



VALUATION | CONSULTING

WOODBANK GROUP

Professional Commercial Real Estate Restricted Appraisal Terms and Conditions (aka “Terms” or “Agreement” herein)

Terms Effective: January 1, 2019

Appraiser (aka “we” or “our” or “Woodbank Group” herein):

Woodbank Group, LLC

Managed by: David Lieberman, MAI, MBA

Colorado:

1762 Dusty Boot Dr.

Lafayette, CO 80026

P: 720.446.9896

F: 248.502.3203

Michigan:

6632 Telegraph Rd., Suite 105.

Bloomfield Hills, MI 48323

P: 248.825.3640

F: 248.502.3203

david@WoodbankGroup.com

Client (aka “you” or “your” herein):

As stated in this online job entry form

Client hereby engages Appraiser to complete an appraisal assignment with the following Terms:

Property identification

As you have stated in this online job entry form

Property Type

As you have stated in this online job entry form

Interest Valued

As you have stated in this online job entry form – default being the fee simple interest

Intended Users

The intended user that you have stated in this online job entry form

Note: no other users are intended by Appraiser.

Intended Use

The intended use that you have stated in this online job entry form

Note: no other use is intended by Appraiser. The intended use as stated shall be used by Appraiser in determining the appropriate scope of work for the assignment.

Type of Value

Market value as defined by FIRREA

Date of Value

Current

Hypothetical Conditions

Definition:

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.

We will not employ any hypothetical conditions.

Extraordinary Assumptions

Definition:

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

We will employ any extraordinary assumptions that are necessary to relay credible appraisal results.

Generally, these include:

The subject property was not inspected by the appraiser per agreement with the client. We relied, without independent investigation or verification, on a third-party photographs and commercial observation report completed on the date of valuation (observation date). A copy of this report is provided herein. We employ the Extraordinary Assumptions that if the information from this third-party report does not accurately reflect the quality or condition of the subject our opinion of value may change. Additionally, we employ the Extraordinary Assumption that there are no environmental hazards at the subject that affect its value, if this assumption proves false then our value conclusion may change.

Applicable Requirements

The code of professional ethics and standards of professional appraisal practice of the appraisal institute and USPAP

Anticipated Scope of Work

Site Visit

The level of inspection that you have selected in this online job entry form

Valuation Approaches

We will consider the: sales comparison approach, income approach, and cost approach

Note: Appraiser shall use all approaches necessary to develop a credible opinion of value; however, since the appraisal is a restricted-format report; thus, the approaches presented will likely be limited to one.

Appraisal Report Reporting Option and Format

Restricted Report

Delivery Date

The delivery date that you have selected in this online job entry form

Delivery Method

PDF via email to the email address that you have noted in this online job entry form

Please keep in mind that communications via email over the internet are not secure. Although it is unlikely, there is a possibility that information you include in an email can be intercepted and read by other parties besides the person to whom it is addressed

Number of Copies

PDF version will be supplied.

Payment to Appraiser

The full payment is the cost that you have agreed to by selecting options for delivery and report components in this online job entry form. Full payment is due before work commences.

Confidentiality

We shall not provide a copy of the written appraisal report to or disclose the results of the appraisal prepared in accordance with these Terms with, any party other than you, the Client, unless you authorize us to -- except as stipulated in the confidentiality section of the ethics rule of the Uniform Standards of Professional Appraisal Practice (USPAP).

Changes to Agreement

Any changes to the assignment as outlined in these Terms shall necessitate a new engagement. The identity of you the Client, the intended user, or intended use; the date of value, type of value, or property appraised, cannot be changed without a new engagement.

Cancellation

You may cancel this engagement at any time prior to our delivery of the appraisal report upon written notification to us (via email to david@WoodbankGroup.com). You shall pay us for work completed on the assignment prior to our **receipt** of such written cancellation notice. Our standard hourly fee is \$250 and this rate will be used to determine payment due in such event.

No Third Party Beneficiaries

Nothing in this agreement shall create a contractual relationship between the Woodbank Group and / or its managers or you the Client and any third party, or any cause of action in favor any third party. This Agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including, but not limited to, any third parties identified herein.

Use of Employees or Independent Contractors

We may use employees or independent contractors at our discretion to complete the engagement, unless otherwise agreed by the parties. Notwithstanding, our appraiser shall sign the written appraisal report and take full responsibility for the services provided as a result of this Agreement.

When Appraiser's Obligations Are Complete

Our obligations are complete when the appraisal report, in the form specified in this Agreement, is delivered to you via email in a .PDF format. Note that the appraisal fee noted herein does not include time spent for review of other parties' valuation work product, pre-trial preparation, trial time, etc.

Testimony at Court or Other Proceedings

Unless otherwise stated in this Agreement, you agree that our assignment pursuant to this Agreement shall not include the our participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery, sworn testimony in any judicial, arbitration or administrative proceeding, or attendance at any judicial, arbitration, or administrative proceeding relating to this assignment. Pre-trial and trial time will be charged at the rate of \$250 per hour plus travel and incidental expenses. In the case of pre-trial or trial time becoming necessary, an additional retainer may be required.

Appraiser Independence

We cannot agree to provide a value opinion that is contingent on a predetermined amount. We cannot guarantee the outcome of the assignment in advance. We cannot insure that the opinion of value developed as a result of this assignment will serve to facilitate any specific objective by you or others or advance any particular cause. Our opinion of value will be developed competently and with independence, impartiality and objectivity.

Governing Law & Jurisdiction

The interpretation and enforcement of this Agreement shall be governed by the laws of the State of Colorado or the State of Michigan dependent on which state the subject property is located.

Limitation of Liability

To the fullest extent permitted under law, the you the Client agree to limit our liability, and that of our employees, contractors, officers and members, arising out of the performance of its obligations under this Agreement to the sum of \$5,000 or 200% of the fee paid by you pursuant to the Agreement, whichever is greater. The limitation shall apply regardless of the cause of action or legal theory asserted.

Severability

In the event that any provision in this Agreement is held to be invalid, void, or illegal by any court of competent jurisdiction, the same shall be deemed to be severable from the remainder of this Agreement and shall in no way affect, impair, or invalidate any other provisions contained herein.

Additional Documentation

You agree to provide us, as soon as we contact you via phone or email, with the relevant documentation that you have regarding the subject property.

Prior Work

We will notify you within a reasonable amount of time if we, including the appraiser(s) assigned to your engagement, have done any appraisal-related work in regards to the subject over the past three years. Appraiser will not commence work until you give us written approval in the case of three-year prior work having been completed.

Statement of Competency

We have performed numerous commercial appraisals of properties in the states of Colorado and Michigan, for various functions including, but not limited to: mortgage financing, collateral review, and tax review, we are competent to complete this assignment.

Limitations

The following Limiting Conditions shall be similar to those used in your Appraisal Report

Statement of Assumptions and Limiting Conditions

1. The title to the subject property is marketable and the property is free and clear of all liens and encumbrances, except as noted. It is further assumed that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or market value. No responsibility is assumed for the legal description, legal matters, or title considerations.
2. Unless otherwise stated in this report, no consideration is given to liens, easements, or encumbrances against the subject property.
3. Ownership and management are assumed to be in competent and responsible hands. An analysis of owner or management effectiveness and current or anticipated actions that will affect property operations is beyond the scope of this report.
4. No survey of the boundaries of the subject property has been undertaken by Appraiser. Dimensions are as supplied by others and are assumed to be correct. It is assumed that the utilization of the land and improvements will be within the boundaries or property lines of the property lines and that there will be no encroachment or trespass.
5. No responsibility is assumed for information supplied by others, which is believed to be reliable and correct. This includes zoning and tax information provided by the subject municipality and county.
6. All direct and indirect information supplied by the owner and its representatives concerning the subject property is assumed to be true and accurate.
7. The signatories shall not be required to give testimony or attend court or be at any governmental hearing with reference to the said properties unless prior arrangements have been made with the client.
8. Disclosure of the contents of this appraisal report is governed by the Confidentiality provisions set forth in the USPAP Ethics Rule.
9. This report specifically assumes that there are no site, subsoil, or building contaminants present resulting from residual substances or construction materials, such as asbestos, radon gas, PCB, etc. It is suggested that if there are concerns regarding these issues, an environmental report be obtained. Should any of these factors exist, the appraiser reserves the right to review these findings, review the value opinions, and change these opinions, if deemed necessary. Appraiser assumes no responsibility for any such conditions should they exist and has no expertise or training in the methods for discovery of such conditions.
10. It is assumed that there are no hidden or unapparent conditions of the land or of the improvements to the land that render the property more or less valuable. Notably, we assume there are no expansive soils on the subject site that adversely affect current or future site or building improvements. No responsibility is assumed for such conditions or for arranging any engineering or other studies that may be required to find them.
11. To the extent that the Appraiser or its contractor has conducted a building and site inspection during the appraisal process, such inspections are directed to broadly determine the quality and general condition of materials and finishes so that the subject property can be compared to other properties. Appraiser makes no representation as to the adequacy of structural components, electrical, HVAC, plumbing systems, etc., which are assumed to be in operational condition.
12. Except as otherwise noted in this report, it is assumed that the subject property is in compliance with all current applicable zoning and building use regulations and codes.
13. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have or will be obtained or renewed for any use on which the value estimate contained in this report is based.
14. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey or analysis of this property to determine whether or not it is in conformity with the various

detailed requirements of the ADA. It is possible that a survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

15. The presence of a flood plain or wetland area could affect the value of the property. It is assumed that flood plains and wetland areas are not present, or are minimal, unless otherwise stated in this report. Appraiser is not a surveyor and makes no guarantees or warranties as to the presence or absence of such conditions.
16. Neither all nor any part of the contents of this report, especially any conclusions as to value, the identity of Appraiser or any of its staff, may be quoted or disseminated to the public through advertising, public relations media, news media, sales media, or other public means of communication without the prior written consent and approval of Appraiser. Appraiser reserves the right to deny such consent. Further, Appraiser assumes no obligation, liability, or accountability to any third party.
17. Possession of this report or a copy thereof does not carry with it the right of publication.
18. Acceptance and use of this report by the intended or foreseeable user is direct evidence that the user has exercised reasonable diligence in review and acceptance of the quality, completeness, and accuracy of this report including the final opinion of value. Acceptance and use of this report is explicit and direct evidence establishing the date of the report as the accepted and agreed upon point of discovery for any and all subsequent legal proceedings.
19. Acceptance and/or use of this report constitutes full acceptance of the Statement of Assumptions and Limiting Conditions.
20. Our engagement is to render a value conclusion totally disconnected from your business goals of a higher or lower value – without bias. We will (have) valued the subject relative to the market and analyzed any special condition or features relevant to the subject's value. We have no financial connection or undisclosed business relationship with you or your property, unless noted in the final appraisal report.