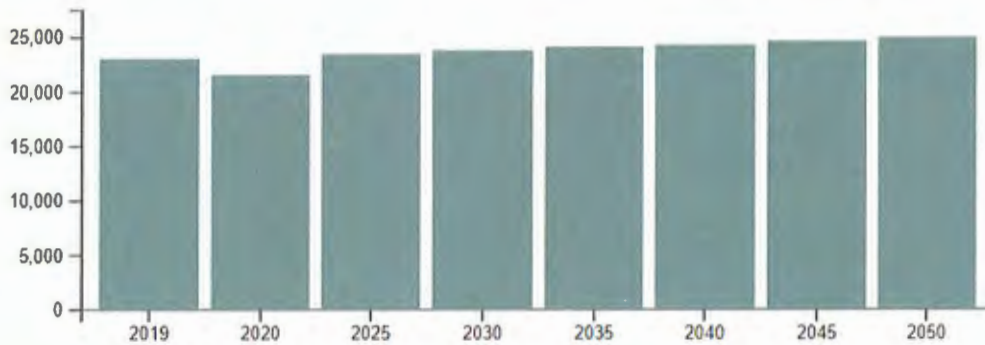
Employment and Employment Centers

Birmingham's unique office and commercial setting attracts professional organizations and white-collar businesses. Birmingham is also a center for real estate, accounting, finance, insurance, legal, and other services.

In addition to downtown Birmingham, the subject is located near other large employment centers including downtown Detroit, Troy, Southfield and Warren. Significant employment in the area is related to the auto industry with various administrative, research/design, and manufacturing facilities

located throughout the region. The world headquarters for Ford are located in Dearborn, the Stellantis North American Headquarters is located in Auburn Hills, the administrative headquarters for General Motors is located in downtown Detroit, and the GM Tech Center is located in Warren. Other major employers in this economy include education, health care and government.

The Southeast Michigan Council of Governments (SEMCOG) is projecting that employment in Birmingham will continue to grow through 2050.



Forecasted Jobs By Industry Sector	2019	2020	2025	2030	2035	2040	2045	2050	Change 2019-2050	Pct Change 2019-2050
Natural Resources, Mining, & Construction	825	819	1,108	1,096	1,091	1,061	1,046	1,011	186	22.5%
Manufacturing	626	585	592	546	526	492	466	460	-166	-26.5%
Wholesale Trade	513	497	498	531	538	509	499	478	-35	-6.8%
Retail Trade	1,528	1,357	1,481	1,380	1,327	1,276	1,251	1,224	-304	-19.9%
Transportation, Warehousing, & Utilities	516	519	615	646	653	644	646	668	152	29.5%
Information & Financial Activities	6,788	6,927	7,077	6,947	6,966	6,936	6,961	6,961	173	2.5%
Professional and Technical Services & Corporate HQ	3,696	3,574	4,031	4,320	4,467	4,738	4,926	5,098	1,402	37.9%
Administrative, Support, & Waste Services	1,596	1,239	1,383	1,403	1,468	1,496	1,549	1,616	20	1.3%
Education Services	1,061	1,005	1,081	1,113	1,151	1,155	1,156	1,163	102	9.6%
Healthcare Services	1,887	1,749	1,756	1,807	1,867	1,906	2,000	2,103	216	11.4%
Leisure & Hospitality	2,029	1,553	1,934	2,087	2,104	2,108	2,137	2,166	137	6.8%
Other Services	1,756	1,528	1,679	1,673	1,716	1,742	1,772	1,800	44	2.5%
Public Administration	240	231	262	273	272	269	268	267	27	11.3%
Total Employment Numbers	23,061	21,583	23,497	23,822	24,146	24,332	24,677	25,015	1,954	8.5%

The table above shows the forecasted jobs through 2050 in Birmingham. The majority of employment created will be in professional and technical services and corporate HQ with a decline projected for manufacturing and retail trade. Overall, employment is projected to grow over 8% through 2050.

Nearby Retail Uses

The walkable City has a lively, pedestrian-friendly downtown comprised of nearly 300 retailers. The city offers a diverse assortment of restaurants, clothing and gift stores, salons, spas, antique shops, and art galleries. Movie theatres and a centrally located park complete the city center. Brands occupying storefronts in Birmingham include Lululemon, Anthropologie, Ethan Allen, west elm, and Jos. A Bank. There is also a Starbucks Reserve Coffee Bar located downtown which is one of only two in the state. Other storefront users include upscale restaurants and/or small office space. A Kroger anchored shopping center is located at Maple Road and Woodward Avenue. The closest regional mall is Somerset Mall, a luxury regional enclosed mall in Troy.

Population and Income

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics			
2024 Estimates	Birmingham	Oakland County	Michigan
Population 2020	21,813	1,274,395	10,077,331
Population 2024	21,717	1,275,252	10,050,893
Population 2029	21,833	1,291,202	10,122,792
Compound % Change 2020-2024	-0.1%	0.0%	-0.1%
Compound % Change 2024-2029	0.1%	0.2%	0.1%
Households 2020	9,462	524,047	4,041,760
Households 2024	9,474	527,556	4,059,000
Households 2029	9,572	536,827	4,108,148
Compound % Change 2020-2024	0.0%	0.2%	0.1%
Compound % Change 2024-2029	0.2%	0.3%	0.2%
Median Household Income 2024	\$140,830	\$91,936	\$68,473
Average Household Size	2.3	2.4	2.4
College Graduate %	78%	50%	31%
Median Age	43	42	41
Owner Occupied %	74%	70%	71%
Renter Occupied %	26%	30%	29%
Median Owner Occupied Housing Value	\$695,461	\$332,751	\$223,815
Median Year Structure Built	1958	1975	1972
Average Travel Time to Work in Minutes	24	28	26

Source: Claritas

As shown above, the current population within the City of Birmingham is 21,717. Looking to the future, both the city, county and state are expected to grow in terms of population and households.

The city, meanwhile, is growing more slowly than both the county and evenly with the state. Median household income in the city also exceeds both the county and state. The city has a high percentage of college graduates and median housing values are over 100% greater than the county and state.

Services and Amenities

The nearest public services, including police and fire departments, as well as public schools are summarized in the following table.

Public Services	
Service	
Police Department	Birmingham
Fire Department	Birmingham
Hospital	Corewell Health - Royal Oak (Formerly Beaumont Hospital)
School District(s)	Birmingham School District

The closest colleges and universities to Birmingham are Lawrence Technological University located in Southfield, Oakland University located in Auburn Hills, and Oakland Community College with a campus in Bloomfield Hills. Area amenities and activities include summer concerts in the park and festivals, the Birmingham Farmer’s Market, art galleries and theatres. The area has over 20 parks offering a variety of recreational opportunities, two municipal golf courses, and a country club. A wooded trail system, urban bike paths, and the Rouge River all wind their way through the heart of the City.

Land Use

Adjacent land uses are summarized as follows:

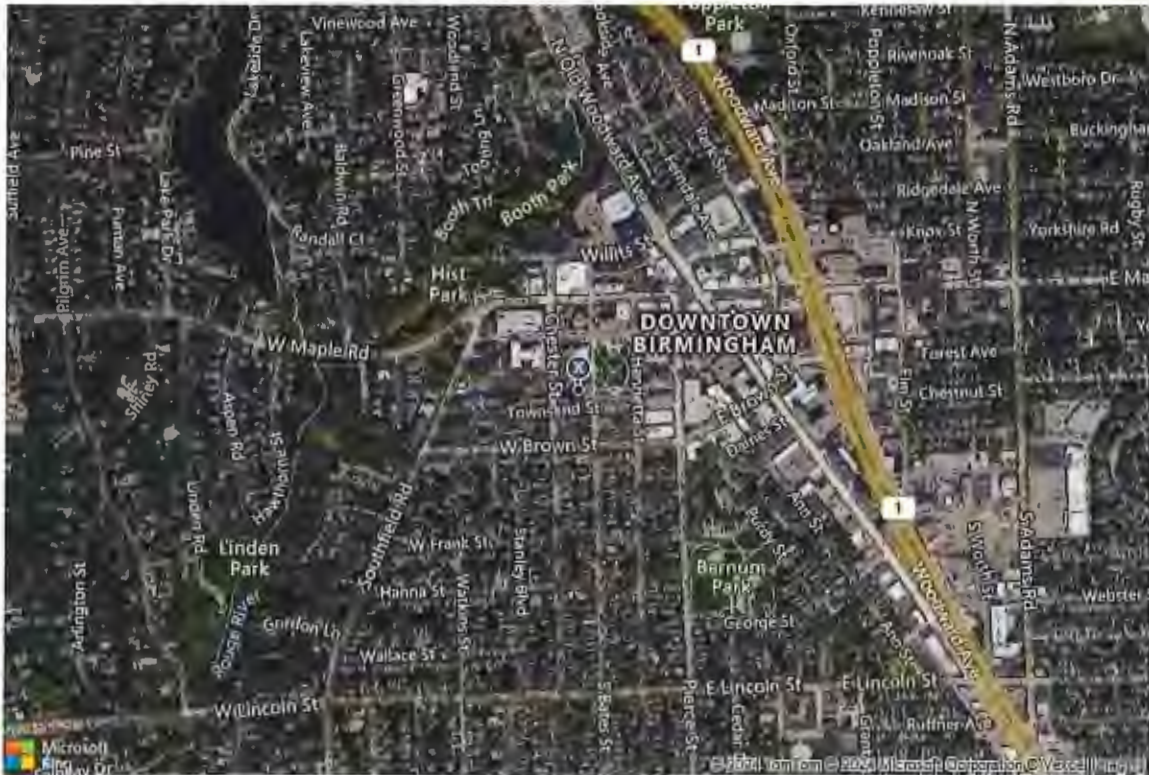
Immediate Surroundings	
North	Baldwin Library
South	Residential
East	Shain Park
West	Residential

Outlook and Conclusions

The area is in the stability stage of its life cycle. Birmingham has a strong economic base and above average income levels. The downtown business district offers a variety of retail, commercial, residential, and recreational uses. Given the history of the area and the growth trends, it is anticipated that property values will continue to increase in the near future.



Surrounding Area Map



Property Analysis

Land Description and Analysis

Land Description	
Land Area	0.85 acres; 37,070 SF
Source of Land Area	Public Records
Primary Street Frontage	S. Bates Street - 206 feet
Secondary Street Frontage	Merrill Street - 240 feet
Shape	Irregular
Corner	Yes
Topography	Generally level and at street grade
Drainage	No problems reported or observed
Environmental Hazards	None reported or observed
Ground Stability	No problems reported or observed
Flood Area Panel Number	26125C0537F
Date	September 29, 2006
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No
Zoning; Other Regulations	
Zoning Jurisdiction	City of Birmingham
Zoning Designation	R7
Description	Multiple-Family Residential
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	Unlikely
Permitted Uses	Multiple family dwelling, one-family dwellings, adult foster care, government offices, public schools, park, and parking facility. Uses via a special land permit include; assisted living, community center, retirement community, independent senior living, religious institution, private schools, social club, and skilled nursing facility
Other Land Use Regulations	Located in the C Zone (Community Use) overlay district and the City of Birmingham's historic district
Utilities	
Service	Provider
Water	Municipal
Sewer	Municipal
Electricity	DTE
Natural Gas	Consumers
Local Phone	Various

The subject property is zoned R7, Multiple-Family Residential. In discussions with the City of Birmingham Planning Director, the subject property can repurpose the building as long as it conforms to current zoning requirements under the R7 district.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance with zoning is required.

Excess Land Component

The property appears to contain an excess land component that is situated along the northwest corner of the overall site, which would represent the southeast corner of Merrill Street and Chester Street. A metes and bound legal description was not available to calculate the land area of this portion of the subject’s site. Based on a review of aerial photography and online measurement tools, this portion of the site is estimated at 5,000 SF. As such, a separate valuation will be conducted on this excess land component and added into the valuation of the existing structure. This analysis assumes that this 5,000 SF of excess land can be legally divided from the parent parcel and sold to a developer.

Street, Access, and Frontage

Streets, Access and Frontage				
Street	S. Bates Street	Merrill Street	Townsend Street	Chester Street
Frontage Feet	206	240	120	103

Easements, Encroachments and Restrictions

A current title report was not provided for review. There are no apparent easements, encroachments, or restrictions that would adversely affect value. This valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Conclusion of Site Analysis

Overall, the physical characteristics and the availability of utilities result in a functional site, suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include multiple family dwelling, one-family dwellings, adult foster care, government offices, public schools, park, and parking facility. Uses via a special land permit include; assisted living, community center, retirement community, independent senior living, religious institution, private schools, social club, and skilled nursing facility. No other restrictions on development are apparent.

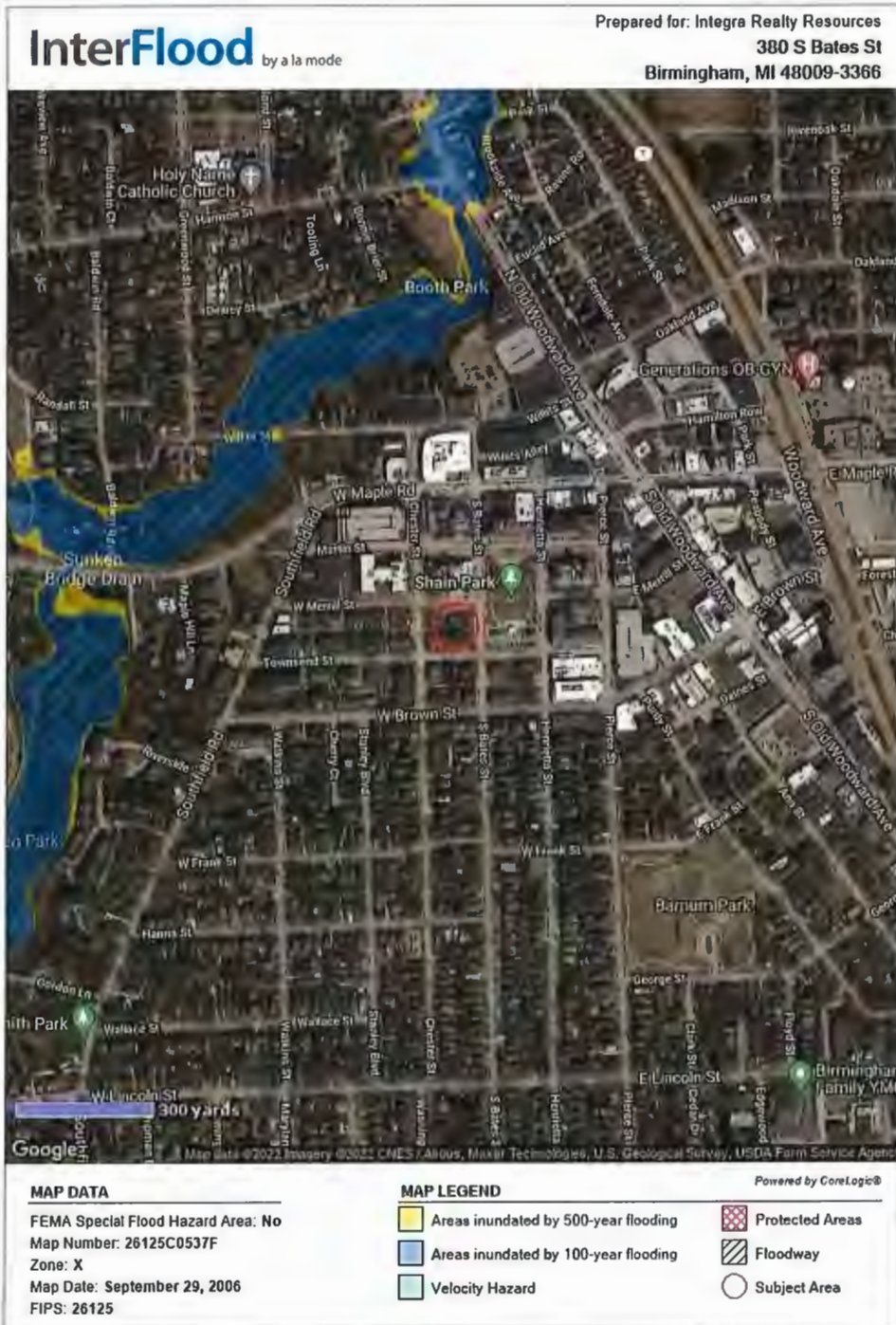
The subject property is located in an historic zoning district which requires the property owner to get approval for any renovations or improvements for the exterior of the structure. The property owner can conduct any renovations to the interior of the structure without needing approval from the historic zoning commission (HTC). Any additions or expansion of the current structure would need to receive approval from the HTC.



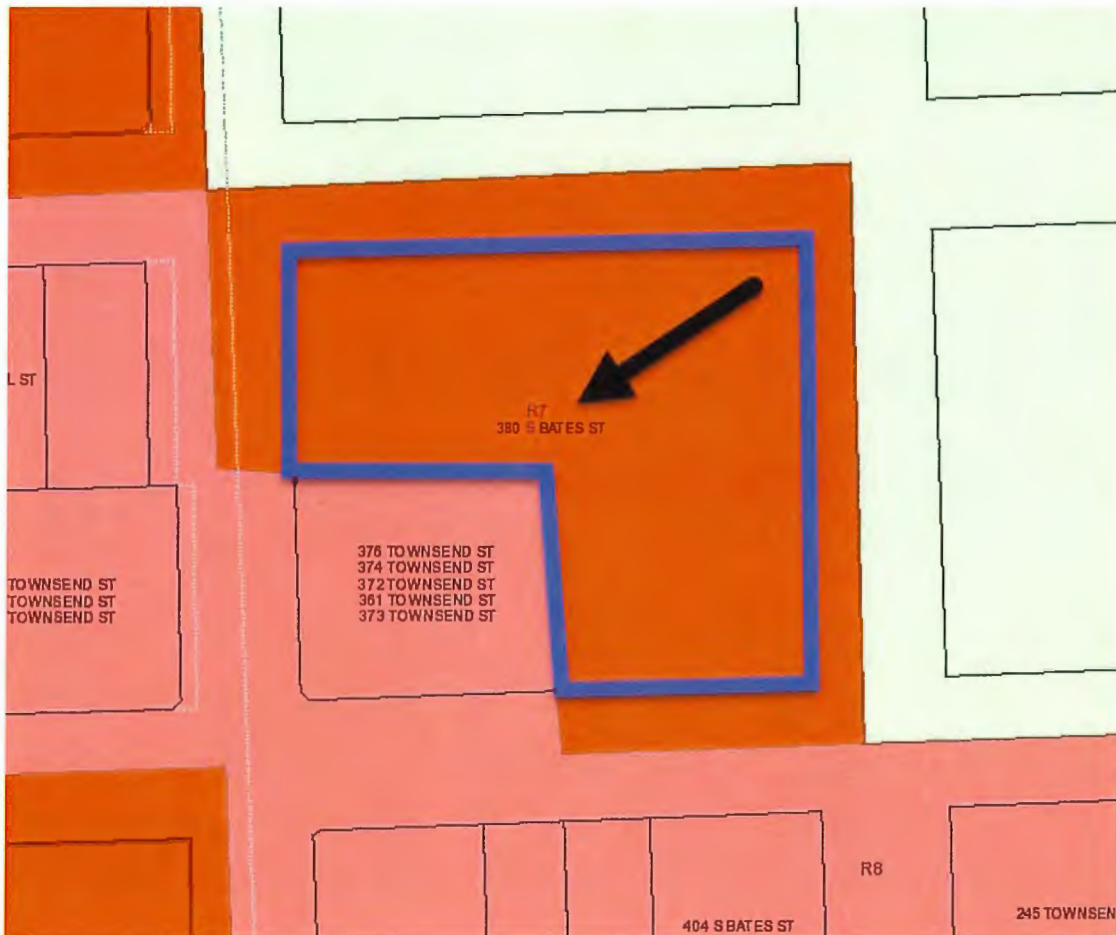
Aerial Plat Map



Flood Hazard Map



Zoning Map



Overlay District



Improvements Description and Analysis

Overview

The subject is an existing special purpose property containing 38,995 square feet of gross building area. The improvements were constructed in 1923, 1990 and are 100% owner occupied as of the effective appraisal date. The site area is 0.85 acres or 37,070 square feet. The following description is based on the inspection of the property and discussions with ownership.

Improvements Description

Name of Property	The Community House
General Property Type	Special Purpose
Property Sub Type	Assembly/Meeting Place
Specific Use	Community/Recreation Center
Competitive Property Class	B
Occupancy Type	Owner Occupied
Number of Buildings	1
Stories	Two plus finished basement level
Construction Class	C
Construction Type	Masonry
Construction Quality	Average
Condition	Average to Above Average
Gross Building Area (SF)	38,995
Land Area (SF)	37,070
Floor Area Ratio (GBA/Land SF)	1.05
Building Area Source	Owner
Year Built	1923, 1990
Year Renovated	Various
Actual Age (Yrs.)	101
Estimated Effective Age (Yrs.)	20
Estimated Economic Life (Yrs.)	50
Remaining Economic Life (Yrs.)	30
Number of Parking Spaces	0
Source of Parking Count	Nearby municipal garages and metered street parking

Construction Details

Foundation	Concrete
Structural Frame	Masonry
Exterior Walls	Brick, stone and wood
Roof	Rubber and shingles. Replaced in sections ranging from 2000-2014.
Interior Finishes	Average appointment in average to above average condition
HVAC	Roof Central Mounted
Elevators	1
Sprinklers	Yes

The building contains two stories above grade with a floor area of 24,557 SF. The first floor mainly houses the social events and includes several sitting rooms, ballroom, stage, commercial grade kitchen, library, and also some early childhood toddler rooms. The main ballroom can accommodate 230 guests. The second level houses the administration offices and foundation offices. The building also contains a finished lower level that contains an additional 14,438 SF, with a portion having daylight windows. The lower level contains various classrooms, ballet studios, and childhood centers.

Occupancy Status

The property is fully occupied by the owner. There are no arm's-length leases in place at the subject property.

Improvements Analysis

The subject property is improved with special-use property.

Quality and Condition

The improvements are of average quality construction and are in average to above average condition. The quality of the subject is consistent with properties in downtown Birmingham. Maintenance has been consistent with competing properties. Overall, the market appeal of the subject is consistent with competing properties.

Functional Utility

The improvements appear to be adequately suited to their current use. Based on the property inspection and consideration of the foregoing, there do not appear to be any significant items of functional obsolescence.

Deferred Maintenance

No deferred maintenance is apparent from the property inspection, and none is identified based on discussions with ownership.

Planned Capital Expenditures

None noted.

ADA Compliance

Based on the property inspection and information provided, there are no apparent ADA issues. However, ADA matters are beyond the scope of expertise of the assignment participants, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.

Hazardous Substances

An environmental assessment report was not provided for review, and environmental issues are beyond the scope of expertise of the assignment participants. No hazardous substances were observed during the inspection of the improvements; however, detection of such substances is outside the scope of expertise of the assignment participants. Qualified professionals should be consulted. Unless otherwise stated, it is assumed no hazardous conditions exist on or near the subject.

Personal Property

The appraisal assignment is specifically focused on the value of the real property only. Items of personal property are excluded from consideration.

Conclusion of Improvements Analysis

In comparison to competitive properties in the market, the subject improvements are rated as follows:

Improvements Ratings

Visibility/Exposure	Above Average
Design and Appearance	Above Average
Age/Condition	Average to Above Average
Landscaping	Above Average



Exterior view



Exterior view



Main entrance



Side elevation



Courtyard



Courtyard



Event tent



Events tent



Side entrance



Street scene



Street scene



Shain Park located across from subject



Office area



Hallway



Hallway



Hallway



Hallway



Cubicles



Ballet room



Elevator



Elevator



Admin offices



Gathering room



Ballroom



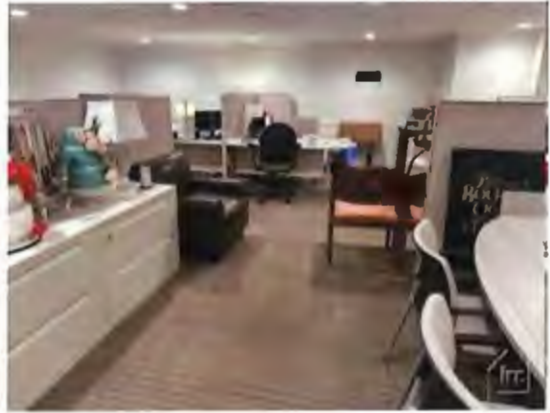
Ballroom



Ballroom



Common area



General offices



General offices



Gathering area



Kitchen



Kitchen



Stairwell



Stairwell



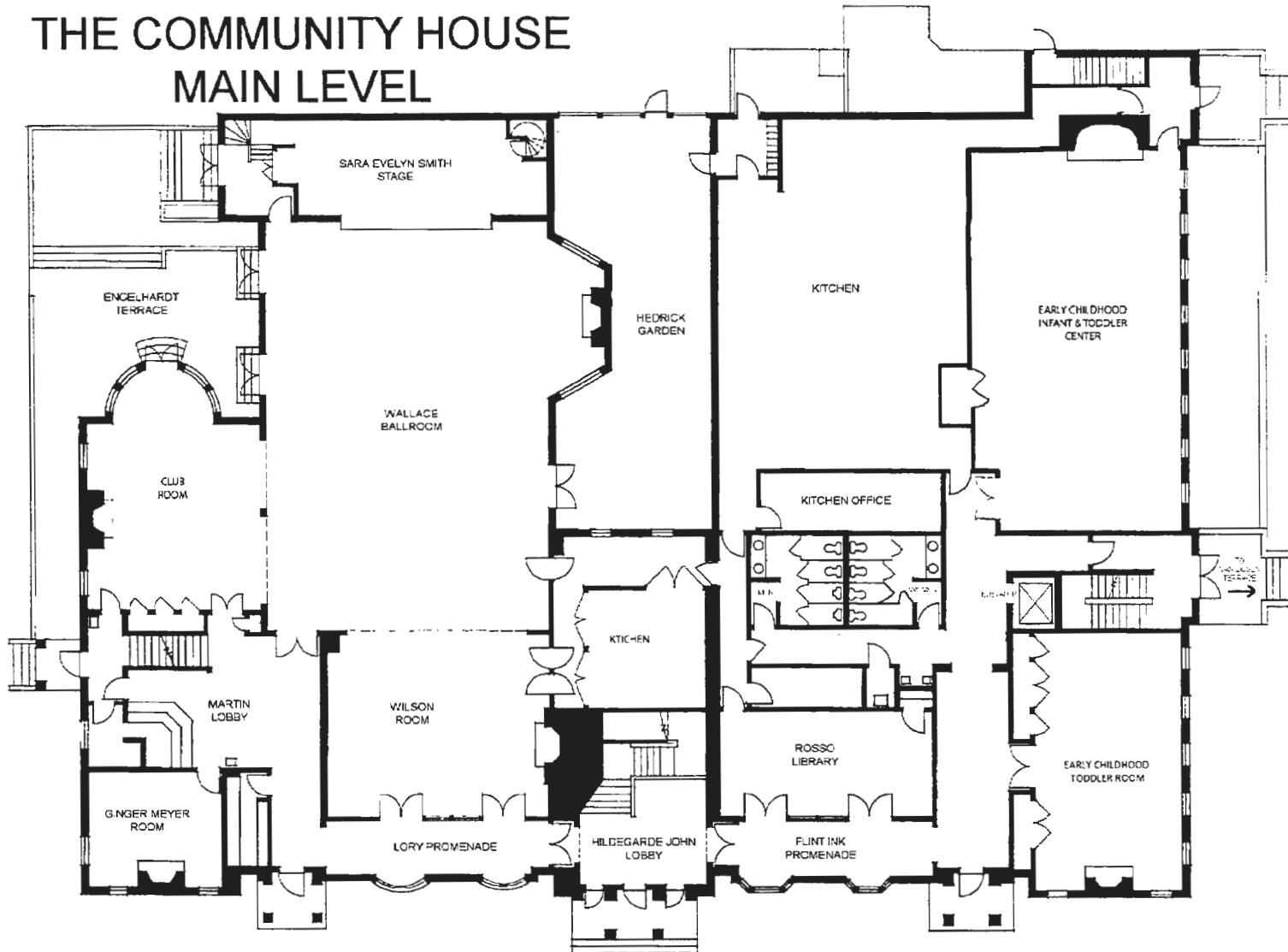
Boiler



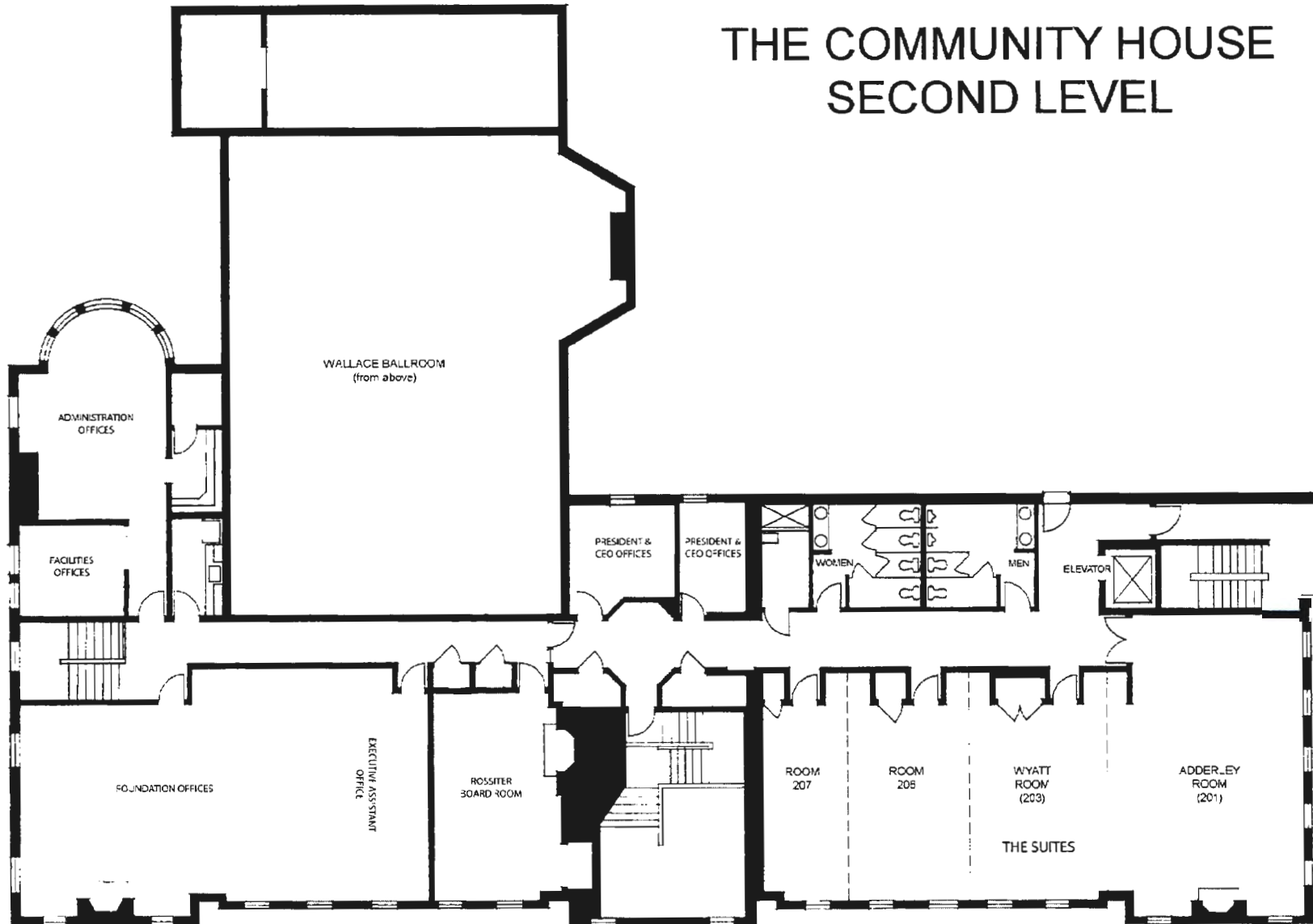
Subbasement

Floor Plan

THE COMMUNITY HOUSE MAIN LEVEL



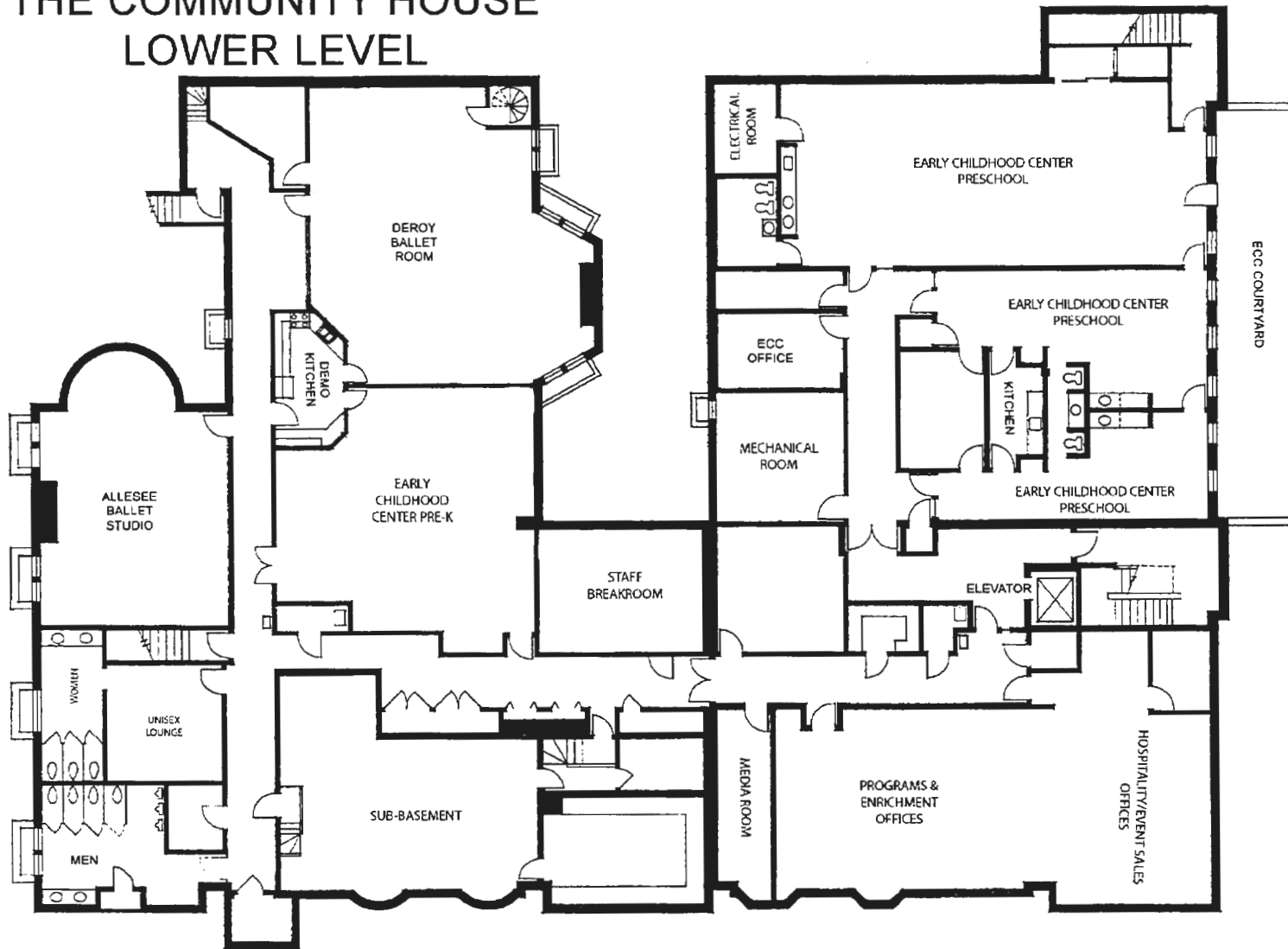
THE COMMUNITY HOUSE SECOND LEVEL



The Community House



THE COMMUNITY HOUSE LOWER LEVEL



Real Estate Taxes

The property is tax-exempt; therefore no data is available to summarize.

Highest and Best Use

The highest and best use of a property is the reasonably probable use resulting in the highest value, and represents the use of an asset that maximizes its productivity.

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as though vacant, and as improved or proposed. By definition, the highest and best use must be:

Physically possible.

Legally permissible under the zoning regulations and other restrictions that apply to the site.

Financially feasible.

Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

As Though Vacant

First, the property is evaluated as though vacant, with no improvements.

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Legally Permissible

The site is zoned R7, Multiple-Family Residential. Permitted uses include multiple family dwelling, one-family dwellings, adult foster care, government offices, public schools, park, and parking facility. Uses via a special land permit include; assisted living, community center, retirement community, independent senior living, religious institution, private schools, social club, and skilled nursing facility. There are no apparent legal restrictions, such as easements or deed restrictions, effectively limiting the use of the property. Given prevailing land use patterns in the area, only multifamily use is given further consideration in determining highest and best use of the site, as though vacant.

Financially Feasible

Based on the accompanying analysis of the market, there is currently adequate demand for multifamily use in the subject's area. It appears a newly developed multifamily use on the site would have a value commensurate with its cost. Therefore, multifamily use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than multifamily use. Accordingly, multifamily use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Development of the site for multifamily use is the only use which meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as though vacant.

As Improved

The subject site is developed with special-use property, which is consistent with the highest and best use of the site as though vacant. Furthermore, the subject is located in an historic zoning district which requires the property owner to get approval for any renovations or improvements for the exterior of the structure. The property owner can conduct any renovations to the interior of the structure without needing approval from the historic zoning commission (HTC). Any additions or expansion of the current structure would need to receive approval from the HTC. Further, given the historic district, full removal of the existing improvements is not an option.

The subject property is zoned R7, Multiple-Family Residential. In discussions with the City of Birmingham Planning Director, the subject property can repurpose the building as long as it conforms to current zoning requirements under the R7 district.

Based upon current market conditions, the most likely repurpose of the building would be for multifamily units or retirement community. Costs for such an endeavor would be high and above the scope of this assignment. A rezoning of the property can be explored, but highly unlikely at this time.

For these reasons, continued community use is concluded to be maximally productive and the highest and best use of the property as improved.

Excess Land Component

As discussed, the subject contains an excess land component that is estimated to have a land area of 5,000 SF. The highest and best use of the excess land is for the development of a multifamily use.

Most Probable Buyer

Taking into account the size and characteristics of the property and its occupancy, the likely buyer is a local investor.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties and vacant land.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

Sales Comparison Approach

The sales comparison approach develops an indication of value by comparing the subject to sales of similar properties. The steps taken to apply the sales comparison approach are:

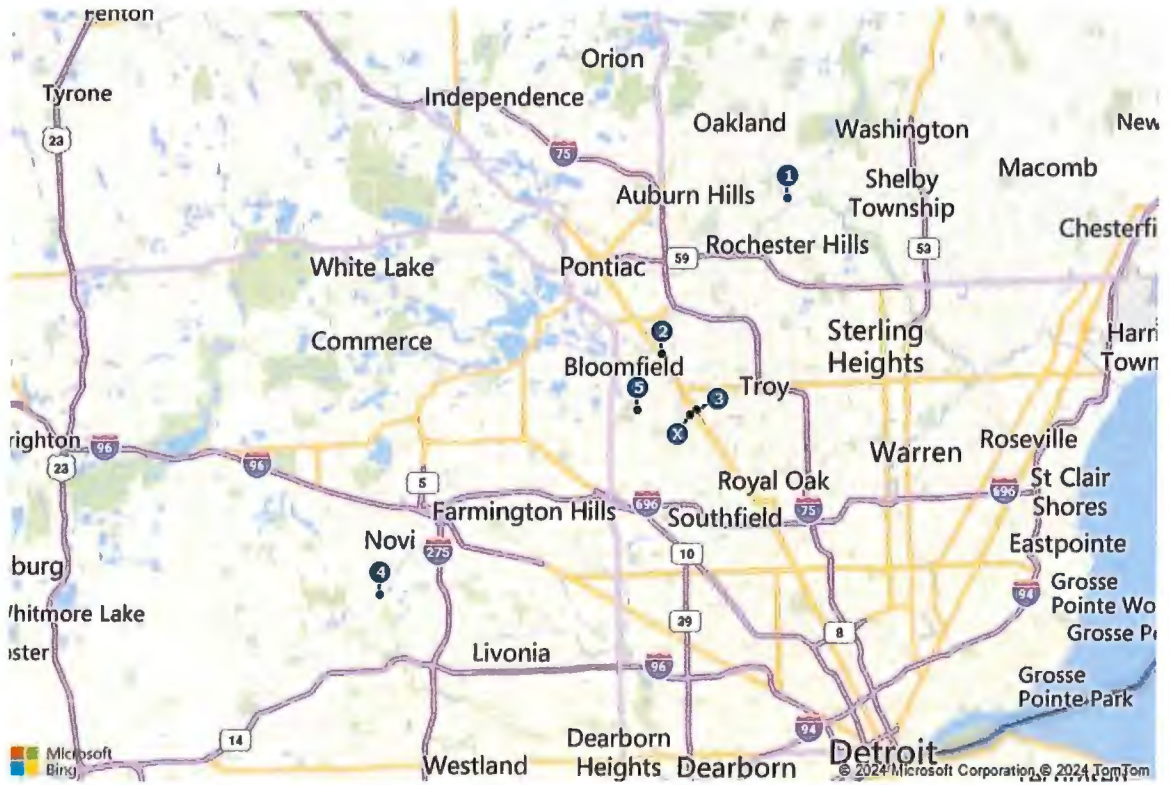
- Identify relevant property sales;
- Research, assemble, and verify pertinent data for the most relevant sales;
- Analyze the sales for material differences in comparison to the subject;
- Reconcile the analysis of the sales into a value indication for the subject.

For this analysis, price per square foot of gross building area is used as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The sales considered most relevant are summarized in the following table.

Summary of Comparable Improved Sales

No.	Name/Address	Sale Date; Status	Year Built; # Stories	Effective Sale Price	Gross SF	\$/Gross SF
1	Office 429 S. Main St. Rochester Oakland County	Aug-22 Closed	1914 2	\$3,100,000	11,430	\$271.22
2	High Oak Business Center 180 High Oak Rd. Bloomfield Hills Oakland County	Apr-22 Closed	2001 2	\$2,250,000	10,350	\$217.39
3	Office Building 220 Park St. Birmingham Oakland County	Dec-21 Closed	1988 3	\$12,250,000	48,000	\$255.21
4	Veranda Center 111 N. Center St. Northville Wayne County	Nov-21 Closed	1900 2	\$2,830,000	13,341	\$212.13
5	DCDS Junior School 3600 Bradway Blvd. Bloomfield Hills Oakland County	May-21 Closed	1927, 2	\$2,650,000	38,500	\$68.83
	Subject		1923, 1990		24,557	(1st & 2nd floors)
	The Community House Birmingham, MI		2		14,438	(basement level)

Comparable Improved Sales Map





Sale 1
Office



Sale 2
High Oak Business Center



Sale 3
Office Building



Sale 4
Veranda Center



Sale 5
DCDS Junior School

The Community House



Analysis and Adjustment of Sales

Adjustments are based on a rating of each comparable sale in relation to the subject. The adjustment process is typically applied through either quantitative or qualitative analysis, or a combination of both analyses. Quantitative adjustments are often developed as dollar or percentage amounts, and are most credible when there is sufficient data to perform a paired sales analysis.

While percentage adjustments are presented in the adjustment grid, they are based on qualitative judgment rather than empirical research, as there is not sufficient data to develop a sound quantitative estimate. Although the adjustments appear to be mathematically precise, they are merely intended to illustrate an opinion of typical market activity and perception. With the exception of market conditions, the adjustments are based on a scale, with a minor adjustment in the range of 1-5% and a substantial adjustment considered to be 20% or greater.

The rating of each comparable sale in relation to the subject is the basis for the adjustments. If the comparable is superior to the subject, its sale price is adjusted downward to reflect the subject's relative attributes; if the comparable is inferior, its price is adjusted upward.

Transactional adjustments are applied for property rights conveyed, financing, conditions of sale, expenditures made immediately after purchase, and market conditions. In addition, property adjustments include – but are not limited to – location, access/exposure, size, quality, effective age, economic and legal characteristics, and non-realty components of value. Adjustments are considered for the following factors, in the sequence shown below.

Transactional Adjustments

Real Property Rights Conveyed

Property rights considerations encompass a wide range of factors including, for example, deed type, deed restrictions, and whether the property is encumbered by leases.

The comparables consist of a combination of fee simple and leased fee sales. It appears the leased fee comparables sold with terms equivalent to market and were not influenced by above- or below-market contract terms. No adjustments are required for property rights conveyed.

Financing

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third-party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below-market financing terms, or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. The comparable sales represented cash-to-seller transactions and, therefore, do not require adjustment.

Conditions of Sale

Adverse conditions of sale can account for a significant discrepancy from the sale price actually paid, compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered non-market and may include the following:

- a seller acting under duress (e.g., eminent domain, foreclosure);
- buyer motivation (e.g., premium paid for assemblage, certain 1031 exchanges);
- a lack of exposure to the open market;
- an unusual tax consideration;
- a sale at legal auction.

None of the comparable sales had atypical or unusual conditions of sale. Thus, adjustments are not necessary.

Expenditures Made Immediately After Purchase

This category considers expenditures incurred immediately after the purchase of a property. Sale 1 was adjusted upwards for expenditures after the purchase.

Market Conditions

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed. In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required.

Market conditions began weakening in the latter part of 2022 due to rising interest rates, which has resulted in higher financing costs, as well as concerns of an economic recession. This ongoing economic uncertainty supports a downward market condition adjustment. Thus, we apply a 5% downward adjustment to the sales that closed prior to 2023. The adjustment grid accounts for these trends through the effective date of value.

Market Conditions Adjustment

Comp #	1	2	3	4	5	
Sale Date	8/1/2022	4/20/2022	12/23/2021	11/23/2021	5/5/2021	
Date	Annual Growth					
9/1/2022	3%	0.25%	1.10%	2.07%	2.32%	3.98%
7/30/2024		-5.00%	-5.00%	-5.00%	-5.00%	-5.00%
Total		-4.75%	-3.90%	-2.93%	-2.68%	-1.02%
Rounded		-5%	-4%	-3%	-3%	-1%

Property Adjustments

Location

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

Sale 3 is similar to the subject. No adjustment is necessary. Sales 1, 2, 4 and 5 are adjusted upward for inferior location.

Access/Exposure

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

Sales 1 and 3 are similar to the subject and require no adjustment. Sale 4 is superior to the subject. A downward adjustment is applied. Sales 2 and 5 are inferior to the subject. Upward adjustments are applied.

Building Size

Due to economies of scale, the market exhibits an inverse relationship between building area and price per square foot such that larger buildings sell for a lower price per square foot than smaller buildings, all else being equal. To account for this relationship, applicable adjustments are applied for differences in building area. The comparables that are larger than the subject are adjusted upward, and vice versa.

Sales 3 and 5 are similar to the subject and require no adjustment. Sales 1, 2 and 4 are smaller than the subject, and downward adjustments are applied.

Quality of Construction

This category accounts for construction quality, amenities, market appeal and functional utility.

All of the comparables are similar to the subject. No adjustments are necessary.

Effective Age/Condition

While year built can give insight into the utility of a property, the more important consideration is the level of condition and modernization of the property. The subject was constructed in 1923, 1990, has an effective age of 20 years, and is in average to above average condition. Comparables exhibiting newer effective ages are adjusted downward to reflect the discrepancy in remaining economic life, and vice versa.

All of the comparables are similar to the subject. No adjustments are necessary.

Zoning

Government regulations that affect the types and intensities of uses allowable on a site. The subject is zoned R7, Multiple-Family Residential, restrictive to uses as outlined in an earlier section. Sales 1, 3-4 are located in business districts which allow more flexibility in potentials uses; thus more attractive to prospective buyers. These sales are adjusted downward. Sale 5 is adjusted upward.

Adjustments Summary

The following table summarizes the adjustments discussed above and applied to each sale.

Improved Sales Adjustment Grid - First and Second Floors						
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Property Name	The Community House	Office	High Oak Business Center	Office Building	Veranda Center	DCDS Junior School
Address	380 S. Bates St.	429 S. Main St.	180 High Oak Rd.	220 Park St.	111 N. Center St.	3600 Bradway Blvd.
City	Birmingham	Rochester	Bloomfield Hills	Birmingham	Northville	Bloomfield Hills
County	Oakland	Oakland	Oakland	Oakland	Wayne	Oakland
State	Michigan	MI	MI	MI	MI	MI
Sale Date		Aug-22	Apr-22	Dec-21	Nov-21	May-21
Sale Status		Closed	Closed	Closed	Closed	Closed
Sale Price		\$1,900,000	\$2,250,000	\$12,250,000	\$2,830,000	\$2,650,000
Expenditures After Purchase		\$1,200,000	—	—	—	—
Effective Sale Price		\$3,100,000	\$2,250,000	\$12,250,000	\$2,830,000	\$2,650,000
Gross Building Area	38,995	11,430	10,350	48,000	13,341	38,500
Year Built	1923, 1990	1914	2001	1988	1900	1927, addition in 2004
Zoning	Multiple-Family Residential	General Business	Office	Business-Residential District	Central Business District	Single-Family Residential
Zoning Code	R7	CBD	O1	B-4 with D-4 Overlay District	CBD	R-2
Price per SF of Gross Building Area		\$271.22	\$217.39	\$255.21	\$212.13	\$68.83
Transactional Adjustments						
Property Rights		Fee Simple	Fee Simple	Fee Simple	Leased Fee	Fee Simple
% Adjustment		—	—	—	—	—
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		—	—	—	—	—
Conditions of Sale		Arm's-length	Arm's-length	Arm's Length	Arm's Length	Arm's Length
% Adjustment		—	—	—	—	—
Market Conditions	7/30/2024	Aug-22	Apr-22	Dec-21	Nov-21	May-21
Annual % Adjustment	Variable	-5%	-4%	-3%	-3%	-1%
Cumulative Adjusted Price		\$257.66	\$208.70	\$247.55	\$205.76	\$68.14
Property Adjustments						
Location		10%	10%	—	25%	10%
Access/Exposure		—	5%	—	-5%	5%
Building Size		-10%	-10%	—	-10%	—
Quality of Construction		—	—	—	—	—
Effective Age/Condition		—	—	—	—	—
Zoning		-20%	—	-20%	-20%	10%
Net Property Adjustments (\$)		-\$51.53	\$10.43	-\$49.51	-\$20.58	\$17.04
Net Property Adjustments (%)		-20%	5%	-20%	-10%	25%
Final Adjusted Price		\$206.12	\$219.13	\$198.04	\$185.19	\$85.18
Range of Adjusted Prices		\$85.18 - \$219.13				
Average		\$178.73				
Indicated Value		\$205.00				

Sales Analysis

Sale 1 – Represents the sale of an office building in downtown Rochester. The buyer invested significant capital after the purchase to reposition the asset to a co-working space concept. The buyer will also occupy some private offices as well. This property is zoned B-2, which allows for an array of users that the subject's current zoning district does not allow. After adjustments, this sale indicates an adjusted unit rate of \$206/SF.

Sale 2 - Represents the sale of an office building in nearby Bloomfield Hills. At time of sale, buyer intended to occupy the property. After adjustments, this sale indicates an adjusted unit rate of \$219/SF.

Sale 3 – Represents the sale of a vacant office building in downtown Birmingham. The property fronts Park Street and also contains significant frontage along Woodward Avenue. The building was purchased without a revenue stream in-place at the time of sale. The buyer will invest significant capital into the building to attract high-quality tenants. After adjustments, this sale indicates an adjusted unit rate of \$198/SF.

Sale 4 – Represents the sale of a retail/office building in downtown Northville. This property is situated in a historic district which requires the property owner to go through an approval process prior to any major renovations conducted on the exterior of the structure. This property had various tenants occupying the building, which provided an in-place revenue stream to the buyer at the time of sale. This sale is located in a different market however included due to being located in an upscale, downtown district and also encumbered by the restrictions of a historic district. After adjustments, this sale indicates an adjusted unit rate of \$185/SF.

Sales 5 – Represents the sale of the Detroit County Day Junior School in neighboring Bloomfield Township. The property has restrictions that limited the site to only be improved with one, residential home site. During the marketing period, several developers were interested in the property however were denied redeveloping the site into multiple home sites. Ultimately, a buyer purchased the property and will reconfigure the building to utilize as a personal residence.

Due to the previous use as classrooms and administrative offices, this sale is considered more of a barometer for the lower level area of the subject. After adjustments, this sale indicates an adjusted unit rate of \$85/SF. This building is entirely above grade. Therefore, a concluded unit rate below this adjusted rate would be warranted for the lower level space at the subject.

Value Indication

As discussed, separate unit rate selection will be concluded for the building area above grade (first and second floors) and the building area in the lower level.

Based upon the aforementioned, we give greater weight towards sales 1-3 and arrive at a value indication as follows for the building area on the first and second floors:

Value Indication by Sales Comparison	
First and Second Floors	
Indicated Value per SF	\$205.00
Subject Square Feet	24,557
Indicated Value	\$5,034,185
Rounded	\$5,030,000

As it relates to the lower level space, a concluded unit rate below sale 4 is considered appropriate and arrive at a value indication as follows:

Value Indication by Sales Comparison	
Basement Level	
Indicated Value per SF	\$70.00
Subject Square Feet	14,438
Indicated Value	\$1,010,660
Rounded	\$1,010,000

Excess Land Component

The property appears to contain an excess land component that is situated along the northwest corner of the overall site, which would represent the southeast corner of Merrill Street and Chester Street. Due to the scarcity of land available in downtown Birmingham, the property owner would be advised to pursue a land split of this portion of the site due to being underutilized. A similar division was conducted in the 1990's regarding the existing brownstones located on the northeast corner of Townsend Street and Chester Street, directly across from this excess land, which was sold to a residential developer.

A metes and bound legal description was not available to calculate the land area of this portion of the subject's site. Based on a review of aerial photography and online measurement tools, this portion of the site is estimated at 5,000 SF. As such, a separate valuation will be conducted on this excess land component and added into the valuation of the existing structure. This analysis assumes that this 5,000 SF of excess land can be legally divided from the parent parcel and sold to a developer.

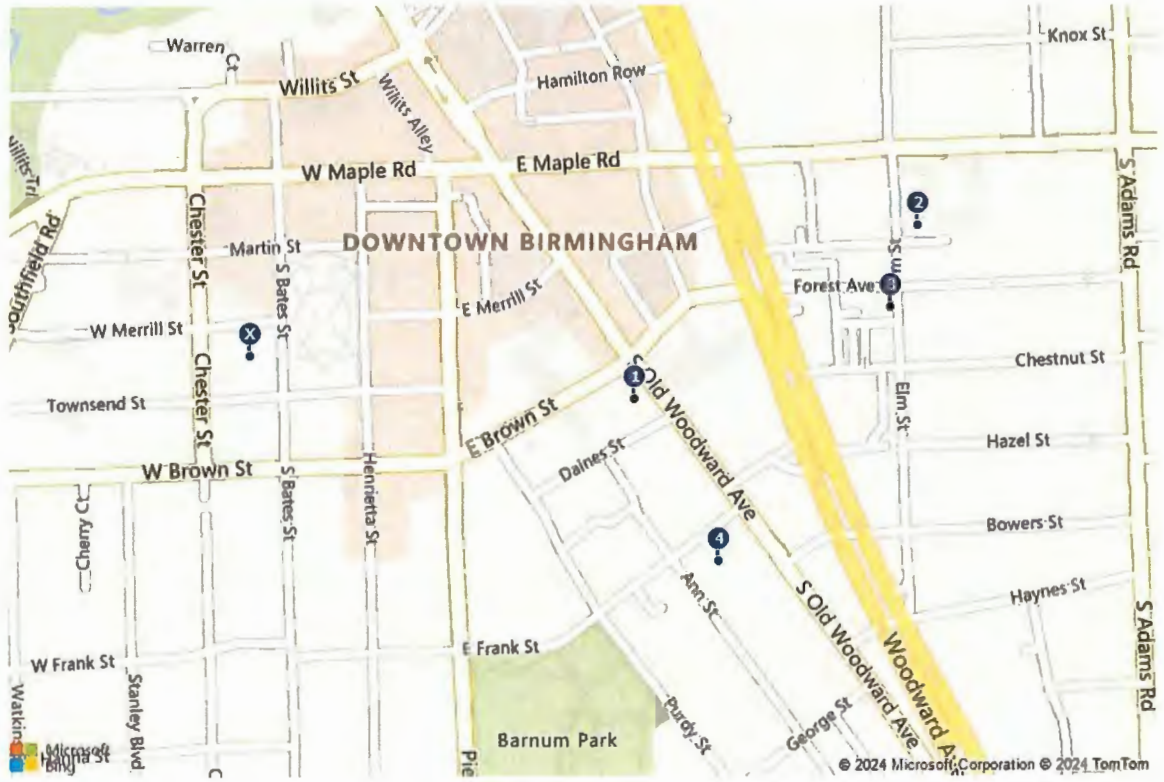
For this analysis, price per usable square feet is used as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table:

Summary of Comparable Land Sales

No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Zoning	\$/SF Land
1	Restoration Hardware 300 S. Old Woodward Ave. Birmingham Oakland County	Sep-21 Closed	\$9,100,000	20,380 0.47	B-2 w/ D4	\$446.52
2	Vacant Land - Senior Housing 219 Elm St. Birmingham Oakland County	Jan-20 Closed	\$3,075,000	15,638 0.36	O-2 w/ Triangle	\$196.64
3	750 Forest 750 Forest Ave. Birmingham Oakland County	Mar-17 Closed	\$1,850,000	13,200 0.30	O-2	\$140.15
4	The Bristol 420 E. Frank St. Birmingham Oakland County	Aug-17 Closed	\$2,020,000	15,200 0.35	TZ1	\$132.89
	Subject The Community House Birmingham, MI			5,000 0.11	R7	

Complete writeups with additional information of each of the previous sales are found in the addendum for review.

Comparable Land Sales Map





Sale 1
Restoration Hardware



Sale 2
Vacant Land - Senior Housing



Sale 3
750 Forest



Sale 4
The Bristol

Analysis and Adjustment of Sales

Adjustments are based on a rating of each comparable sale in relation to the subject. The adjustment process is typically applied through either quantitative or qualitative analysis, or a combination of both analyses. Quantitative adjustments are often developed as dollar or percentage amounts, and are most credible when there is sufficient data to perform a paired sales analysis.

While percentage adjustments are presented in the adjustment grid, they are based on qualitative judgment rather than empirical research, as there is not sufficient data to develop a sound quantitative estimate. Although the adjustments appear to be mathematically precise, they are merely intended to illustrate an opinion of typical market activity and perception. With the exception of market conditions, the adjustments are based on a scale, with a minor adjustment in the range of 1-5% and a substantial adjustment considered to be 20% or greater.

The rating of each comparable sale in relation to the subject is the basis for the adjustments. If the comparable is superior to the subject, its sale price is adjusted downward to reflect the subject's relative attributes; if the comparable is inferior, its price is adjusted upward.

Transactional adjustments are applied for property rights conveyed, financing, conditions of sale, expenditures made immediately after purchase, and market conditions. In addition, property adjustments include – but are not limited to – location, access/exposure, size, quality, effective age, economic and legal characteristics, and non-realty components of value. Adjustments are considered for the following factors, in the sequence shown below.

Transactional Adjustments

Real Property Rights Conveyed

The opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts, and conditions, covenants and restrictions (CC&Rs). All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third-party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below-market financing terms, or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. The comparable sales represented cash-to-seller transactions and, therefore, do not require adjustment.

Conditions of Sale

Adverse conditions of sale can account for a significant discrepancy from the sale price actually paid, compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered non-market and may include the following:

- a seller acting under duress (e.g., eminent domain, foreclosure);
- buyer motivation (e.g., premium paid for assemblage, certain 1031 exchanges);
- a lack of exposure to the open market;
- an unusual tax consideration;
- a sale at legal auction.

None of the comparable sales had atypical or unusual conditions of sale. Thus, adjustments are not necessary.

Market Conditions

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required.

The adjustment grid accounts for these trends through the effective date of value.

Market Conditions Adjustment

Comp #	1	2	3	4	
Sale Date	9/1/2021	1/10/2020	3/27/2017	8/8/2017	
Date	Annual Growth				
9/1/2022	3%	3.00%	7.93%	16.31%	15.21%
7/30/2024	0%	-5.00%	-5.00%	-5.00%	-5.00%
Total		-2.00%	2.93%	11.31%	10.21%
Rounded		-2%	3%	11%	10%

Property Adjustments

Location

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

Sale 4 is similar to the subject. No adjustment is necessary. Sale 1 is adjusted downward for superior location. Sales 2 and 3 are adjusted upward for inferior location.

Access/Exposure

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

Sale 2 is similar to the subject and requires no adjustment. Sale 1 is superior to the subject. A downward adjustment is applied. Sales 3 and 4 are inferior to the subject. Upward adjustments are applied.

Size

Due to economies of scale, the market exhibits an inverse relationship between land area and price per square foot, such that larger sites generally sell for a lower price per square foot than smaller lots, all else being equal. To account for this relationship, applicable adjustments are applied for differences in land area. The comparables that are larger than the subject are adjusted upward, and vice versa.

All of the comparables are similar to the subject. No adjustments are necessary.

Adjustments Summary

The sales are compared to the subject and adjusted to account for material differences that affect value. The following table summarizes the adjustments applied to each sale.

Land Sales Adjustment Grid					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name	The Community House	Restoration Hardware	Vacant Land - Senior Housing	750 Forest	The Bristol
Address	380 S. Bates St.	300 S. Old Woodward Ave.	219 Elm St.	750 Forest Ave.	420 E. Frank St.
City	Birmingham	Birmingham	Birmingham	Birmingham	Birmingham
County	Oakland	Oakland	Oakland	Oakland	Oakland
State	Michigan	MI	MI	MI	MI
Sale Date		Sep-21	Jan-20	Mar-17	Aug-17
Sale Status		Closed	Closed	Closed	Closed
Sale Price		\$9,000,000	\$3,000,000	\$1,800,000	\$2,000,000
Other Adjustment		\$100,000	\$75,000	\$50,000	\$20,000
Description of Adjustment		Demo Costs	Demo Costs	Demo costs	Demo Costs
Effective Sale Price		\$9,100,000	\$3,075,000	\$1,850,000	\$2,020,000
Square Feet	5,000	20,380	15,638	13,200	15,200
Acres	0.11	0.47	0.36	0.30	0.35
Price per Square Foot		\$446.52	\$196.64	\$140.15	\$132.89
Transactional Adjustments					
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		-	-	-	-
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		-	-	-	-
Conditions of Sale		Arm's-length	Arm's-length	Arm's-length	Arm's-length
% Adjustment		-	-	-	-
Market Conditions	7/30/2024	Sep-21	Jan-20	Mar-17	Aug-17
Annual % Adjustment	Variable	-2%	3%	11%	10%
Cumulative Adjusted Price		\$437.59	\$202.53	\$155.57	\$146.18
Property Adjustments					
Location		-20%	10%	10%	-
Access/Exposure		-20%	-	10%	10%
Size		-	-	-	-
Net Property Adjustments (\$)		-\$175.03	\$20.25	\$31.11	\$14.62
Net Property Adjustments (%)		-40%	10%	20%	10%
Final Adjusted Price		\$262.55	\$222.79	\$186.68	\$160.80
Range of Adjusted Prices		\$160.80 - \$262.55			
Average		\$208.21			
Indicated Value		\$200.00			



Land Value Conclusion

The land value conclusion for the subject is presented as follows:

Land Value Conclusion - Northwest Corner of Site

Indicated Value per Square Foot	\$200.00
Subject Square Feet	5,000
Indicated Value	\$1,000,000
Rounded	\$1,000,000

Final Value Indication

Use of the sales comparison approach yields the following indications of value:

Indicated Value - Sales Comparison Approach

Property	Gross SF	Indicated Value per SF	Indicated Value	Rounded
First and Second Floors	24,557	\$205.00	\$5,034,185	\$5,030,000
Basement Level	14,438	\$70.00	\$1,010,660	\$1,010,000
Total	38,995	\$155.02	\$6,044,845	\$6,040,000
Adjustments				
Excess Land - Northwest Corner of Site				\$1,000,000
Total Adjustments				\$1,000,000
Indicated Value				\$7,040,000

Reconciliation and Conclusion of Value

The values indicated by the preceding analyses are as follows:

Summary of Value Indications	
Cost Approach	Not Used
Sales Comparison Approach	\$7,040,000
Income Capitalization Approach	Not Used
Reconciled	\$7,040,000

Value Conclusion			
Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	July 30, 2024	\$7,040,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.

1. This analysis assumes that 5,000 SF of excess land that is identified within can be legally divided from the parent parcel and sold to a developer.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

1. None.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from the stated estimates, such as changes in the economy, interest rates, and behavior of investors, lenders, and consumers.

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Based on the concluded market value stated previously, the probable exposure time is 12 months.

Marketing Period

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. The subject’s marketing period is estimated at 12 months.

Certification

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have previously appraised the property that is the subject of this report for another client. We have provided no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Constantino G. Naoum has made a personal inspection of the property that is the subject of this report. Anthony Sanna, MAI, CRE has personally inspected the subject.
12. No one provided significant real property appraisal assistance to the persons signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

14. As of the date of this report, Anthony Sanna, MAI, CRE has completed the continuing education program for Designated Members of the Appraisal Institute.
15. In Michigan, appraisers are required to be licensed/certified and are regulated by the Michigan Department of Licensing and Regulatory Affairs, 611 West Ottawa, P. O. Box 30018, Lansing, Michigan, 48909.



Constantino G. Naoum
Michigan Certified General Real Estate Appraiser
#1205068135



Anthony Sanna, MAI, CRE
Michigan Certified General Real Estate Appraiser
#1205001324

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
5. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during

the period covered by our analysis will vary from our estimates, and the variations may be material.

18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. IRR - Detroit, Integra Realty Resources, Inc., and their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. We are not a building or environmental inspector. The Integra Parties do not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
24. IRR - Detroit is an independently owned and operated company. The parties hereto agree that Integra shall not be liable for any claim arising out of or relating to any appraisal report or any information or opinions contained therein as such appraisal report is the sole and exclusive responsibility of IRR - Detroit. In addition, it is expressly agreed that in any action which may be brought against the Integra Parties arising out of, relating to, or in any way pertaining to the engagement letter, the appraisal reports or any related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless

the appraisal was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the assignment (unless the appraisal was fraudulent or prepared with intentional misconduct). It is expressly agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.

25. IRR - Detroit is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. This analysis assumes that 5,000 SF of excess land that is identified within can be legally divided from the parent parcel and sold to a developer.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

1. None.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Addendum A

Appraiser Qualifications

Constantino G. Naoum

Experience

Mr. Naoum, Senior Director, is a Certified General Real Estate Appraiser who has been actively involved with appraisal and advisory services since 1995.

Mr. Naoum has extensive knowledge in a number of commercial property types including land development, manufactured housing communities, office buildings, medical office buildings, golf courses, single-and multi-tenant retail centers, multifamily and vacant land parcels. Mr. Naoum is highly proficient at Argus and has extensive experience working on very large multi-tenant office buildings with Life Insurance Companies, Conduits, and Conventional Lenders. Mr. Naoum also has extensive experience in litigation support including rezoning cases, tax appeals, divorce proceedings, partnership disputes, and right-of-way assignments.

Professional Activities & Affiliations

Appraisal Institute: Associate Member

Licenses

Michigan, Certified General Real Estate Appraiser, 1205068135, Expires July 2025

Education

Bachelor of Science in Business Administration, Major Finance
Masters of Business Administration, Major Finance, Wayne State University, Detroit, Michigan

Successfully completed numerous real estate related courses and seminars sponsored by the Appraisal Institute, including:

- Real Estate Appraisal Principles
- Real Estate Appraisal Procedures
- Basic Income Capitalization
- General Applications
- USPAP A & 420 USPAP B
- Advanced Income Capitalization
- Highest and Best Use
- Advanced Sales Comparison & Cost Approaches



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GREYCHEN WHISTLER
CLERK

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF PROFESSIONAL LICENSING
CERTIFIED GENERAL REAL ESTATE APPRAISER LICENSE

CONSTANTINO NAOM

LICENSE NO.
1205068135

EXPIRATION DATE
07/31/2025

23152130634

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Anthony Sanna, MAI, CRE

Experience

Mr. Sanna, Executive Director has actively counseled and advised clients on issues relating to the sale, leasing, valuation, management, and development of commercial real estate assets since 1989. Mr. Sanna served as the Managing Director of IRR Detroit from 2003-2018.

He has a diversified background in real estate with primary emphasis in the areas of valuation for investment property, institutional assets, portfolio asset management and complex real estate issues. Conversely, Mr. Sanna continually manages a re-occurring volume of traditional mortgage loan appraisal work on all varieties of properties, large and small, focusing on core real estate assets including hotel, office, industrial, retail, and multifamily properties.

Mr. Sanna has extensive consulting and valuation experience relating to corporate and private clients on an array of issues pertaining to estate and property trust matters, partnership disputes, air rights, partial and fractional interests, contract disputes, and mediation/arbitration disputes. Mr. Sanna's experience in these matters provides clients with a well-rounded framework for valuation and consulting solutions.

Professional Activities & Affiliations

MAI Designation, Appraisal Institute

CRE Designation, Counselors of Real Estate

Board of Director: Integra Realty Resources - 2005-2008; 2012-2017 and 2019-Current

Board of Director: Commercial Board of Real Estate - Michigan Chapter

Licenses

Michigan, Certified General Real Estate Appraiser, 1205001324, Expires July 2025

Education

Bachelor of Science (Business Administration) Wayne State University

Appraisal Institute Courses:

- Principals of Real Estate Appraisal
- Procedures of Real Estate Appraisal
- Uniform Standards of Professional Practice
- Basic Income Capitalization
- Advanced Income Capitalization
- Report Writing
- Advanced Applications/Case Studies

Qualified Before Courts & Administrative Bodies

Qualified expert witness before the Michigan Tax Tribunal, various Circuit Courts, planning boards, commissioner hearings and County Tax Boards.



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GRETCHEN WHITEN
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF PROFESSIONAL LICENSING
CERTIFIED GENERAL REAL ESTATE APPRAISER LICENSE

ANTHONY SANNA

LICENSE NO.
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About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

Local Expertise...Nationally!

irr.com



Addendum B
IRR Quality Assurance Survey



IRR Quality Assurance Survey

We welcome your feedback!

At IRR, providing a quality work product and delivering on time is what we strive to accomplish. Our local offices are determined to meet your expectations. Please reach out to your local office contact so they can resolve any issues.

Integra Quality Control Team

Integra does have a Quality Control Team that responds to escalated concerns related to a specific assignment as well as general concerns that are unrelated to any specific assignment. We also enjoy hearing from you when we exceed expectations! You can communicate with this team by clicking on the link below. If you would like a follow up call, please provide your contact information and a member of this Quality Control Team will call contact you.

Link to the IRR Quality Assurance Survey: quality.irr.com

Addendum C

Property Information Zoning Ordinance



2.17 R7 (Multiple-Family Residential) District Intent, Permitted Uses, & Special Uses

A. District Intent

1. A district intent is not available for this zoning district.

B. Permitted Uses

1. Residential Permitted Uses
 - a. adult foster care group home (R6)
 - b. dwelling - multiple-family (R6)
 - c. dwelling - multiple-family
 - d. dwelling - one-family (R6)
 - e. dwelling - two-family (R6)
2. Institutional Permitted Uses
 - a. government office (R6)
 - b. philanthropic use (R6)
 - c. school - public (R6)
3. Recreational Permitted Uses
 - a. park (R6)
 - b. swimming pool - semiprivate (R6)

C. Other Use Regulations

1. Accessory Permitted Uses
 - a. garage - private
 - b. greenhouse - private
 - c. home occupation*
 - d. parking facility - private off-street
 - e. parking - public, off-street*
 - f. renting of rooms*
 - g. sign
 - h. swimming pool - private
 - i. any use customarily incidental to the permitted principal use
2. Uses Requiring a Special Land Use Permit
 - a. assisted living
 - b. community center
 - c. continued care retirement community
 - d. independent hospice facility
 - e. independent senior living
 - f. parking - off-street
 - g. public utility building
 - h. publicly owned building
 - i. religious institution
 - j. school - private
 - k. skilled nursing facility
 - l. social club
 - m. special-purpose housing*

* = Use Specific Standards in Section 5.05 Apply

() = Subject to Regulations of the Specified District

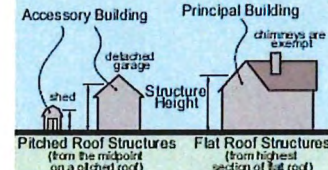
(Ord. No. 2279, 10/08/2018)

2.18 R7 (Multiple-Family Residential) District Development Standards R7

TABLE 2.18.1 - Lot Area (see Figure 2.18.1)		Figure 2.18.1 - Lot Area
Minimum Lot Area	1,280 sq ft per dwelling unit	
Minimum Open Space	NA	
Maximum Lot Coverage	NA	

TABLE 2.18.2 – Setbacks (see Figure 2.18.2)		Figure 2.18.2 - Setbacks
Minimum Front Yard Setback	average setback of residential buildings within 200 feet, otherwise 25 feet	
Minimum Rear Yard Setback	30 feet	
Minimum Combined Front and Rear Setback	NA	
Minimum Side Yard Setback	1/2 the building height per side yard	

TABLE 2.18.3 - Floor Area (see Figure 2.18.3)		Figure 2.18.3 - Floor Area
Minimum Floor Area Per Unit	<ul style="list-style-type: none"> • 500 sq ft (efficiency or one bedroom) • 700 sq ft (two bedroom) • 900 sq ft (three or more bedrooms) 	
Maximum Total Floor Area	NA	

TABLE 2.13.1 - Maximum Building Height (See Figure 2.13.1)	Figure 2.13.1 - Building Height
50 feet	
4 stories	

Additional Development Standards that Apply		
<p>Accessory Structure (AS)</p> <ul style="list-style-type: none"> ■ AS-01 - Sec. 4.02 ■ AS-02 - Sec. 4.03 ■ AS-03 - Sec. 4.04 <p>Essential Services (ES)</p> <ul style="list-style-type: none"> ■ ES-01 - Sec. 4.09 <p>Fences (FN)</p> <ul style="list-style-type: none"> ■ FN-01 - Sec. 4.10 ■ FN-02 - Sec. 4.11 <p>Floodplain (FP)</p> <ul style="list-style-type: none"> ■ FP-01 - Sec. 4.13 ■ FP-03 - Sec. 4.15 <p>Height (HT)</p> <ul style="list-style-type: none"> ■ HT-01 - Sec. 4.16 ■ HT-02 - Sec. 4.17 <p>Landscaping (LA)</p> <ul style="list-style-type: none"> ■ LA-01 - Sec. 4.20 	<p>Lighting (LT)</p> <ul style="list-style-type: none"> ■ LT-01 - Sec. 4.21 ■ LT-02 - Sec. 4.22 <p>Loading (LD)</p> <ul style="list-style-type: none"> ■ LD-01 - Sec. 4.24 <p>Lot (LO)</p> <ul style="list-style-type: none"> ■ LO-01 - Sec. 4.27 ■ LO-02 - Sec. 4.28 <p>Open Space (OS)</p> <ul style="list-style-type: none"> ■ OS-01 - Sec. 4.30 ■ OS-04 - Sec. 4.33 <p>Parking (PK)</p> <ul style="list-style-type: none"> ■ PK-01 - Sec. 4.45 ■ PK-02 - Sec. 4.46 ■ PK-03 - Sec. 4.47 	<p>Screening (SC)</p> <ul style="list-style-type: none"> ■ SC-01 - Sec. 4.54 ■ SC-02 - Sec. 4.55 <p>Setback (SB)</p> <ul style="list-style-type: none"> ■ SB-01 - Sec. 4.60 ■ SB-02 - Sec. 4.61 <p>Storage and Display (SD)</p> <ul style="list-style-type: none"> ■ SD-01 - Sec. 4.66 <p>Structure (SS)</p> <ul style="list-style-type: none"> ■ SS-01 - Sec. 4.74 <p>Temporary Use (TU)</p> <ul style="list-style-type: none"> ■ TU-01 - Sec. 4.84 ■ TU-03 - Sec. 4.86 <p>Vision Clearance (VC)</p> <ul style="list-style-type: none"> ■ VC-01 - Sec. 4.89

Illustrations in this section are © 2004/2006, Bradley E. Johnson, AICP



Addendum D

Comparable Data



Land Sales



Location & Property Identification

Property Name: Restoration Hardware
Sub-Property Type: Commercial
Address: 300 S. Old Woodward Ave.
City/State/Zip: Birmingham, MI 48009
County: Oakland

Market Orientation: CBD
Property Location: SWC Old Woodward & Brown, S. of Maple

IRR Event ID: 2750010



Sale Information

Sale Price: \$9,000,000
Effective Sale Price: \$9,100,000
Sale Date: 09/01/2021
Sale Status: Closed
\$/SF GBA: \$216.05
\$/SF NRA: \$216.05
\$/Acre(Gross): \$19,448,600
\$/Land SF(Gross): \$446.52
\$/Acre(Usable): \$19,448,600
\$/Land SF(Usable): \$446.52
Grantor/Seller: Various
Grantee/Buyer: n/a
Property Rights: Fee Simple
Financing: Cash to seller
Terms of Sale Comments: Arm's Length
Verified By: Constantino G. Naoum
Verification Date: 12/01/2021
Verification Type: Confirmed-Confidential

Sale Analysis

Other Adjustment: \$100,000
Adjustment Comments: Demo Costs

Improvement and Site Data

Legal/Tax/Parcel ID: 19-36-204-027

GBA-SF: 42,120
NRA-SF: 42,120
Acres(Usable/Gross): 0.47/0.47
Land-SF(Usable/Gross): 20,380/20,380
Usable/Gross Ratio: 1.00
Shape: Rectangular
Topography: Level
Frontage Feet: 200
Frontage Desc.: Old Woodward, 101.90' on Brown & Daines

Bldg. to Land Ratio FAR: 2.07
Zoning Code: B-2 w/ D4 overlay
Zoning Desc.: General Business
Utilities Desc.: All Available
Source of Land Info.: Public Records

Comments

Proposed to be improved with Restoration Hardware, which will contain three-stories, rooftop terrace, and lower level parking. The finished building area will contain 42,120 SF, while the rooftop terrace will contain an additional open area of 7,000 SF. The lower level garage contains an additional 16,643 SF and will accommodate 24 spaces.

The property is zoned to allow five stories, with the top floor requiring to be a residential unit. The proposed plan will only contain three stories above grade, excluding the rooftop terrace. This sale and quoted land area only relates to the purchase of the parcels that will house the

Comments (Cont'd)

Restoration Hardware structure. The purchaser secured additional land to the west of this property during the same timeframe for a proposed multifamily use, however, that was a separate transaction and not relevant to this sale



Location & Property Identification

Property Name: Vacant Land - Senior Housing
 Sub-Property Type: Residential, Multifamily Land
 Address: 219 Elm St.
 City/State/Zip: Birmingham, MI 48009
 County: Oakland

Market Orientation: Suburban
 Property Location: W/S Elm, S. of E. Maple
 IRR Event ID: 3060907



Sale Information

Sale Price: \$3,000,000
 Effective Sale Price: \$3,075,000
 Sale Date: 01/10/2020
 Sale Status: Closed
 \$/SF GBA: \$56.94
 \$/Unit: \$123,000 /Approved Unit
 \$/Acre(Gross): \$8,565,460
 \$/Land SF(Gross): \$196.64
 \$/Acre(Usable): \$8,565,460
 \$/Land SF(Usable): \$196.64
 Grantor/Seller: Kelly Crossing
 Grantee/Buyer: Maple Elm Development Co II

Assets Sold: Real estate only
 Property Rights: Fee Simple
 Financing: Cash to seller
 Conditions of Sale: Arm's-length
 Verified By: Constantino G. Naoum
 Verification Date: 10/09/2023
 Verification Type: Secondary Verification

Legal/Tax/Parcel ID: 19-36-227-028
 GBA-SF: 54,000
 Acres(Usable/Gross): 0.36/0.36
 Land-SF(Usable/Gross): 15,638/15,638
 Usable/Gross Ratio: 1.00
 No. of Buildings/Stories: 1/5
 No. of Units/Unit Type: 25/Approved Units
 Total Parking Spaces: 21
 Park. Ratio 1000 SF GBA: 0.39
 Parking Ratio(/Unit): 0.84
 Shape: Rectangular
 Topography: Level
 Frontage Feet: 139
 Frontage Desc.: Elm Street
 Density-Unit/Gross Acre: 69.64
 Density-Unit/Usable Acre: 69.64
 Bldg. to Land Ratio FAR: 3.45
 Zoning Code: O-2 w/ Triangle Overlay
 Zoning Desc.: Office Commercial
 Utilities Desc.: All Available
 Source of Land Info.: Public Records

Sale Analysis

Other Adjustment: \$75,000
 Adjustment Comments: Demo Costs

Improvement and Site Data

Comments

Verified through municipal records. Property previously contained a 7,633 SF office building that was demolished after the sale.

Currently being improved with Four Season Phase 2 with 25 apartment units and containing a GBA of roughly 54,000 SF. This GBA also contains roughly 8,000 SF allocated to garage

Comments (Cont'd)

space. The units are all two bedrooms with sizes ranging from 1,191 SF to 1,662 SF. Property located in the Triangle District, MU3, which allows a maximum of 5 stories.



Location & Property Identification

Property Name: 750 Forest
Sub-Property Type: Residential, Multifamily Land
Address: 750 Forest Ave.
City/State/Zip: Birmingham, MI 48009
County: Oakland

Market Orientation: Suburban
Property Location: SWC Elm St. & Forest St., E. of Woodward Ave.

IRR Event ID: 1060413



Sale Information

Sale Price: \$1,800,000
Effective Sale Price: \$1,850,000
Sale Date: 03/27/2017
Sale Status: Closed
\$/SF GBA: \$36.81
\$/Unit: \$80,435 /Approved Unit
\$/Acre(Gross): \$6,105,611
\$/Land SF(Gross): \$140.15
\$/Acre(Usable): \$6,105,611
\$/Land SF(Usable): \$140.15
Grantor/Seller: Forest Elm
Grantee/Buyer: 750 Forest
Property Rights: Fee Simple
Financing: Cash to seller
Terms of Sale Comments: Arm's Length
Verified By: Constantino G. Naoum
Verification Date: 06/04/2018
Confirmation Source: Robertson Brothers
Verification Type: Confirmed-Buyer

Sale Analysis

Other Adjustment: \$50,000
Adjustment Comments: Demo costs

Improvement and Site Data

Legal/Tax/Parcel ID: 19-36-228-003 & -004
GBA-SF: 50,262
Acres(Usable/Gross): 0.30/0.30
Land-SF(Usable/Gross): 13,200/13,200
Usable/Gross Ratio: 1.00
No. of Units/Unit Type: 23/Approved Units
Shape: Rectangular
Topography: Level
Corner Lot: Yes
Frontage Feet: 120
Frontage Desc.: Forest (110' on Elm)
Density-Unit/Gross Acre: 75.91
Density-Unit/Usable Acre: 75.91
Bldg. to Land Ratio FAR: 3.81
Zoning Code: O-2
Zoning Desc.: Office Commercial, Triangle District

Utilities Desc.: All Available
Source of Land Info.: Public Records

Comments

The property was purchased in two transactions with the combined price verified by the buyer. Condo prices range from \$500,000 to over \$1.0MM. The property contained 2 structures that were demolished. The net rentable area of the units is roughly 35,000 SF.

Constructed with 22 residential units and 1 commercial unit. The building is a mixture of three and five stories. Parking is provided on the ground level with this area

Comments (Cont'd)

included in the GBA of the overall project.



750 Forest



Location & Property Identification

Property Name: The Bristol
Sub-Property Type: Residential, Multifamily Land
Address: 420 E. Frank St.
City/State/Zip: Birmingham, MI 48009
County: Oakland

Market Orientation: Suburban
Property Location: SEC Frank & Ann
IRR Event ID: 1964532



Sale Information

Sale Price: \$2,000,000
Effective Sale Price: \$2,020,000
Sale Date: 08/08/2017
Sale Status: Closed
\$/Unit: \$404,000 /Approved Unit
\$/Acre(Gross): \$5,789,625
\$/Land SF(Gross): \$132.89
\$/Acre(Usable): \$5,789,625
\$/Land SF(Usable): \$132.89
Grantor/Seller: Saverio R. Bitonti
Grantee/Buyer: 420 E. Frank St, LLC
Property Rights: Fee Simple
Financing: Cash to seller
Terms of Sale Comments: Arm's Length
Verified By: Constantino G. Naoum
Verification Date: 06/01/2018
Confirmation Source: Purchase Agreement
Verification Type: Confirmed-Buyer

Legal/Tax/Parcel ID: 19-36-253-036
Acres(Usable/Gross): 0.35/0.35
Land-SF(Usable/Gross): 15,200/15,200
Usable/Gross Ratio: 1.00
No. of Units/Unit Type: 5/Approved Units
Shape: Rectangular
Topography: Level
Corner Lot: Yes
Frontage Feet: 152
Frontage Desc.: Frank St. (100' on Ann St.)
Density-Unit/Gross Acre: 14.33
Density-Unit/Usable Acre: 14.33
Zoning Code: TZ1
Zoning Desc.: Transition Zone
Utilities Desc.: All Available
Source of Land Info.: Public Records

Comments

Two structures were torn down to allow redevelopment. Proposed for 5 units with prices in excess of \$2.0MM.

Sale Analysis

Other Adjustment: \$20,000
Adjustment Comments: Demo Costs

Improvement and Site Data

MSA: Detroit-Warren-Livonia, MI
 Metropolitan Statistical Area

Improved Sales

Location & Property Identification

Property Name:	Office
Sub-Property Type:	General Purpose, Low Rise
Address:	429 S. Main St.
City/State/Zip:	Rochester, MI 48307
County:	Oakland
Submarket:	North Oakland
Market Orientation:	Suburban
Property Location:	W/S Main, S. of University
IRR Event ID:	3191157



Sale Information

Sale Price:	\$1,900,000
Effective Sale Price:	\$3,100,000
Sale Date:	08/01/2022
Sale Status:	Closed
\$/SF GBA:	\$271.22
\$/SF NRA:	\$271.22
Grantor/Seller:	Kevin & Kimberly Cooke
Grantee/Buyer:	429 South Main LLC
Property Rights:	Fee Simple
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Verified By:	Constantino G. Naoum
Verification Date:	01/08/2024
Confirmation Source:	Purchase Agreement
Verification Type:	Confirmed-Buyer

Operating Data and Key Indicators

Operating Data Type:	IRR Projection
Effective Gross Income:	\$336,302
Operating Expenses:	\$95,823
Net Operating Income:	\$ 240,479
Expense Ratio:	28.49%
Reserves Included:	Yes
Management Included:	Yes
Cap Rate - Derived:	7.76%
EGIM - Derived:	9.22

Sale Analysis

Expenditures After Purchase: \$1,200,000

Expenditures Description: Renovation

Occupancy

Occupancy Type Before Sale: Single Tenant
 Occupancy Type After Sale: Multi-Tenant

Improvement and Site Data

MSA:	Detroit-Warren-Dearborn, MI
Legal/Tax/Parcel ID:	15-15-228-011
GBA-SF:	11,430
NRA-SF:	11,430
Acres(Usable/Gross):	0.16/0.16
Land-SF(Usable/Gross):	6,750/6,750
Usable/Gross Ratio:	1.00
Year Built:	1914
Most Recent Renovation:	2023
Property Class:	B
M&S Class:	C
Construction Quality:	Good
Improvements Cond.:	Good
Exterior Walls:	Block
No. of Buildings/Stories:	1/2
Multi-Tenant/Condo.:	Yes/No

Improvement and Site Data (Cont'd)

Elevators/Count:	None
Fire Sprinkler Type:	None
Air-Conditioning Type:	Roof Central Mounted
Roof,Heating,AC Comm.:	Flat
Shape:	Rectangular
Topography:	Level
Corner Lot:	No
Frontage Feet:	45
Frontage Desc.:	Main Street
Frontage Type:	2 way, 2 lanes each way
Traffic Flow:	High
Visibility Rating:	Excellent
Bldg. to Land Ratio FAR:	1.69
Zoning Code:	CBD
Zoning Desc.:	General Business
Flood Plain:	No
Flood Zone Designation:	X
Comm. Panel No.:	26125C0392F
Date:	09/29/2006
Utilities Desc.:	All Available
Source of Land Info.:	Public Records

Comments

The buyer invested significant capital after the purchase to reposition the asset to a co-working space concept. The buyer will also occupy some private offices as well.

Adjacent parking garage provides ample parking spaces in close proximity.

Location & Property Identification

Property Name: High Oak Business Center
Sub-Property Type: General Purpose, Low Rise
Address: 180 High Oak Rd.
City/State/Zip: Bloomfield Hills, MI 48304
County: Oakland
Submarket: Birmingham-Bloomfield
Market Orientation: Suburban
Property Location: South of Long Lake, east of Woodward
IRR Event ID: 2801350



Sale Information

Sale Price: \$2,250,000
Effective Sale Price: \$2,250,000
Sale Date: 04/20/2022
Listing Price: \$2,600,000
Sale Status: Closed
\$/SF GBA: \$217.39
\$/SF NRA: \$243.30
Grantor/Seller: MMT#, LLC
Grantee/Buyer: 180 High Oak Associates, LLC
Assets Sold: Real estate only
Property Rights: Fee Simple
% of Interest Conveyed: 12.00
Financing: Cash to seller
Conditions of Sale: Arm's-length
Terms of Sale Comments: Arm's Length
Document Type: Deed
Verified By: Maxwell G. Katsarelis, MAI
Verification Date: 04/20/2022
Confirmation Source: Chuck Howard,
Transwestern - 248-821-7722
Verification Type: Confirmed-Seller Broker

Occupancy at Time of Sale: 100.00%
Number of Tenants at T.O.S.: 1

Improvement and Site Data

MSA: Detroit-Warren-Livonia, MI Metropolitan Statistical Area
Legal/Tax/Parcel ID: 19-14-155-012
GBA-SF: 10,350
NRA-SF: 9,248
Acres(Usable/Gross): 1.38/1.38
Land-SF(Usable/Gross): 60,113/60,113
Usable/Gross Ratio: 1.00
Year Built: 2001
Property Class: B
M&S Class: C
Construction Quality: Average
Improvements Cond.: Good
Exterior Walls: Brick
No. of Buildings/Stories: 1/2
Multi-Tenant/Condo.: Yes/No
Total Parking Spaces: 40
Park. Ratio 1000 SF GLA: 4.33
No. Surface Spaces: 34
No. Covered Spaces: 6
Park. Ratio 1000 SF GBA: 3.86
Air-Conditioning Type: Roof Central Mounted
Shape: Irregular
Topography: Rolling

Occupancy

Occupancy Type Before Sale: Owner Occupied
Occupancy Type After Sale: Owner Occupied

Improvement and Site Data (Cont'd)

Corner Lot:	Yes
Bldg. to Land Ratio FAR:	0.17
Zoning Code:	O1
Zoning Desc.:	Office
Utilities Desc.:	All Available
Bldg. Phy. Info. Source:	Public Records
Source of Land Info.:	Public Records

Comments

At time of sale, buyer intended to occupy the property.
Property was combined with the adjacent parcel in 2015.
Single-family home on that site was later demolished. The
combined parcel is now 12-19-14-155-012.



Location & Property Identification

Property Name:	Office Building
Sub-Property Type:	General Purpose
Address:	220 Park St.
City/State/Zip:	Birmingham, MI 48009
County:	Oakland
Submarket:	Birmingham-Bloomfield
Market Orientation:	Suburban
Property Location:	NEC Park & Hamilton Row
IRR Event ID:	2760034



Sale Information

Sale Price:	\$12,250,000
Effective Sale Price:	\$12,250,000
Sale Date:	12/23/2021
Sale Status:	Closed
\$/SF GBA:	\$255.21
\$/SF NRA:	\$259.15
Grantor/Seller:	Peninsula Building Mgmt.
Grantee/Buyer:	Bacall Companies, LLC
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	Arm's Length
Verified By:	Constantino G. Naoum
Verification Date:	01/12/2022
Confirmation Source:	Purchase Agreement
Verification Type:	Confirmed-Buyer

Land-SF(Usable/Gross):	19,196/19,196
Usable/Gross Ratio:	1.00
Year Built:	1988
Most Recent Renovation:	2022
Property Class:	A-
M&S Class:	A
Construction Quality:	Average
Improvements Cond.:	Good
Exterior Walls:	Brick
No. of Buildings/Stories:	1/3
Total Parking Spaces:	30
Park. Ratio 1000 SF GLA:	0.63
No. Covered Spaces:	30
Park. Ratio 1000 SF GBA:	0.63
Elevators/Count:	Yes/2
Fire Sprinkler Type:	Yes
Air-Conditioning Type:	Roof Central Mounted
Roof,Heating,AC Comm.:	Flat with membrane cover
Shape:	Rectangular
Topography:	Level
Corner Lot:	Yes
Frontage Feet:	143
Frontage Desc.:	Park Street
Bldg. to Land Ratio FAR:	2.50
Zoning Code:	B-4 with D-4 Overlay District
Zoning Desc.:	Business-Residential District
Flood Plain:	No
Flood Zone Designation:	X
Comm. Panel No.:	26125C0537F

Occupancy

Occupancy Type Before Sale: Multi-Tenant

Improvement and Site Data

MSA:	Detroit-Warren-Dearborn, MI
Legal/Tax/Parcel ID:	08-19-25-455-017
GBA-SF:	48,000
NRA-SF:	47,270
Acres(Usable/Gross):	0.44/0.44

Office Building



Improvement and Site Data (Cont'd)

Date:	09/29/2006
Utilities Desc.:	All Available
Source of Land Info.:	Engineering Report

Comments

The building was primarily vacant other than one suite occupied by the seller, who will vacate within 90 days. The building is dated and will undergo a major renovation project to fully renovate and reposition the asset to attract a high quality tenant base. The first floor suite that fronts Woodward Avenue was a former branch bank, would most likely attract another bank user.

Location & Property Identification

Property Name:	Veranda Center
Sub-Property Type:	Mixed Use, Retail-Office
Address:	111 N. Center St.
City/State/Zip:	Northville, MI 48167
County:	Wayne
Submarket:	Western Wayne
Market Orientation:	Suburban
Property Location:	W/S Center, N. of Main
IRR Event ID:	2768223



Sale Information

Sale Price:	\$2,830,000
Effective Sale Price:	\$2,830,000
Sale Date:	11/23/2021
Sale Status:	Closed
\$/SF GBA:	\$212.13
\$/SF NRA:	\$212.13
Grantor/Seller:	GGL Investment
Grantee/Buyer:	NorDev 109
Property Rights:	Leased Fee
Financing:	Cash to seller
Terms of Sale Comments:	Arm's Length
Verified By:	Constantino G. Naoum
Verification Date:	02/02/2022
Confirmation Source:	Northville Assessor, Mitchell Elrod
Verification Type:	Confirmed-Other

Improvements Cond.:	Good
Exterior Walls:	Brick
No. of Buildings/Stories:	1/2
Total Parking Spaces:	5
Park. Ratio 1000 SF GLA:	0.37
Park. Ratio 1000 SF GBA:	0.37
No. Of Elevators:	None
Air-Conditioning Type:	Roof Central Mounted
Shape:	Rectangular
Topography:	Level
Bldg. to Land Ratio FAR:	1.56
Zoning Code:	CBD
Zoning Desc.:	Central Business District
Utilities Desc.:	All Available
Source of Land Info.:	Public Records

Improvement and Site Data

Legal/Tax/Parcel ID:	48-002-01-0539-000
GBA-SF:	13,341
GLA-SF:	13,341
Acres(Usable/Gross):	0.20/0.20
Land-SF(Usable/Gross):	8,538/8,538
Usable/Gross Ratio:	1.00
Year Built:	1900
Property Class:	C
Construction Quality:	Average

Comments

First floor retail with second floor office. The office space contains exposed brick and high ceilings. Full address is 109-115 N. Center Street. Located in downtown Northville. The building is situated within an historic zoning district which requires to go thru a commission to conduct any exterior improvements to the structure.

Location & Property Identification

Property Name: DCDS Junior School
 Sub-Property Type: Governmental/Institutional, School/University
 Address: 3600 Bradway Blvd.
 City/State/Zip: Bloomfield Hills, MI 48301
 County: Oakland

 Market Orientation: Suburban

 IRR Event ID: 2458353



Occupancy Type After Sale: Owner Occupied

Sale Information

Sale Price: \$2,650,000
 Effective Sale Price: \$2,650,000
 Sale Date: 05/05/2021
 Listing Price: \$3,500,000
 Sale Status: Closed
 \$/SF GBA: \$68.83
 \$/SF NRA: \$68.83
 Grantor/Seller: Detroit Country Day School
 Grantee/Buyer: JCJ Development
 Assets Sold: Real estate only
 Property Rights: Fee Simple
 % of Interest Conveyed: 100.00
 Exposure Time: 20 (months)
 Financing: Cash to seller
 Terms of Sale Comments: Arm's Length
 Document Type: Deed
 Recording No.: 56290-280
 Verified By: R. George Parnell
 Verification Date: 11/08/2021
 Confirmation Source: Paul Hoge, Signature Associates

 Verification Type: Confirmed-Seller Broker
 Secondary Verific. Source: Listing Flyer

Improvement and Site Data

MSA: Detroit-Warren-Dearborn, MI

 Legal/Tax/Parcel ID: 19-27-352-001
 GBA-SF: 38,500
 NRA-SF: 38,500
 Acres(Usable/Gross): 3.39/3.39
 Land-SF(Usable/Gross): 147,722/147,722
 Usable/Gross Ratio: 1.00
 Year Built: 1927, addition in 2004
 M&S Class: C
 Construction Quality: Average
 Improvements Cond.: Good
 Exterior Walls: Brick
 Elevators/Count: Yes/0
 Roof,Heating,AC Comm.: Gabled and flat (slate)
 Shape: Very Irregular
 Topography: Level
 Corner Lot: Yes
 Frontage Desc.: Bradway Blvd.
 Traffic Flow: Moderate
 Visibility Rating: Excellent
 Bldg. to Land Ratio FAR: 0.26
 Zoning Code: R-2
 Zoning Desc.: Single-Family Residential
 Flood Plain: No

Occupancy

Occupancy Type Before Sale: Owner Occupied

Improvement and Site Data (Cont'd)

Flood Zone Designation:	X
Comm. Panel No.:	26125C0517F
Date:	09/29/2006
Source of Land Info.:	Owner

Comments

The property had been listed for sale for nearly two years at an asking price of \$3,500,000. The listing flyer states the property was well-maintained and was expanded in 2004. The broker indicated no major deferred maintenance, although the buyer intends to demolish a small portion of the building and convert the property to a single-family residential dwelling for owner-occupancy, containing roughly 22,000 SF.

The property is identified as Lot 1068 of a single-family residential development known as Bloomfield Village. This subdivision contains approximately 1,100 homes on larger, estate sized home sites. The original developer of this large residential project (Judson Bradway) donated this 3.39-acre site to the Bloomfield School District and was subsequently developed with an educational building. The developer intended for this particular land parcel to be improved with a special-purpose use that would serve and support the surrounding residential neighborhood. Thus, the property was conveyed (donated) with a use restriction that specified that this property must "be used for education or religious purposes".

Although originally constructed in 1927, a significant building addition was completed in 2004.

Addendum E
Engagement Letter



Dino Naoum
Integra Realty Resources
400 W. Maple Road
Suite 100
Birmingham, MI 48009

07/24/2024

Element 22 Commercial Group, LLC
2425 11th St., Suite D
Kalamazoo, MI 49009

Re: Appraisal Engagement
380 Bates Street, Birmingham MI 48009

Dear Dino:

This letter authorizes you to provide an appraisal of the above-mentioned property according to the following terms. Please refer to the Appraisal Services Agreement and the Terms and Conditions, which are expressly incorporated herein by reference and made a part of this agreement. This Engagement Letter, the Appraisal Services Agreement and the Terms and Conditions shall be collectively referred to as "Agreement."

1. Specifications of the Appraisal.

Subject Property:	<i>380 Bates Street, Birmingham MI 48009</i>
Property Type:	<i>Parcel #: 19-36-132-007 Existing</i>
Interest to be Valued: Intended Use:	<i>Fee Simple To assist Client and intended users in making a lending decision</i>
Intended User(s):	<i>Chief Financial Credit Union & Element 22 Commercial Group</i>

Appraisal addressed to: *Kaili Schneiderhan
Element 22 Commercial Group,
2425 S 11th St., Suite D,
Kalamazoo, MI 49009*

Access/Information: *Mr. Tim Hunt
248 571 2600
Thunt@communityhouse.com*

Type of Value: *As is*

Date of Value: *Date of Appraiser's inspection, specific date to be stated in report*

Hypothetical conditions, Special/Extraordinary Assumptions *None anticipated*

Report Option and Format: *Narrative written report*

Delivery Date: *24 days after acceptance for a fee of \$3500*

Appraiser's Interest In Subject Property or in Client or Other Involved Parties: *Appraiser has no knowledge of any current or prospective interest of the Appraiser in the subject property or in Client or other parties involved in the transaction to which this appraisal relates.*

Prior Services Regarding Subject Property (USPAP Disclosure): *Previous appraisal completed by Integra Realty Group in July 2022*

Special Conditions: *None Anticipated*

2. **Property Documentation.** Client agrees to provide Appraiser with the documentation required and requested by the Appraiser to complete the appraisal. See Attachment A for the property documentation requested by Appraiser to begin work on this engagement. Client agrees to provide contact name and phone number for property access. Client agrees to provide a copy of sales contract if property is under contract for sale. Delays in Appraiser's receipt of requested documentation may result in Appraiser being unable to deliver the appraisal report on the delivery date stated above.
3. **Other Requirements.** This assignment cannot be reassigned to another individual without prior permission from Element 22 Commercial Group. There will be a 5% fee assessed for each day the appraisal is received past the due date indicated, unless prior arrangements have been made with Element 22 Commercial Group.

By accepting this request and agreeing to comply with this appraisal, Appraiser affirms no direct or indirect interest in the property related to this appraisal.

Karl Schneiderhan

Dated: 07/24/2024
By: Element 22 Commercial Group
Name: Karl Schneiderhan
Position: Executive Assistant

Billing Address (email or person/address to whom invoices should be sent):

__ Integra Realty Resources-Detroit _____
__ 400 W. Maple, Suite 100 _____
__ Birmingham, MI 48009 _____
Appraiser: *Constantino Naoum*
By: __ Integra Realty Resources-Detroit _____
Name: __ Constantino Naoum _____
Position: __ Senior Director _____