



CITY of NOVI CITY COUNCIL

Agenda Item H
May 9, 2011

SUBJECT: Approval to award the one (1) year contract renewal option to Terzo Bologna Inc., Fuller Appraisal Services, and Integra Realty Resources, to provide Property Appraisal and Related Services, for an estimated annual amount of \$98,000.

SUBMITTING DEPARTMENT: Assessing

CITY MANAGER APPROVAL: 

EXPENDITURE REQUIRED	\$98,000
AMOUNT BUDGETED	\$105,000 & \$75,000 for 2010-11 and 2011-12, respectively
LINE ITEM NUMBER	101-209.00-816.900

BACKGROUND INFORMATION:

The City periodically requires professional property appraisals and expert testimony on commercial and residential properties that are being appealed to the Michigan Tax Tribunal.

We posted a Request for Qualifications on the MITN/Bidnet website in late 2008 and received six (6) responses. The RFQs were evaluated for their personnel qualifications and their expertise in the areas of Residential, Industrial, Personal Property, Commercial, and Specialty property appraisals. A two (2) year contract with one (1) renewal option was awarded to five of the six firms in April 2009. The contracts with two firms are not being renewed. The qualified appraiser at Virchow Krause has left the company and they no longer offer appraisal services. Heinowski Appraisal & Consulting has decided to act as a tax representative for property owners against Novi which presents a conflict of interest.

For each Michigan Tax Tribunal case, several firms will be contacted using the competitive quote process. The quote provided by each firm will be a lump sum for appraisal services based on the hourly rates & fees quoted in their proposal and the firm with the lowest cost will be selected.

RECOMMENDED ACTION: Approval to award the one (1) year contract renewal option to Terzo Bologna Inc., Fuller Appraisal Services, and Integra Realty Resources, to provide Property Appraisal and Related Services, for an estimated annual amount of \$98,000.

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Gatt				
Council Member Fischer				
Council Member Margolis				

	1	2	Y	N
Council Member Mutch				
Council Member Staudt				
Council Member Wrobel				

TERZO
Real Estate Counselors
and Appraisers **BOLOGNA INC.**

M. Brad Beerbower, MAI
Raymond V. Bologna, MAI, CRE, FRICS
Kevin J. Hartman, MAI
Brenda D. Makarov, MAI
Frederick C. Terzo, MAI, CRE, FRICS
William L. Armstrong, MAI
Eric P. Landeen, MAI
Susan P. Shipman, MAI
William B. Wooley, MAI

April 4, 2011

Mr. D. Glenn Lemmon
City of Novi
Assessor
45175 W. Ten Mile Road
Novi, MI 48375-3024

Re: Contract for Appraisal Services

Dear Mr. Lemmon:

Pursuant to your recent email, I am following up to inform you that we are willing to extend our contract expiring 4/5/2011 for another year at the same prices, terms and conditions, as the original contract.

Sincerely,



Raymond V. Bologna
Vice president
for Terzo & Bologna, Inc.

38701 Seven Mile Road
Suite 140
Livonia, MI 48152

734-953-1050
FAX: 734-953-2460

www.terzo.com
Email: michquotes@terzo.com

OFFICES IN:
Indianapolis, Indiana
Detroit, Michigan

RECEIVED

APR 6 2011

ASSESSING DEPT.
CITY OF NOVI

Lemmon, Glenn

From: Gene Szkilnyk [eszkilnyk@irr.com]
Sent: Wednesday, April 06, 2011 12:14 PM
To: Lemmon, Glenn
Subject: RE: Appraisal Contracts

I have reviewed the attached original RFQ Property Appraisal and Related Services and would like to renew with the City of Novi at the same terms listed in the original RFQ attached.

Eugene R. Szkilnyk, CCIM
Senior Analyst
Integra Realty Resources - Detroit
400 W. Maple, Suite 100
Birmingham, MI 48009
Tel: 248.540-0040 ext. 112
Fax: 248.540-8239
Email: eszkilnyk@irr.com
Website: <http://www.irr.com>

From: Lemmon, Glenn [mailto:glemmon@cityofnovi.org]
Sent: Thursday, March 31, 2011 5:20 PM
To: Eugene Szkilnyk
Subject: Appraisal Contracts

Gene,

Good afternoon. I hope all is well. The Purchasing department here at Novi requires me to have proposals in place for all approved appraisal firms. To that end, I am including the following missive.

Hi Glenn,

Your contracts for Appraisal Services are expiring 4/5/11. You have 2 renewal options of 1 year each. If you want to renew for the first renewal option, you will need to get letters from these firms indicating that they would like to renew the contract at the same prices, terms & conditions as the original contract. Then I will send them letters to extend the contract.

I have attached their original proposals. It might be helpful for them to see what they proposed before they agree to renew.

If you are interested in remaining on the list of approved appraisers, I would ask you to send me a letter based on the above. Since every appraisal is priced on it's own merits and difficulties, I believe the renewal and extension would be relative to the hourly and travel costs. To help with your decision, I've included your a copy of your original submission. If you have any questions, feel free to contact me.

Sincerely,

D. Glenn Lemmon

FULLER APPRAISAL SERVICES
James M. Fuller, M.B.A, MAI, Certified General Appraiser
&
FULLER APPRAISAL, L.L.C.
Craig J. Fuller, Economist, Certified General Appraiser

4139 WEST WALTON BOULEVARD
SUITE A
WATERFORD, MICHIGAN 48329
1-248-674-4709
1-248-674-4523 FAX
cfuller15@aol.com

RECEIVED

APR 12 2011

**ASSESSING DEPT.
CITY OF NOVI**

April 6, 2011

City of Novi
45175 West Ten Mile Road
Novi, Michigan 48375

ATTENTION: Mr. Glenn Lemmons, Assessor

REFERENCE: Appraisal Contract Renewal

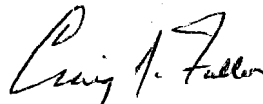
Mr. Lemmons:

Pursuant to your email of March 31, 2011 regarding appraisal contract renewal, we submit the following statement.

We have reviewed our original contract letter dated October 14, 2008 and we are willing to renew our appraisal contract with the City of Novi at the same prices, terms and conditions as said 2008 contract.

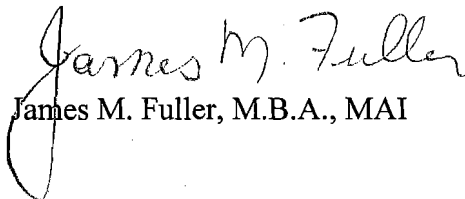
Thank you for considering our firm for you list of appraisers. If you need any further information, please feel free to contact our office.

FULLER APPRAISAL, L.L.C.



Craig J. Fuller, Certified General Appraiser

FULLER APPRAISAL SERVICES



James M. Fuller, M.B.A., MAI



October 8, 2008

M. Brad Beerbower, MAI
Raymond V. Bologna, CRE, MAI
Kevin J. Hartman, MAI
Brenda D. Makarov, MAI
Frederick C. Terzo, CRE, MAI, AICP

—
Erick P. Landeen, MAI
Gregory B. Martin, MAI

City of Novi
Office of the City Clerk
45175 W. Ten Mile Road
Novi, MI 48375-3024

Re: Request for Qualifications
Property Appraisal and Related Services

To Whom it May Concern:

Terzo & Bologna, Inc. is pleased to submit for consideration the following proposal outlining our firm's qualifications in order to be considered for property appraisal and related services by the City of Novi. It is our understanding that our services will be used to provide appraisal and consultative services in matters relative to property tax litigation.

Terzo & Bologna, Inc. is a real estate consulting group with offices in Indiana and Michigan that specializes in analysis of commercial properties. Our appraisal and consulting experience extends to approximately twenty states, and includes assignments as far as Alaska. Our focus is the Midwest, however, and we regularly maintain licensure in Midwest states. The firm has a well-established reputation and is recognized for its ability to resolve complex valuation issues in an objective and impartial manner. It is a subchapter S Corporation and has been in business providing real estate valuation and consulting services since 1989. The firm is financially sound and has a well-rounded team in place to provide high quality, timely services.

Well-educated and experienced professionals form the backbone of the firm. Professional affiliations held by individual members of the staff include:

- Appraisal Institute
- Counselors of Real Estate
- American Institute of Certified Planners

38701 Seven Mile Road
Suite 140
Livonia, MI 48152

734-953-1050
FAX: 734-953-2460

www.terzo.com
Email: michquotes@terzo.com

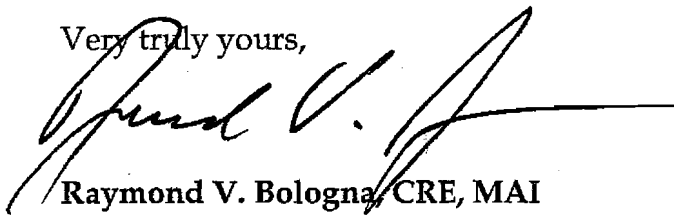
OFFICES IN:
Indianapolis, Indiana
Detroit, Michigan

Our approach to appraisal and consultative services in matters relative to property tax litigation is based on several goals.

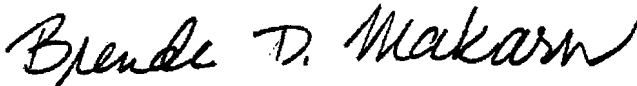
- Understand the needs of the Client
- Understand the complexity of the assignment
- Provide the most cost effective services
- Meet deadlines
- Provide a product that withstands the rigors of scrutiny applied under the MTT process
- Provide the Client with quality, expert testimony, if needed, for the MTT process

The prices in the attached proposal have been arrived at independently without consultation, communication, or agreement, for the purposes of restricting competition, as to any matter relating to such process with any other offerer or with any other competitor. Moreover, no attempt has been made or will be made by Terzo & Bologna, Inc. to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition. Brenda D. Makarov, MAI and Raymond V. Bologna, MAI are the persons in the firm responsible for the decision as to prices being offered and we have not participated and will not participate in any action contrary to the above. Raymond V. Bologna, MAI will be primarily responsible for any potential assignments. Alternately, if desired, Brenda D. Makarov, MAI, may be available if preferred by the client. Qualifications for Mr. Bologna and Ms. Makarov are attached.

Very truly yours,



Raymond V. Bologna, CRE, MAI
President, Terzo & Bologna, Inc.



Brenda D. Makarov, MAI
Vice President, Terzo & Bologna, Inc.

Attachments – Litigation/Tax Appeal/Condemnation Experience
Qualifications of the appraisers
References
Fee structure and timing
Property Appraisal Segments/City Requirements

FEE STRUCTURE

Billing Rates

Our hourly fees are as shown below with additional charges for travel and expenses at cost with automobile mileage at IRS rates. These rates will apply hourly to all consulting, testimony, and trial preparation. A 25% discount from these rates will be applied during the initial appraisal process.

- | | |
|-----------------------|------------|
| • MAI | \$250/hour |
| • Senior Appraiser | \$175/hour |
| • Appraiser | \$125/hour |
| • Appraiser Associate | \$100/hour |
| • Research Staff | \$45/hour |

PROPERTY APPRAISAL SEGMENTS/CITY REQUIREMENTS

Task/Type Appraisal	Residential	Industrial	Personal Property	Commercial	Specialty
Review Appraisal	X	X		X	X
Appraisal	X	X		X	X
Court Prep & Testimony	X	X		X	X
Consultation Services	X	X		X	X

Discussion of Appraisal Segments

Residential

As a general rule Terzo & Bologna, Inc. does not provide residential appraisal services. However, in various cases that involve special properties where high dollars are at stake or unusual valuation issues are present, we have undertaken an analysis of residential properties. We would be available on an as-needed basis to perform appraisal services, review services, or any consulting or court testimony in that regard. We have performed two such appraisals for the City of Dearborn in the past; 435 Woodcrest, and a residence on Prestwood Court at TPC.

Industrial

Terzo & Bologna, Inc. has extensive experience in performing industrial appraisals throughout the state. Tax tribunal experience with respect to industrial properties is outlined on the appraiser's qualifications.

Commercial

The firm has appraised a multitude of commercial properties to include hotels, office buildings, retail centers, and regional malls. Our experience is broad based and extensive. Please reference the appraiser's qualifications for a list of MTT commercial appraisals.

Specialty

Some of our experience with respect to specialty properties and tax appeals are detailed in the appraiser's qualifications.

Review Qualifications

As well as having experience in the appraisal of properties, the MAI partners at Terzo & Bologna, Inc. regularly serve a review function for the office. Periodically, the firm is retained to perform independent review of appraisal

work for financial institutions and court litigation work. Raymond Bologna has also served on the Experience Review Committee for the Appraisal Institute, reviewing appraisal reports for appraisers throughout the country who are seeking the MAI designation. He is presently serving on the National Experience Review Panel and reviews all appraisal types for the Appraisal Institute.

Court Preparation and Testimony

Court preparation and testimony transcends product types. Raymond Bologna has extensive experience in serving as an expert witness and in working with attorneys and clients in preparation for court cases. Because many of these cases are settled prior to going to trial, Mr. Bologna's court preparation experience is vastly greater than simply the number of cases shown under "Expert Witness Testimony". Mr. Bologna's expert witness testimony experience is identified in his court qualifications. Court preparation is incorporated in many of the projects that did not require testimony.

Consulting Services

Consulting services also transcend product types. Raymond Bologna carries the CRE designation from the Counselors of Real Estate. He is one of only ten CRE's in the State of Michigan. The CRE designation is an invitation-only designation awarded to individuals who have exemplified expertise in the field of counseling. Mr. Bologna's counseling expertise extends to all real estate product types, including specialty products such as hotels, sports facilities, and in determining supply and demand analyses.

Additional Notes on Specialty Properties

Terzo & Bologna, Inc. has established a reputation for being able to address valuation issues and to serve as consultants for special use properties. Our experience extends to sporting facilities such as golf courses, ice skating rinks, tennis clubs, in-line skating and other sports-related properties. Other unique product types falling under the specialty category would include entertainment venues such as the Michigan Opera House, mobile home parks, hotels, land preservation easements, façade easements, and the effect of partial takes for utility and road easements. In the business sector, Terzo & Bologna, Inc. has also provided counseling and/or appraisal services for banquet facilities, restaurants, regional malls, foundries, electrical power plants, and chemical plants.

FULLER APPRAISAL SERVICES
James M. Fuller, M.B.A., MAI, Certified General Appraiser
&

FULLER APPRAISAL, L.L.C.
Craig J. Fuller, Economist, Certified General Appraiser

4139 WEST WALTON BOULEVARD
SUITE A
WATERFORD, MICHIGAN 48329
248-674-4709
248-674-4523 FAX

October 14, 2008

City of Novi
45175 West Ten Mile Road
Novi, Michigan 48375

ATTENTION: Office of the City Clerk

REFERENCE: Request for Qualifications - Property Appraisal & Related Services

To Whom It May Concern:

It is our understanding that The City of Novi is seeking statement of interest for property appraisals. We are interested in serving as subcontractors for appraisal or review appraisal capacity in instances where appraisal services are required for such projects.

We currently have two appraisers available for such contracts, James M. Fuller, M.B.A, MAI, Certified General Appraiser, Craig J. Fuller, Economist, Certified General Appraiser.

We have read and understand the guidelines for "Independent Price Determination" as defined on page 4 of the RFQ and certify that in connection with this proposal. By submission of a proposal, the offerer certifies, an in case of a joint proposal, each party thereto certifies as to its own organization, that in connection with the proposal:

- a. The prices in the proposal have been arrived at independently without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other offerer or this any other Competitor: and
- b. No attempt has been made or will be made by the offerer to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.

Each person signing the proposal certifies that:

- c. He is the person in the offerer's organization responsible within that organization for the decision as to prices being offered in the proposal and that he has not participated and will not participate in any actions contrary to (a) and (b) above; or

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&
FULLER APPRAISAL, L.L.C.
Craig J. Fuller, Economist, Certified General Appraiser

- d. He is not the person in the offerer's organization responsible within that organization for the decision as to prices being offered I the proposal but that he has been authorized in writing to act as agent for the persons responsible for such decisions in verifying that such persons have not participated, and will not participate, in any action contrary to (a) and (b) above, and that as their agent, does hereby so certify; and that he has not participated, and will not participated; and will not participate in any action contrary to (a) and (b) above.

James M. Fuller, M.B.A, MAI, Certified General Appraiser is the individual owner Fuller Appraisal Services, which is located at 4139 West Walton Boulevard, Suite A, Waterford, Michigan 48329 and has over thirty years of experience in the appraisal industry. He has appraised virtually all types of real estate ranging including retail, office, industrial, residential and other special purpose properties. James M. Fuller also has testified numerous times in condemnation oriented litigation as well as other legal actions requiring appraisal. As a Certified General Appraiser, License Number 1201000715, Mr. James Fuller is licensed to appraise all types of real property within the State of Michigan. The current hourly rate for Mr. James M. Fuller is \$185.00. Trial preparation, expert witness testimony, travel expenses will also be billed at the current hourly rate of \$185.00. A list of James M. Fuller's qualifications is attached.

Craig J. Fuller, Economist, Certified General Appraiser is the individual owner of Fuller Appraisal, L.L.C. which is located at 4139 West Walton Boulevard, Suite A, Waterford, Michigan 48329, has over twenty-five years of experience in the appraisal industry. He has appraised virtually all types of real estate including retail, office, industrial, residential and other special purpose properties. Craig Fuller also has testified numerous times including condemnation suits in Wayne County Circuit Court, and Oakland County Circuit Court. As a Certified General Appraiser, License Number 120100867, Mr. Craig Fuller is licensed to appraise all types of real property within the State of Michigan. The current hourly rate for Mr. Craig J. Fuller is \$175.00. Trial preparation, expert witness testimony, travel, expenses will also be billed at the current hourly rate of \$175.00. A list of Mr. Craig Fuller's qualifications is attached.

Tax Tribunal cases for Craig J. Fuller:

10/2008 2004 est.	Cooper, Shifman, Gabe, Quinn & Seymour, High value residential Knollwood Country Club for The Charter Township of West Bloomfield.
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Trial has not been conducted in the 2008 case testimony was never required in the Knollwood Case. My trial experience consists primarily of Eminent Domain Cases, the vast majority of which required deposition testimony with the case being settled prior to trial.

Craig Fuller has testified in only one tribunal case and this was a small claims (residential) case over 10 years ago for a property in Bloomfield Township.

There may be other cases that I do not recollect, the research time involved did not allow an exhaustive search of my appraisal logs.

Recent testimony has been primarily involved with right-of-way acquisitions. I have qualified as an expert witness and testified as such in Oakland County Circuit Court, Lapeer County Circuit Court, Wayne County Circuit Court, Macomb County Circuit Court, and the United States District Court.

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&
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Craig J. Fuller, Economist, Certified General Appraiser

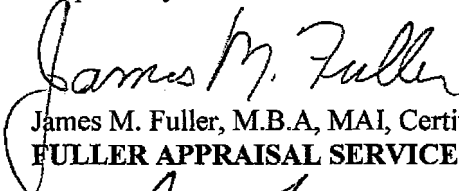
James M. Fuller has not testified at a tribunal case in many years, and is not available for trial testimony, he may be utilized to assist in the preparation of reports undersigned by Craig J. Fuller


<u>Tasks/Type Appraisals</u>	<u>Residential</u>	<u>Industrial</u>	<u>Personal Property</u>	<u>Commercial</u>	<u>Specialty</u>
Review Appraisal	Large Dwellings	X	NO	X	
Appraisal	Large Dwellings	X	NO	X	
Court Prep & Testimony	Large Dwellings	X	NO	X	
Consultation Services	Large Dwellings	X	NO	X	

Insurance certificates will be provided upon notice of prequalification acceptance.

In most bid situations James M. Fuller or Craig J. Fuller, or both would be supervising and preparing appraisal reports. This is typically determined based upon work loads and time deadlines. We appreciate the opportunity to be considered by The City of Novi.

Respectfully Submitted,


 James M. Fuller, M.B.A, MAI, Certified General Appraiser
FULLER APPRAISAL SERVICES


 Craig J. Fuller, Economist, Certified General Appraiser
FULLER APPRAISAL, L.L.C.

October 20, 2008

City of Novi
Office of the City Clerk
45175 W. Ten Mile
Novi, Michigan 48375-3024

RE: RFQ Property Appraisal and Related Services

Dear Ms. Morianti:

Pursuant to our recent request please consider this our proposal to provide appraisal service to the City of Novi. The function of this proposal is to set forth our experience and ability to service the City relative to on-going appraisal and consulting needs

Two items that I would like to point out at the onset are as follows:

- We have worked and continue to work with the City of Novi on various assignments relative to property tax disputes. This work has allowed us to form good working relationships with various city officials and representative counsel.
- We have and will continue to turn down potential assignments related to individual property owners and petitioners against the City of Novi, as we feel this would present a conflict of interest and not in our best interest or the City's.

Business Organization

Integra Realty Resources – Detroit
400 W. Maple Suite 100
Birmingham, MI, 48009

IRR – Detroit is a Michigan Corporation having a Federal Tax ID number of 38-2028340. A corporate profile and related information is attached to this letter.

Management and Personnel

Attached to this letter, please find Curriculum Vitae of the officers and staff personnel that may be assigned to this project. Although we have a staff of 15 commercial appraisers, only senior level staff will be assigned to work relating to the City of Novi request. Specifically, the supervising officer and staff appraiser will be Anthony Sanna, Kenneth Blondell and Eugene Szkilnyk.

IRR.

October 20, 2008

Page 2

Listed below is my contact info as I will be the authorized person within my firm taking responsibility for this proposal:

Eugene Szkilnyk, CCIM
400 W. Maple, Suite 100
Birmingham, MI 48009
eszkilnyk@irr.com
248-540-0040 x112

Prior Experience

As an attachment to this letter, please find a listing of prior assignments that were completed over the past year for various property types including land, retail, office, industrial and multi-family. In many instances, the work was done for banks, corporate entities and other agencies rather than property tax disputes. Nonetheless, it illustrates our work experience in all property types. As it relates to court testimony and expert witness work, we highlight the following recent examples:

Anthony Sanna

- Mocerri vs. Mocerri – divorce deposition relating to 22 appraisals that we prepared Baskin Law firm on behalf of Mrs. Mocerri
- U-Store-It vs. Lansing Airport Authority – condemnation taking with deposition given on behalf of Richard Levin, Esquire, representing the property owner.
- Kalayojian vs. Kalayojian – mediation hearing for the allocation of assets; presiding mediator was Mr. Gilbert Gugni, with testimony given in support of our valuation
- Mervyns Vs. Universal Mall – deposition given on behalf of Universal Mall owner relating to a land lease valuation. Mr. Joe Thomas was the counselor representing the property owner.

Eugene Szkilnyk

- Frankel vs. City of Auburn Hills – tax appeal trial relating to multi-tenant industrial appraisals that we prepared for the City of Auburn Hills. Spent three days testifying as an expert witness.
- Taubman vs. City of Auburn Hills – deposition for Ad Valorem purposes relating to the valuation of Great Lakes Crossing. Represented Taubman Centers LLC. Prepared for pending trial in the Michigan Tax Tribunal. Case was settled shortly before trial date.
- Client - G/W Jefferson-St Jean LLC: mediation hearing on behalf of the Miller Canfield, which represented G/W Jefferson-St Jean LLC in bankruptcy court. The property was a multi-tenant shopping center in the City of Detroit.

October 20, 2008

Page 3

- Client - G/W Jefferson-St Jean LLC: mediation hearing on behalf of the Miller Canfield, which represented G/W Jefferson-St Jean LLC in bankruptcy court. The property was a multi-tenant shopping center in the City of Detroit.

Ken Blondell

- Recently completed the appraisal of the Crown Plaza Hotel on behalf of the City of Novi for Aid Valorem purposes.
- Completed an appraisal for David Landry, Esq. for a zoning appeal on behalf of Bedford Township, Monroe County.
- I have recently completed an appraisal of a mini-storage property in Farmington Hills which is awaiting trial.
- Completed appraisals and testified for a multi-property portfolio for divorce purposes in Macomb County.
- Prepared appraisals for 5 parcels for condemnation, representing Shelby Township and participated in the arbitration proceedings.
- Prepared an appraisal for an industrial building in Washington Township, and participated in arbitration for divorce purposes in Macomb County.

History of the Firm

Integra Realty Resources is a C-Corp operation that has been in business for 54 years. We were originally Dean Appraisal Company, but in the year 2000, we joined with the Integra affiliation to broaden our scope of services and market coverage.

Staffing

Attached hereto are copies of our appraiser licenses and qualifications, as may be required by the RFP. A list of our staff is as follows:

October 20, 2008

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First	Last	Start	Tenure	Function	Designation
Roland	Nelson	1953	55	Founder	MAI, CRE
Coleen	Schaull	1986	22	Appraiser	
Anthony	Sanna	1988	20	Owner	MAI, CRE, FRICS
Ken	Blondell	1988	20	Owner	MAI
Steve	Bargren	1988	20	Appraiser	
Tom	Chuba	1988	20	Appraiser	
Bradley	Conkey	1990	18	Appraiser	
Don	Passalacqua	1990	18	Appraiser	MAI
Don	Zaki	1991	17	Appraiser	
Bill	Hansen	1993	15	Appraiser	MAI
Dino	Naoum	1993	15	Appraiser	
Don	Selvidge	1995	13	Appraiser	MAI*
Ray	Blondell	1996	12	Appraiser	
Eugene	Sczkilnyk	1997	11	Appraiser	CCIM
Nina	Clements	1997	11	Appraiser	
Victor	Tkatchauk	2003	5	Appraiser	
Dave	Kasica	2005	3	Research	
Dawn	Chuba	2005	3	Secretarial	
Bill	Kurzawa	2006	2	Research	
Heather	Blondell	2006	2	Secretarial	

* *Awaiting notification*

Fees and Billing Rates

Our appraisals are typically bid on a flat fee basis for the each assignment. The fees vary depending on the scope of work and complexity of the assignments. Hourly rates are used for post appraisal services including trial preparation, testimony and third party reviews. These hourly rates are as follows.

Principal/MAI	\$250/hour
Certified/CCIM	\$225/hour
Certified Appraiser	\$125/hour

Payment of Fees

Our fees will be due upon delivery of the report(s). Unless arrangements are made otherwise, a late charge of 18% per annum will be charged on any balance not paid within thirty (30) days of delivery of the report(s). Integra Realty Resources - Detroit will provide 6 copies of the report(s); additional copies will be available at the actual cost of reproduction.

IRR.

October 20, 2008

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Report Delivery and Timing

The size of our staff and diversity in experience enables us to perform most appraisal assignments within a 21 day to 35 day delivery schedule. More complex assignments may require more time. We have ample support staff in terms of researchers, secretarial and related support to assist in the preparation and production of work product in a timely manner.

Assignment Types

We are available to assist on a variety of assignments including the following:

TASK	RESIDENTIAL	INDUSTRIAL	COMMERCIAL	SPECIALTY
Review Appraisal	√	√	√	√
Appraisal	√	√	√	√
Court Prep/Testimony	√	√	√	√
Consulting	√	√	√	√

Insurance Coverage

Integra Realty Resources is fully covered by the customary insurance and will continue to do so over the term of any proposed contract with the City of Novi. This includes

- Workers Compensation
- General Liability Insurance
- Auto Liability
- Errors and Omissions Insurance

October 20, 2008

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USPAP Compliance

The reports will be prepared in conformity with and subject to the Standards of Professional Practice and the Code of Ethics of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice developed by the Appraisal Standards Board of the Appraisal Foundation. These reports will be kept confidential except that they will be subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

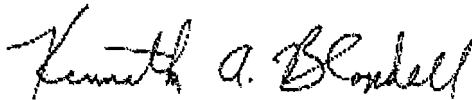
Thank you for considering us for this proposal and we very much look forward to working with you. Please call if you wish to discuss this proposal or the assignment any further.

Sincerely,

INTEGRA REALTY RESOURCES



Eugene Szkilnyk, CCIM



Kenneth A. Blondell, MAI, MRICS
President



Anthony Sanna, MAI, CRE, FRICS
Managing Director

IRR.