Pursuant to SB 1008, the Village of Spring Lake will conduct its business virtually to mitigate the spread of COVID-19. Members of the public are welcome and encouraged to participate in this meeting. Members of the public are not required to register or otherwise provide information to attend. If a member of the public wishes to participate in the webinar (versus calling in), please email Village Manager Christine Burns at christine@springlakevillage.org to receive the link.

Please utilize the mute function on your phone while on a conference call (*6 to unmute).

There will be an opportunity at the end of the meeting for public comment.

www.springlakevillage.org

<table>
<thead>
<tr>
<th></th>
<th>Time</th>
<th>Item Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>7:00 p.m.</td>
<td>Proposed Ordinance Amendment - Short-term Rentals</td>
</tr>
<tr>
<td>2</td>
<td>7:05 p.m.</td>
<td>109 S. Jackson Property Swap</td>
</tr>
<tr>
<td>3</td>
<td>7:25 p.m.</td>
<td>Cable Franchise Agreement (Marv Hinga)</td>
</tr>
<tr>
<td>4</td>
<td>7:30 p.m.</td>
<td>Cross Connection Contract (Wally Delamater)</td>
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<tr>
<td>5</td>
<td>7:35 p.m.</td>
<td>Adoption of DDA Ordinance (DeMario Johnson)</td>
</tr>
<tr>
<td>6</td>
<td>7:40 p.m.</td>
<td>Tanglefoot RFPs</td>
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<tr>
<td>7</td>
<td>8:13 p.m.</td>
<td>Resolution of Appreciation - Sgt. Jason Kik</td>
</tr>
<tr>
<td>8</td>
<td>8:15 p.m.</td>
<td>Copier Replacement</td>
</tr>
<tr>
<td>9</td>
<td>8:19 p.m.</td>
<td>Budget Amendments (Marv Hinga)</td>
</tr>
<tr>
<td>10</td>
<td>8:21 p.m.</td>
<td>Communications</td>
</tr>
<tr>
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<td>- Complaint - Fraser</td>
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<td>- Complaint - Marshall</td>
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<td>- Complaint - McMaster</td>
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<td>- Complaint - Merz</td>
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<td>- Complaint - Secory</td>
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<td>- Complaint - Willison</td>
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<td>- LGROW Annual Report</td>
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<td>- Retirement - Joe Vanderstel</td>
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<td>- Thank You - Musk-Bonney</td>
</tr>
<tr>
<td>11</td>
<td>8:23 p.m.</td>
<td>Minutes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minutes of the January 11, 2021 Work Session and January 18, 2021 regular meeting are attached for review. Should you wish to make edits, please share that information with Chris Burns or Maryann Fonkert prior to February 12, 2021</td>
</tr>
<tr>
<td>12</td>
<td>8:24</td>
<td>Public Comment (*6 to unmute)</td>
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<tr>
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<td></td>
<td>Council Work Sessions are open to the public, and as such, the public is invited to speak at the end of each meeting. Each speaker should ask to be recognized by the</td>
</tr>
</tbody>
</table>
chair, must state their name and address for the record and should limit their comments to 3 minutes. Speakers will be muted at the 3-minute mark.

| 13 | 8:30 - Adjourn |
MEMORANDUM

Date: February 2, 2020
To: Spring Lake Village Council
From: Cassandra Hoisington – Associate Village Planner
Subject: Proposed Text Amendments – Administrative Approval for Minor Site Improvements

BACKGROUND

Staff have discussed a variety of text amendments to the Zoning Ordinance with the Village Planning Commission.

The Planning Commission recommended approval for the text amendments presented to the Council in the draft dated 2/2/21.

PROPOSED AMENDMENTS

Amendments are proposed to the following sections of the Zoning Ordinance:

- Section 390-125.D - Planning Commission Review and Action
  - Amendment would allow the Planning Commission to waive certain site design requirements for low impact projects.

- Section 390-57.C – District Regulations – Single Family Residential
  - Clarifies the maximum height of a building to be 35 feet or 2.5 stories, whichever is less.
  - Adds a footnote that waterfront properties are subject to additional setback regulations as noted in Section 390-26.C.

- Section 390-59.C - District Regulations – Multiple Family Residential
  - Adds a footnote that waterfront properties are subject to additional setback regulations as noted in Section 390-26.C.

- Section 390-59.A – District Summary - Multiple Family Residential
o Adds short-term rentals as a permitted use in the Multiple Family Residential (MFR) district.

o HOAs and similar organizations would still be allowed to regulate short-term rentals in their respective neighborhoods so long as a rental license is obtained from the Village and the unit inspected by the Building Official.

- Section 390-122 - Required Site Plan Review
  
o Short-term rentals cannot meet the standards for a short-term rental as a special land use.
    
    ▪ Amendment will exempt short-term rentals from site plan review by the Planning Commission.

- Section 390-137.32. Short-Term Rentals.
  
o This amendment would allow the Planning Commission to revoke the approval of a short-term rental if a violation occurs.

  o The owner will receive written notification of a violation and the opportunity to resolve the issue. If compliance is not found the Village may schedule a public hearing to revoke the approval with the Planning Commission.

SAMPLE MOTIONS

If the Council finds the above text amendments acceptable, the following motion can be offered:

Motion to approve the proposed zoning text amendment ordinances with a draft date of 2/2/2021.

If the Council finds the text amendments need revision, the following motion can be offered:

Motion to table of the amendment ordinance, and direct staff to address the following items:

1. List the items…
ORDINANCE NO. ____

ZONING TEXT AMENDMENT ORDINANCE

AN ORDINANCE TO AMEND THE ZONING ORDINANCE OF THE VILLAGE OF SPRING LAKE, OTTAWA COUNTY, MICHIGAN, CONCERNING MAXIMUM HEIGHT FOR SINGLE FAMILY RESIDENTIAL (SFR) ZONING DISTRICT; ADDING A REFERENCE TO THE WATERFRONT OVERLAY FOR SINGLE FAMILY RESIDENTIAL (SFR) AND MULTIPLE FAMILY RESIDENTIAL (MFR) ZONING DISTRICT; ALLOWING SHORT-TERM RENTALS AS A PERMITTED USE IN THE MULTI-FAMILY RESIDENTIAL (MFR) DISTRICT; EXEMPTING SHORT-TERM RENTALS IN THE MULTIPLE FAMILY RESIDENTIAL (MFR) DISTRICT FROM SITE PLAN REVIEW; SITE DESIGN REQUIREMENTS FOR SITE PLAN REVIEW; REVOCATION OF APPROVAL FOR A SHORT-TERM RENTAL AS A SPECIAL LAND USE;.

VILLAGE OF SPRING LAKE, COUNTY OF OTTAWA, AND STATE OF MICHIGAN, ORDAINS:

Section 1. District Regulations – Single Family Residential. Section 390-57.C of the Village of Spring Lake Zoning Ordinance shall be restated in its entirety as follows.

C. Site and building placement standards (Figure 7.1):

<table>
<thead>
<tr>
<th>Minimum Lot Area</th>
<th>8,000 sq. ft.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Lot Width</td>
<td>66 ft.</td>
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<td>Minimum Setbacks*</td>
<td></td>
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<tr>
<td>Front</td>
<td>25 ft.</td>
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<tr>
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<td>8 ft.</td>
</tr>
<tr>
<td>Rear</td>
<td>25 ft.</td>
</tr>
<tr>
<td>Minimum Floor Area</td>
<td>832 sq. ft.</td>
</tr>
<tr>
<td>Maximum Building Height</td>
<td><strong>35 feet or 2.5 stories, whichever is less.</strong></td>
</tr>
<tr>
<td>Maximum Lot Coverage</td>
<td>50%</td>
</tr>
</tbody>
</table>

*Waterfront properties shall be subject to setbacks as defined in Section 390-26.C

Section 2. District Summary – Multiple Family Residential. Section 390-59 of Village of Spring Lake Zoning Ordinance shall be restated in its entirety as follows.
A. Land, buildings and other structures in this zoning district may only be used for the following purposes by right:
   1. Adult foster care family homes
   2. Day care, family
   3. Home occupations
   4. Multiple-family dwellings
   5. Single-family dwellings
   6. Two-family dwellings
   7. Parks and public facilities
   8. Short-term rentals

B. The following special land uses may be approved by the Planning Commission subject to the applicable general and specific standards in Article XVIII:
   1. Accessory dwellings
   2. Adult foster care small and large group homes
   3. Adult foster care congregate facilities
   4. Bed and breakfast establishments
   5. Day care, group
   6. Senior assisted living facilities

C. Site and building placement standards (Figure 8.1):

<table>
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<tr>
<th>Minimum Lot Area</th>
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</tr>
</tbody>
</table>

*Waterfront properties shall be subject to setbacks as defined in Section 390-26.C
Section 3. Exempting Short-Term Rentals in the Multi-Family Residential (MFR) District from Site Plan Review. Section 390-122 of the Village of Spring Lake Zoning Ordinance shall be restated in its entirety as follows.

**Section 390-122. Required site plan review.**

A. Site plan review and approval by the Planning Commission shall be required prior to the issuance of a building permit for the construction, reconstruction, erection, or expansion of any building or structure in any zoning district, or prior to the initiation of any special land use in any zoning district, with the exception of the following:

1. Accessory buildings and structures accessory to a single-family dwelling or two-family dwelling in any zoning district.
2. Single-family dwellings and two-family dwellings.
3. Family day-care homes and foster-care family homes in any zoning district.
4. Short-term rentals in the Multiple Family Residential (MFR) zoning district.

Section 4. Planning Commission Review and Action. Section 390-125 of the Village of Spring Lake Zoning Ordinance shall be restated in its entirety as follows.

**Section 390-125. Planning Commission review and action.**

A. The Planning Commission may hold a public hearing on a proposed site plan, though it is not required. If a public hearing is held, notice shall be given in the same manner as specified in Section 390-151.

B. The Planning Commission shall review the site plan and shall approve, deny or approve with conditions the site plan, based on its conformance with Section 390-126, Site plan review standards, all applicable provisions of this Chapter, other ordinances of the Village and County, and state and federal statutes.

C. The Planning Commission may impose reasonable conditions in conjunction with approval of a site plan which it deems necessary to ensure conformance with applicable provisions of this Chapter and with state and federal statutes.

D. The Planning Commission may waive any site design requirements of Section 390-124 for low impact projects if compliance with a requirement would create an undue burden for the applicant.

Section 5. Short Term Rentals. Section 390-137.32 of the Village of Spring Lake Zoning Ordinance shall be restated in its entirety as follows.

**Section 390-137.32. Short-term rentals.**

A. If the subject lot does not meet the district minimum lot area or has other dimensional nonconformities, the Planning Commission may deny approval, or it may condition approval on measures that mitigate potential adverse effects of operating a short-term rental on the lot.
B. Off-street parking shall comply with these requirements in addition to any other requirements for the applicable zoning district in question.

1. A minimum of two (2) off-street parking spaces located on the subject property shall be provided per unit (up to 6 occupants), plus one space for every three occupants over six, based on approved occupancy for the dwelling unit.

2. Any proposed expanded parking area must be shown on the site plan and will be subject to review by the Planning Commission and Zoning Administrator. Parking on the grass is prohibited.

C. Outdoor areas intended for the congregating of guests (e.g., porches, decks, pools and pool decks, gazebos, fire pits, etc) must meet the following requirements, in addition to other requirements established by this chapter.

1. Fire pits shall meet the requirements of the fire code and any other applicable codes.

2. Patios and decks must be a minimum of three (3) feet from any property line.

3. The planning commission may require an outdoor congregating area to be fenced in or landscaped in order to help buffer the short-term rental from neighboring properties. The Village shall consider lot sizes in the area and of the short-term rental, surrounding land uses, topography, and other considerations deemed relevant by the Village.

D. The number of overnight guests in a short-term rental shall be based on occupancy limits established by the International Property Maintenance Code. No guest may sleep on couches, the floor, in tents, or in trailers on the lot.

E. The applicant shall submit a floorplan of the dwelling unit and a site plan of the property drawn to a scale of not less than 1/8 inch = 1 foot.

F. No separate cooking facilities shall be allowed in sleeping rooms.

G. The Planning Commission may revoke approval previously granted to a short-term rental if the rental unit fails to stay in compliance with the special land use standards. The violation shall be presented to the Planning Commission through a public hearing prior to any revocation taking effect.

Section 6. The foregoing amendment to the Village of Spring Lake Zoning Ordinance was approved and adopted by the Village Council of the Village of Spring Lake, Ottawa County, Michigan on the _____ day of _______________, 2021 after a public hearing conducted by the Village Planning Commission as is required by the of Michigan Zoning Enabling Act, as amended. This Ordinance shall be effective upon publication.

______________________________  ______________________________
Mark Powers, Village President   Marvin Hinga, Village Clerk/Treasurer
CERTIFICATE

I, Marvin Hinga, the Clerk/Treasurer for the Village of Spring Lake, Ottawa County, Michigan, certify that the foregoing Village of Spring Lake Ordinance was adopted at a regular meeting of the Village Council held on ________________, 2021. The following members of the Village Council were present at that meeting: _______________________. The following members of the Village Council were absent from that meeting: _______________________. The Ordinance was adopted by the Village Council with members of the Council: ________________________ voting in favor and with members of the Council: ____ ________________________ voting in opposition. Notice of Adoption of the Ordinance was published in the Grand Haven Tribune on ________________, 2021.

______________________________

Marvin Hinga, Clerk/Treasurer
Village of Spring Lake
ORDINANCE NO. ____

ZONING TEXT AMENDMENT ORDINANCE

AN ORDINANCE TO AMEND THE ZONING ORDINANCE OF THE VILLAGE OF SPRING LAKE, OTTAWA COUNTY, MICHIGAN, CONCERNING SITE DESIGN REQUIREMENTS FOR SITE PLAN REVIEW; MAXIMUM HEIGHT FOR SINGLE FAMILY RESIDENTIAL ZONING DISTRICT; ADDING A REFERENCE TO THE WATERFRONT OVERLAY FOR SINGLE FAMILY RESIDENTIAL (SFR) AND MULTIPLE FAMILY RESIDENTIAL (MFR) ZONING DISTRICT;

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### Minimum Lot Area
- **Front**: 25 ft.
- **Side**: 8 ft.
- **Rear**: 25 ft.
- **Minimum Floor Area**: 832 sq. ft.

### Maximum Building Height
- **35 feet or 2.5 stories, whichever is less.**

### Maximum Lot Coverage
- 50%

*Waterfront properties shall be subject to setbacks as defined in Section 390-26.C*

Section 3. **District Regulations – Multiple Family Residential.** Section 390-59.C of Village of Spring Lake Zoning Ordinance shall be restated in its entirety as follows.

#### C. Site and building placement standards (Figure 8.1):

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*Waterfront properties shall be subject to setbacks as defined in Section 390-26.C*

Section 4. The foregoing amendment to the Village of Spring Lake Zoning Ordinance was approved and adopted by the Village Council of the Village of Spring Lake, Ottawa County, Michigan on the _____ day of ______________, 20___ after a public hearing conducted by the Village Planning Commission as is required by the of Michigan Zoning Enabling Act, as amended. This Ordinance shall be effective upon publication.

Mark Powers, Village President  
Marvin Hinga, Village Clerk/Treasurer
CERTIFICATE

I, Marvin Hinga, the Clerk/Treasurer for the Village of Spring Lake, Ottawa County, Michigan, certify that the foregoing Village of Spring Lake Ordinance was adopted at a regular meeting of the Village Council held on _____________, 20__. The following members of the Village Council were present at that meeting: _____________________________. The following members of the Village Council were absent from that meeting: _____________________________. The Ordinance was adopted by the Village Council with members of the Council: _____________________________. The Ordinance was published in the Grand Haven Tribune on _____________, 20__. Notice of Adoption of the Ordinance was published in the Grand Haven Tribune on _____________, 20___.

______________________________
Marvin Hinga, Clerk/Treasurer
Village of Spring Lake
WORK SESSION AGENDA REPORT

TO: Village President Mark Powers & Village Council Members
FROM: Chris Burns, Village Manager
DATE: February 8, 2021
RE: 109 S. Jackson Street

**Background:** Over the course of the past year, Council has been in discussion with Brandon Brown and Eric Wolff (ARM), owners of 109 S. Jackson Street, about the concept of a property swap between parcels 70-03-15-381-025 & 70-03-15-381-020. Prior to drafting any documents, it was important to gather information on property values and for the owners of ARM to have conceptual drawings to submit to Council. Those steps have now been complete.

**Issues & Questions Specified:** Should the Village agree to a property swap with ARM? The main concerns expressed during previous work sessions were:

Q. *Would the pathway to the post office remain open for public access?*

A. ARM’s architect has redesigned the site to allow for public access to the Exchange Street entrance to the post office. Mr. Brown has indicated that they are currently contemplating a snow melt system for that area, but the budget for the project hasn’t yet been finalized.

Q. *Will this create a parking problem in that block?*

A. The Village has completed a parking study, which was presented to Council & the DDA in November. The consultant indicated that there is no parking issue within our downtown. Any perceived parking issues can be resolved with a few minor changes.

Q. *What is the value of 109 S. Jackson versus the value of the vacant property that ARM would like to acquire?*

A. We took three approaches to this question and will leave the decision as to which is more valid up to Council. The second tab (labeled *Assumptions*) of the attached Excel spreadsheet shows the Broker’s Opinion of Value based on what ARM paid for the property ($110,000) and computes the value per square foot as $35.42. The flaw in the per square foot value is that includes both the building and the land, when it is only the land we should be valuing. When extrapolated out to the vacant land, it essentially overvalues it. The second column is what the appraiser (hired by Ms. VanKampen for donation purposes) has determined is the value of the property. The same flaw applies to this scenario as the appraiser hasn’t itemized the land and the building separately, which values the entire property at $144.88 per square foot which, when
extrapolated out, values the vacant parcel at $1,529,942 which I believe we can all agree is not accurate. The third scenario comes from Township Assessor Heather Singleton. For assessing purposes, she is required to separate the value of the land and the building. Her estimation is that the land itself is worth $41,771 or $13.45 per square foot. When extrapolated out, this indicates that the value of the Village’s vacant parcel would be approximately $142,032.

In the appraisal (pages 61 & 62) you can see the comparables (for land) range from $3.47/square foot to $30.36/square foot with the average being $18.99/square foot. On page 79, it shows that comparable #2 (very similar in size but with M-104 exposure) is valued at $14.05/square foot, which is more in line with what our assessor indicates is the value of vacant land within the Village.

**Alternatives:** Do nothing, thereby forcing ARM to develop the site currently owned at 109 S. Jackson. Demolition of the current building will take place on February 10-12 so the redevelopment of that building is no longer an option.

**Financial Impact:** The impact varies depending the scenario Council considers the most valid (see spread sheet for projected tax revenue and assumptions).

**Recommendation:**
1. Utilize the assessor’s valuation of land value and apply that rationale to the property swap.
2. Instruct the Village attorney to draft an agreement for the property swap, with the following contingencies:
   A. The trade will be contingent on ARM’s ability to get site plan approval from the Planning Commission.
   B. Incorporate a deed restriction that requires the pathway to the post office remain accessible to the public as long as the use of the current building on parcel 70-03-15-381-018 remains the USPS.
   C. ARM would be responsible for the removal of the sidewalk surrounding 109 S. Jackson.
   D. ARM would be responsible for the placement of gravel to bring the 109 S. Jackson Street site up to grade and the asphalt paving of the footprint in the spring.

**Attachments:**

Proposed site rendering
Excel spread sheet – 2 tabs (*Projected Tax Revenue and Assumptions*)
3 FLOOR MIXED-USE BUILDING
7,000 TOTAL SQ. FT.
3,600 SQ. FT. LEVEL ONE

PARCEL # 70-03-15-381-020
0.2474 ACRES
132'-0" x 80'-0"

11 PARKING SPACES
9 PARKING SPACES
18 PARKING SPACES
9 PARKING SPACES
DUMPSTERS
PATIO
132'-0"
APPRAISAL OF REAL PROPERTY

LOCATED AT
109 S Jackson St
Spring Lake, MI 49456-2095

FOR
Epicurean Village

AS OF
October 22, 2020

BY
Angenieta Kay Eliopoulos
A1 Appraisal Services
Summary Appraisal Report

This is a Summary Appraisal Report which is intended to comply with the reporting requirements set forth by the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it presents some discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser’s opinion of value. Supporting documentation concerning the data, reasoning, and analyses is contained in the appraisal, addendum and the appraiser’s file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated within this report. The appraiser is not responsible for unauthorized use of this report. A Summary Appraisal report contains a summary of all information significant to the solution of the appraisal problem. The essential difference between a Self-Contained appraisal report and a summary appraisal report is the level of detail of presentation.

APPRAISER: Angenieta K. Eliopulos, Certified Real Estate Appraiser
A1 Appraisal Services
PO Box 5
Ferrysburg, MI 49409

SUBJECT: 109 S. Jackson St.
Spring Lake, Ottawa, Michigan

The global outbreak of a “novel coronavirus” known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The reader is cautioned and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal.”

Taken with permission from LIA Administrators & Insurance Services.
### Summary of Salient Facts and Conclusions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of Appraisal Report:</td>
<td>October 22, 2020</td>
</tr>
<tr>
<td>Date of Physical Inspection of Property:</td>
<td>October 22, 2020</td>
</tr>
<tr>
<td>Effective Date of the Appraisal:</td>
<td>October 22, 2020</td>
</tr>
<tr>
<td>Address:</td>
<td>109 S. Jackson St Spring Lake, Ottawa County, Michigan</td>
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<tr>
<td>Interest Appraised:</td>
<td>Fee Simple Estate</td>
</tr>
<tr>
<td>Permanent Parcel No.:</td>
<td>70-03-15-381-025</td>
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<tr>
<td>Ownership:</td>
<td>Arm Holding Co LLC</td>
</tr>
<tr>
<td>Land Size:</td>
<td>3105.8 SF (.071 acres)</td>
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<td>Flood Plain Designation:</td>
<td>The subject property is not located within a special flood hazard area and does not qualify under the Federal Flood Insurance Program</td>
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<tr>
<td>Zoning:</td>
<td>CBD - CENTRAL BUSINESS DISTRICT</td>
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<td>State Equalized Valuation: (2020)</td>
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<td>Taxable Valuation (2020):</td>
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<td>Type of Property:</td>
<td>Two-story commercial and office building with no basement.</td>
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<tr>
<td>Building Size:</td>
<td>2586 SF – MFA</td>
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<td></td>
<td>2626 SF – 2nd Floor Area</td>
</tr>
<tr>
<td></td>
<td>5212 SF – Above Grade</td>
</tr>
<tr>
<td></td>
<td>0 SF – Finished Basement</td>
</tr>
<tr>
<td></td>
<td>0 SF – Total Finished Area</td>
</tr>
</tbody>
</table>
Summary of Salient Facts and Conclusions: (continued)

Year Built: Originally constructed in 1970 and has been remodeled in 1990 & various times over the years. However, has deferred maintenance.

Land to Building Ratio: 1.24:1 (GBA)

Highest and Best Use, as Vacant: Office/ Medical Clinic

Highest and Best Use, as Improved: Continued owner-occupied/Clinic/occ upant office commercial use.

Estimated Market Value via Cost Approach: N/A

Estimated Market Value via Sales Comparison Approach: $435,000

Estimated Market Value via Income Capitalization Approach: $400,000

Exposure Time: 12-24 months

Hypothetical Conditions: See addendum

Extraordinary Assumptions: See addendum

ESTIMATED SALES COMPARISON VALUE = $435,000
Certification
THE UNDERSIGNED DOES HEREBY CERTIFY THAT, EXCEPT AS OTHERWISE NOTED IN THIS APPRAISAL REPORT:

1. To the best of my knowledge and belief, the statements of fact contained in this appraisal report, upon which the analyses, opinions and conclusions expressed herein are based, are true and correct.

2. I have no present or contemplated future interest in the real estate that is the subject of this appraisal report.

3. I have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.

4. This appraisal report sets forth all of the limiting conditions (imposed by the terms of our assignment or by the undersigned) affecting the analyses, opinions and conclusions contained in this report.

5. My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with Title XI of the Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) and its regulations, as well as the Code of Professional Ethics and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the Appraisal Institute.

6. No one other the undersigned prepared the analyses, conclusions and opinions concerning real estate that are set forth in this appraisal report.

7. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the obtainment of a stipulated result or the occurrence of a subsequent event.

8. Angenieta Eliopulos, Certified Real Estate Appraiser, has personally inspected the subject property.

9. This appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

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

11. As of the date of this report, Angenieta Eliopulos, Certified Real Estate Appraiser, has completed the continuing education program of the State of Michigan.
Certification (continued)

12. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute.

13. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers or the firm with which he/she is connected, or any reference to the Appraisal Institute) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communications, without the written consent and approval of the undersigned.

14. The appraiser is certified by the State of Michigan to complete appraisals on office and commercial properties and is therefore in compliance with the Competency Rule. Furthermore, the appraiser has had 21 years’ experience in residential, has had interviews with Commercial Appraisers, the commercial assessor and completed a Review Commercial form on-line.

15. The appraiser has not previously prepared an appraisal report and/or concluded Market Value of the subject property within the past 3 years.

Based upon the reasoning contained in this appraisal report and on the Assumptions and Limiting Conditions as contained herein, it is my opinion that the subject property has a Market Value as of October 22, 2020, in the amount of $435,000, excluding any Furniture, Fixtures & Equipment (FF&E), Going Concern and Intangible Items.

Angenieta Eliopulos
Certified Residential Appraiser

Permanent ID No. 1201068782
Statement of Assumptions and Limiting Conditions

This appraisal report was made subject to the following limiting conditions and assumptions:

1. No responsibility is assumed for legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given to accuracy.
5. There is absolutely no contingency between the compensation for this appraisal report and the values reported.
6. All engineering studies are assumed to be correct. Any sketch in this report may show approximate dimensions and is to be used for reference purposes only, no guarantee as to accuracy is expressed or implied unless otherwise stated in this report. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
7. It is assumed that there are no hidden or unapparent conditions of the properties, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
8. It is assumed that the property is in full compliance with all applicable federal, state and local environmental regulations and laws unless the lack of compliance is stated, described and considered in the appraisal report.
9. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in the appraisal report.
10. It is assumed that all required licenses, certificates of occupancy, consents and other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
11. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
12. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances.
13. The presence of substances such as asbestos, ure-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
Statement of Assumptions and Limiting Conditions (continued)

14. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and building must not be used in conjunction with any other appraisal and are invalid if so used.

15. Possession of this report, or a copy thereof, does not carry with it the right of publication.

16. Neither all nor any part of the contents of this report (especially any conclusions as of to value, the identity of the appraisers or the firm with which the appraisers are connected) may be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers or in any event without the proper written qualification and only in its entirety. This appraisal report shall not be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraisers.

17. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.

18. The forecasts, projections or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.

19. The American with Disabilities Act ("ADA") became effective January 26, 1992. I (we) have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that 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 I (we) have no direct evidence relating to this issue, I (we) did not consider possible noncompliance with the requirements of ADA in estimating the value of the property. Broersma & Broersma is not qualified to render an opinion as to whether the subject building meets or will meet the requirements for compliance with ADA. For this appraisal, it is assumed the subject property either meets the requirements of the ADA or will be made to conform to those requirements.

20. The appraiser assumes that the reader or user of this report has been provided with copies of available building plans and all leases and amendments, if any, that encumber the property.
The Valuation Process
The Appraisal of Real Estate, 14th Edition (Chicago: Appraisal Institute, 2013) describes the valuation process as follows:

“The valuation process is a systematic procedure an appraiser follows to provide answers to a client’s questions about real property value. It is a model that can be adapted to a wide variety of questions that relate to value. It can also be used perhaps with some modification to answer questions not directly related to value, as in case of review and consulting assignments.

The valuation process begins when the appraiser enters into an agreement with a client to provide a valuation service. Generally, the terms of the agreement are satisfied when the appraiser delivers the assignment results (opinions and conclusions) that were agreed upon with the client. The objective of most appraisal assignments is to develop an opinion of market value. The valuation process contains all the steps appropriate to this type of assignment. The model also provides the framework for developing an opinion of other defined values.

The valuation process is accomplished through specific steps. The number of steps followed depends on the intended use of the assignment results, the nature of the property, the scope of work deemed appropriate for the assignment, and the availability of data. The model provides a pattern that can be used in any appraisal assignment to perform market research and data analysis, to apply appraisal techniques, and to integrate the results of these activities into an opinion of defined value. In addition to assisting appraisers in their work, models that apply the valuation process are recognized by the market of appraisal users and facilitate their understanding of appraisal conclusions.

Research begins after the appraisal problem has been identified and the scope of work required to solve the problem has been determined. The analysis of data relevant to the problem starts with an investigation of trends observed at the market level—international, national, regional, or neighborhood. This investigation (i.e., market analysis) helps the appraiser understand the interrelationships among the principles, forces, and factors that affect real property value in the specific market area. Research also provides raw data from which the appraiser can extract quantitative information and other evidence of market trends. Such trends may include positive or negative percentage changes in property value over a number of years, the population movement into an area, and the number of employment opportunities available and their effect on the purchasing power of potential property users.
The Valuation Process (continued)

In assignments to develop an opinion of market value, the ultimate goal of the valuation process is a well-supported value conclusion that reflects all of the pertinent factors that influence the market value of the property being appraised. To achieve this goal, an appraiser studies a property from three different viewpoints, which are referred to as the approaches to value.

1. In the cost approach, value is estimated as the current cost of reproducing or replacing the improvements (including an appropriate entrepreneurial incentive or profit) minus the loss in value from depreciation plus land value.

2. In the sales comparison approach, value is indicated by recent sales of comparable properties in the market.

3. In the income capitalization approach, value is indicated by a property’s earning power, based on the capitalization of income.

Traditionally, specific appraisal techniques are applied within the three approaches to derive indications of real property value. One or more approaches to value may be used depending on which approaches are necessary to produce credible assignment results, given the intended use.

The three approaches are interrelated. Each requires the gathering and analysis of data that pertains to the property being appraised. Each approach is outlined briefly in this chapter and discussed in detail in subsequent sections of the book. From the approaches applied, the appraiser develops separate indications of value for the property being appraised. To complete the valuation process, the appraiser integrates the information drawn from the valuation process, the appraiser integrates the information drawn from market research, data analysis, and the application of the approaches to reach a value conclusion. This conclusion may be presented as a single point estimate of value or, if the assignment permits, as a range within which the value may fall (or as a point referenced from a benchmark). An effective integration of all the elements in the process depends on the appraiser’s skill, experience, and judgment.

For the reasons discussed herein, the subject property has been valued by utilizing the Sales Comparison Approach and Income Capitalization Approach.

The components of the valuation process are shown in Figure 7.1 (taken from The Appraisal of Real Estate, 14th Edition (Chicago: Appraisal Institute, 2013), which is detailed as follows:
Purpose of the Appraisal

The purpose of this appraisal report is to develop an opinion of the Market Value of the owner's rights and interest in the subject property, subject to any lease or leases in effect as of the date of the appraisal, but as if free and clear of debt. Furthermore, this appraisal estimates the Market Value of the subject property for tax purposes as of October 22, 2020, the date of physical inspection.

Market Value is defined in The Dictionary of Real Estate Appraisal, 6th Edition (Chicago: Appraisal Institute, 2015), as “A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined, such as the following:

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

2. Market Value is described, not defined, in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal.” (USPAP, 2016-2017 ed.)

Comment:

Forming an opinion of market value is the purpose of many real property appraisal assignments, particularly when the client’s intended use includes more than one intended user. The conditions included in market value definitions establish market perspectives for development of the opinion. These conditions may vary from definition to definition but generally fall into three categories:

a. The relationship, knowledge, and motivation of the parties (i.e., seller and buyer);

b. The terms of the sale (e.g., cash, cash equivalent, or other terms); and

c. The condition of sale (e.g., exposure in a competitive market for a reasonable time prior to sale).

USPAP also requires that certain items be included in every appraisal report. Among these items, the following are directly related to the definition of market value:
Purpose of the Appraisal (continued)

- Identification of the specific property rights to be appraised.
- Statement of the effective date of the value opinion.
- Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.

If the appraisal is conditioned upon financing or other terms, specifications as to whether the financing or terms are at, below, or above market interest rates and/or contain unusual conditions or incentives. The terms of above-or below-market interest rates and/or other special incentives must be clearly set forth; their contribution to, or negative influence on, value must be described and estimated; and the market data supported the opinion of value must be described and explained.

- The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States. The most probable price that 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 a specified date and the passing of title from seller to buyer under conditions whereby:
  - Buyer and seller are typically motivated;
  - Both parties are well informed or well advised, and acting in what they consider their best interests;
  - A reasonable time is allowed for exposure in the open market;
  - Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
  - The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)
Purpose of the Appraisal (continued)

4. The International Valuation Standards Council defined market value for the purposes of international standards as follows: The estimated amount for which an asset of liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after property marketing and where the parties had each acted knowledgeably, prudently and without compulsion. (IVS).

5. The Uniform Standard for Federal Land Acquisitions defines market value as follows: Market Value in the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraiser, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal, (Uniform Appraisal Standards for Federal Land Acquisitions).

The most recently listed definition (No. 3) is the definition of Market Value utilized for purposes of this value estimate.

Client and Intended User of the Appraisal

This appraisal report was completed for the sole purpose of assisting the client, Epicurean Village and the IRS for tax purposes only, as stipulated by the assignment, to establish an estimate of the Market Value of the subject property as of October 22, 2020, the date of physical inspection. The intended use of this appraisal is to estimate the Market Value of the subject property, which is the focus of a real estate transfer and donation agreement.

Interest Value (Property Rights Appraised)

The subject property is currently 0% lease. The subject property is considered to be available in Fee Simple Estate. Fee Simple Estate is defined as "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat." The Dictionary of Real Estate Appraisal, 6th Edition (Chicago: Appraisal Institute, 2015).
The Appraisal Process
There are three methods that are available when estimating the market value of real estate. They are the Cost Approach, the Sales Comparison Approach and the Income Capitalization Approach.

The Cost Approach is defined in The Appraisal of Real Estate, 14th Edition (Chicago: Appraisal Institute, 2013) as "A set of procedures through which a value indication is derived for the fee simple estate by estimating the current cost to construct a reproduction of (or replacement for) the existing structure; including an entrepreneurial incentive or profit, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised."

Depreciation to real estate can result from 3 causes which are curable and incurable physical depreciation and functional obsolescence and external obsolescence. Physical depreciation is the result of the actual physical wearing out of the property, functional obsolescence is caused by inadequacies or super adequacies within the property itself and external obsolescence is caused by factors outside the property. Added to this estimated depreciated value is the value of the land, which is estimated based on actual market sales.

The Sales Comparison Approach is defined in The Appraisal of Real Estate, 14th Edition (Chicago: Appraisal Institute, 2013) as "The process of deriving a value indication for the subject property by comparing similar properties that have recently sold with the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as through vacant when an adequate supply of comparable sales is available."

The Income Capitalization Approach is defined in The Appraisal of Real Estate, 14th Edition (Chicago: Appraisal Institute, 2013) as a set of procedures through which "An appraiser analyzes a property’s capacity to generate future benefits and capitalizes the income into an indication of present value. The principal of anticipation is fundamental to the approach. Techniques and procedures from this approach are also used to analyze comparable sales data in the sales comparison approach and to measure obsolescence in the cost approach.” In addition, the income capitalization approach is defined as “Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.” The Dictionary of Real Estate Appraisal, 6th Edition (Chicago: Appraisal Institute, 2015).
**Scope of Work**

The Scope of Work is defined in *The Appraisal of Real Estate*, 14th Edition (Chicago: Appraisal Institute, 2013) as "The type and extent of research and analyses in an assignment." “The scope of work for an assignment is acceptable if it leads to credible assignment results, is consistent with the expectations of parties who are regularly intended users for similar assignments and is consistent with what the actions of the appraiser’s peers would be in the same or similar assignment.”

In the performance of this appraisal assignment, the appraiser was engaged Epicurean Village and IRS, (for tax purposes only), to estimate the Market Value of the subject property as of October 22, 2020, the date of physical inspection. The appraiser has not previously prepared an appraisal report and/or concluded Market Value of this property within the past 3 years. In the process of preparing this value estimate, I gathered pertinent information on the subject property, such as ownership, sales history, the property rights being appraised, the purpose and function of the appraisal and lease information. I also secured current information on the subject property such as tax description and size and shape of land. Governmental data was also obtained including the assessed and taxable valuations and zoning data. The subject property is identified within this appraisal report via address and tax description, which were taken from the Assessment Records of the Village of Spring Lake and upon information supplied to the appraiser, respectively.

The description of the subject site is based upon a physical inspection and a plat map that was prepared by Ottawa County GIS. The description of the subject building is based upon an exterior and interior physical inspection and information taken from the Assessment Records of the Village of Spring Lake. Photographs of the subject property were taken at the time of physical inspection and are included as a part of this appraisal report, along with a copy of a plat map. The appraiser observed the general area and the specific neighborhood in which the subject property is located.

The appraiser then analyzed all this information to determine the Highest and Best Use of the subject site, as vacant and as improved. The Highest and Best Use of the property was analyzed in the context of the reasonable and probable use which will yield the highest value as of the effective date of the appraisal. The next step in this appraisal process was to consider 3 approaches to value: Cost Approach, Sales Comparison Approach and Income Capitalization Approach.

The Cost Approach is a valuable tool when estimating the Market Value of new or special purpose properties, where the actual construction costs are known and where a reliable estimate of depreciation and obsolescence can be made. The property that is the subject of this value estimate consisting of a two-story commercial Clinic / office with no basement that was originally constructed in 1970. The Cost Approach was considered when estimating the Market Value of the subject property. It is the
**Scope of Work (continued)**

Appraiser’s opinion, which is supported by current market data, that because the amount of depreciation and obsolescence would be so speculative for this type of property, along with the fact that this type of property would not typically be purchased on the open market on the basis of its physical value, the Cost Approach is deemed to be an unreliable approach when estimating the Market Value of the subject property and was therefore not utilized.

The Sales Comparison Approach allows the appraiser to estimate the value of Real Estate by comparing recent sales of similar properties in the surrounding or competing areas to the subject property. Inherent in this approach is the principle of substitution, which “holds that the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability within a reasonable amount of time.” The Sales Comparison Approach is based on current listings, pending sales and closed sales of similar types of improved properties. These sales were verified, analyzed and then adjusted to reflect any dissimilarities between the subject property and the sale.

The Income Capitalization Approach considers the subject property from an investment standpoint, recognizing the quality and quantity of the potential income stream. The Income Capitalization Approach requires the consideration of current and historical contract rents of the subject property, if any, and current listings and recent contract rents of similar properties. In addition, the appraiser must determine an appropriate allowance for market vacancy and bad debts/credit loss, along with appropriate expenses and capitalization rate. This capitalization rate was abstracted from comparable sales in the West Michigan area, along with considering current national and market surveys such as RealtyRates.com Investor Survey. For purposes of this value estimate, the Direct Capitalization Approach was utilized.

In the valuation, where factual market information was used to arrive at a conclusion, the appraiser verified those facts, or relied on the verification of other credible persons, such as Sellers and Buyers, as well as local commercial real estate brokers and lenders.

The appraiser prepared this narrative report format. This is intended to contain sufficient summary information to enable the client to understand it without being misled or confused. This appraisal is subject to the Assumptions and Limiting Conditions, discussed in a previous section of this report. The consideration of the effect of possible toxic or hazardous substances upon the subject property is beyond the scope of this appraisal, which is intended solely to provide a base Market Value as if unaffected by any hazardous materials that may be subsequently confirmed and quantified by qualified experts in this field. The appraiser cautions against the use of this appraisal without the knowledge of the intended purpose and scope of the appraisal.
Permanent Parcel # and Governmental Data:
The subject property is situated in the Village of Spring Lake, Ottawa County, Michigan, within the Spring Lake Public School District. This property is identified for tax purposes as Tax ID# 70-03-15-381-025

Tax Description:
S 38 FT OF E 58.6 FT OF LOT 11 BLK 14, ALSO N 15 FT OF E 58.6 FT OF LOT 10 OF SD BLK. BRYANT'S ADD

Appraiser's Note:
This tax description was supplied to the appraiser, is assumed to be correct and should be compared with a title insurance policy or abstract of title for accuracy, easements or exceptions.
Land Description:
A current locational or boundary survey was not available in the preparation of this appraisal report and its concluded value estimate. As a result, your appraiser relied upon a plat map that was prepared by the Ottawa County GIS. According to this plat map Site Description: The subject site consists of a rectangular shaped parcel of land that is located on the west side of S Jackson St, and one parcel south of W Savidge St. Beginning at the southwest corner of the subject site, land runs northerly 53 feet, then runs easterly 58.6 feet. The subject site contains approximately 3105.8 square feet (.071 acres of net land area), more or less (see copy of plat map in Addendum section of this appraisal report for approximate site dimensions and configuration).

Terrain of the site is relatively level. The surface drainage on this site appeared acceptable at the time of inspection, however, seasonal variations may occur and subsurface drainage conditions are unknown.

The subject property is not located in close proximity to any known hazards or nuisances that would have a negative impact on the subject property’s Market Value.

The subject site is currently improved with a two-story office building with no basement that contains 5212 square feet of gross building area. The subject site has a land to building ratio of 1.24:1 (GBA) and the property is not considered to have either excess or surplus land area.

Street, in the vicinity of the subject, has 60’ wide right-of-way, is 2 lanes with a portion of the street being divided by a median strip, and is improved with poured concrete curbs and sidewalks.

Utilities available to the subject property include municipal water and sewer, natural gas, electricity, telephone and cable. These utilities are typical for properties located in close proximity to the subject site.
Land Description: (continued)

Unless otherwise noted, standard utility and right-of-way easements are insignificant to value. A current survey on the subject property was not supplied to the appraiser which may reveal encroachments, zoning violations or other matters of interest that could warrant modification of the appraised value. If such items would be revealed, the value of the property may require modification.

The appraiser has made no special effort to discover any adverse environmental conditions and accepts no responsibility for such discovery. The appraiser has no special expertise regarding environmental hazards and this report must not be considered as an environmental assessment of the property. If needed, we typically recommendation of the appraiser that a new Phase I Environmental Site Assessment be completed on the subject property. This assessment should be prepared by a Certified environmental firm to determine if any past, present or potential contaminants exist on the subject property. This value estimate is made predicated upon the assumption that there are no contaminated soils on the entire site. If adverse environmental conditions were observed, the value estimate would likely require modification.

When determining if the subject property is located in a Special Flood Hazard Area, the appraiser relied upon information prepared the Federal Emergency Management Agency. According to this report, the subject property is not located in a Special Flood Hazard Area and does not qualify under the Federal Flood insurance Program.
Ownership and Sales History of the Property:
According to the Assessment Records of the Village of Spring Lake, the subject property is reported to be in the ownership of, Arm Holding Co LLC.

In accordance with the Uniform Standards of Professional Appraisal Practice (USPAP), the appraiser must consider and analyze any prior sales of the property which have occurred within the last 3 years as well as any current agreements of sale, options, or listings of the property. Based upon a search of the Assessment Records of the Village of Spring Lake was purchased, on October 23, 2017. Furthermore, the subject was donated to Village of Spring Lake on 12/06/2019. Then the subject was sold to Arm Holding Co on 12/20/2019 for $110,000.

According to the local Multiple Listing Services, the subject property is not currently and has not been listed available for sale or lease within the past 3 years of this value estimate unless reported above.

<table>
<thead>
<tr>
<th>Doc. Num</th>
<th>Sale Date</th>
<th>Type</th>
<th>Seller (Grantor)</th>
<th>Buyer (Grantee)</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-0040622</td>
<td>10/23/2017</td>
<td>WD</td>
<td>JACKSON STREET LLC</td>
<td>SAVIDGE THREE LLC</td>
<td>$310000.00</td>
</tr>
<tr>
<td>2019-0046192</td>
<td>12/06/2019</td>
<td>WD</td>
<td>SAVIDGE THREE L C</td>
<td>SPRING LAKE VILLAGE</td>
<td>$0.00</td>
</tr>
<tr>
<td>2019-0048087</td>
<td>12/20/2019</td>
<td>WD</td>
<td>VILLAGE OF SPRING LAKE</td>
<td>ARM HOLDING CO</td>
<td>$110000.00</td>
</tr>
</tbody>
</table>

The appraiser is not aware of any pending sales or leases on the subject property.
State Equalized Value, Taxable Value, True Cash Value and Tax Payments:

Each property assessed for real estate purposes in the State of Michigan has an S.E.V. (State Equalized Valuation), Capped Value, and Taxable Value. State Equalization Value is initially established by the local assessor and is statutorily required to reflect 50% of the True Cash Value (also known as “market value”) of the property on the Tax Day, December 31, of each year. The local assessment is then subject to equalization, which results in the property’s State Equalized Value (S.E.V.).

To determine the current year’s Taxable Value, the assessor must calculate Capped Value. Capped Value is calculated by deducting losses from last year’s Taxable Value, then multiplying by the Consumer Price Index or 5% (which is less), and finally including additions. The lesser of the S.E. V. or Capped Value is the current year’s tentative Taxable Value of the subject property. When a transfer of ownership occurs, the next year’s Taxable Value is based on the S.E.V. that is calculated annually. Under MCL 211.27, the actual sale price is not the sole basis of the new S.E.V. for that property.

Real Property taxes are determined on the basis of tax rate per thousand dollars of taxable value.

Following are the property’s 2018, 2019 and 2020 True Cash Values, State Equalized Values, and Actual Tax Payments:

<table>
<thead>
<tr>
<th>Year</th>
<th>True Cash Value</th>
<th>State Equalized Value</th>
<th>Taxable Value</th>
<th>*Actual Tax Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$365,200</td>
<td>$182,600</td>
<td>$182,600</td>
<td>$10,500est</td>
</tr>
<tr>
<td>2019</td>
<td>$434,200</td>
<td>$217,100</td>
<td>$182,982</td>
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<td>2020</td>
<td>$445,400</td>
<td>$222,700</td>
<td>$222,700</td>
<td>$11,595</td>
</tr>
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</table>

*Includes 1% administration fee.

According to the Ottawa County Treasurer’s Office, there are no delinquent real property taxes currently owed on the subject property. In arriving at the final estimate of value, the appraiser has assumed that any outstanding special assessments and/or delinquent taxes have been paid in full.
Zoning:
CENTRAL BUSINESS DISTRICT (CBD)
Intent: It is the intent of this district to provide a central shopping and service area within a traditional downtown atmosphere which favors pedestrian activity and the consolidated design concepts of a traditional downtown main street. The uses established in this district are intended to complement one another to provide for the needs of these shoppers, along with cultural and social activities that support a high level of non-motorized activity. The district is further established to improve the sense of place in the Village, improve the environment for business, to support a healthy economy by providing a vibrant mix of uses, and to strike a balance between the needs of the car and pedestrian by creating pleasant and safe surroundings.

District Summary
Land, buildings and other structures in this zoning district may only be used for the following purposes by right:

   (1) Convenience stores.
   (2) Financial institutions without drive-through facilities.
   (3) Medical clinics.
   (4) Office buildings.
   (5) Personal service establishments.
   (6) Professional service establishments.
   (7) Parks and public facilities.
   (8) Residential above retail or offices.
   (9) Restaurants without drive-through facilities.
   (10) Retail businesses.
   (11) Short-term rentals of permitted dwelling units.

C.
Site and building placement standards (Figure 390-70C):
   Minimum lot area - None
   Minimum lot width - None
   Minimum setbacks -
   Front - None
   Side - None
   Rear - None
   Minimum floor area - None
   Maximum building height - 45 feet
   Maximum lot coverage - None

Design standards.
With the exception of single-family structures, all new structures, major exterior structural renovations, or additions to structures, shall adhere to the following design standards (Figure 390-71):

A. All structures shall be a minimum of two stories in height except that additions to existing one-story structures may be one story in height if the square footage of the addition is less than 570 square feet.
Zoning:
B. All buildings with flat roofs shall include parapet articulation on the facade(s) of each building facing the street.

C. No side yards are permitted except that one pedestrian access way may be developed to access the rear of the site, subject to Planning Commission approval during the site plan review process. In no case shall there be another such pedestrian access way within 100 feet unless approved by the Planning Commission. Access Ways shall be landscaped in accordance with the provisions of this chapter. Access Way width shall be a minimum of five feet and a maximum of 10 feet in width.

D. Buildings shall adjoin and align with neighboring structures to form a consistent street wall. If an adjacent structure does not exist, the front setback shall be no more than 15 feet from the street right-of-way line. The front yard, if provided, shall be landscaped in accordance with the provisions of this chapter and have appropriate amenities (benches, bike racks, etc.) to enhance the street atmosphere.

E. Detached accessory structures shall be behind the principal building.

F. No off-street parking or delivery areas shall be permitted in the front yard of the property.

G. Any façade facing the street or rear yard shall have an entrance for the public. Where building frontages exceed 50 feet in width, doors, or entrances with public access shall be provided at intervals averaging no greater than 50 feet apart.

H. For buildings facing the street, no more than 50 feet of horizontal distance of wall shall be provided without articulation of architectural design variations to assure that the building is not monotonous in appearance. Acceptable variations include, but are not limited to, the following:

   (1) Recess and projections along the building façade. Variation in depth must be a minimum of 18 inches.
   (2) Architectural details or features such as arches; changes in vertical elements such as towers, cupolas, or changes in roof design; contrasting bases, masonry courses, or molding; pilasters and columns; stone accents; colonnades; or porches.
   (3) Enhanced ornamentation around building entryways, such as canopies, paving treatments, change in roof line, porticos, larger door openings and display windows, accent colors, arches, arcades, distinctive door pulls, decorative lighting and planters.

I. All building walls which face a street shall be comprised of at least 60% windows on the first floor and at least 40% windows on upper floors. Windows on upper floors shall be vertically oriented, rectangular windows with lintels and sills. Reflective glass, bronze-tinted glass, and frosted materials shall be prohibited for ground floors and strongly discouraged on upper floors. Window glazing shall be recessed from the outside of all building walls.
Zoning:
J. Window awnings shall mimic classic design depicted in the Village Design Manual. High-gloss or bubble awnings are prohibited.

K. Non-windowed areas of the first story of structures shall be comprised of any combination of the following:

   (1) Brick or composite mimicking brick;
   (2) Decorative concrete block;
   (3) Stone or composite mimicking stone;
   (4) Horizontal clapboard siding;
   (5) Commercial-grade horizontal vinyl siding mimicking wood (at least 0.44 gauge).

L. Areas above the first story may also be comprised of stucco or cement board.

M. In no case shall vertical siding, cinder block, or sheet metal be considered an acceptable building cover.

N. All development shall be adequately served by a sidewalk at least five feet in width or as otherwise required by the Village.

Statements regarding the zoning compliance are intended only in the most general sense. Zoning and building ordinances vary significantly from one municipality to another and can be extremely detailed. The subject site is improved with a two-story office building with basement. Only in this general sense is this office and commercial use considered to legally comply with the permitted use within the zoning ordinance. The appraiser did not include a comparison of every potentially significant characteristic of the subject property’s site and improvements relative to zoning and building ordinance.
<table>
<thead>
<tr>
<th>Report Date</th>
<th>01/08/2021</th>
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<tbody>
<tr>
<td>Flood Zone Code</td>
<td>X</td>
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<td>Flood Zone Panel</td>
<td>260282-26139C0079E</td>
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<td>Panel Date</td>
<td>12/16/2011</td>
</tr>
<tr>
<td>Flood Code Description</td>
<td>Zone X-An area that is determined to be outside the 100- and 500-year floodplains.</td>
</tr>
</tbody>
</table>

**County** | Ottawa |
**Community Name** | Spring Lake |
**Special Flood Hazard Area (SFHA)** | Out |
**Within 250 feet of multiple flood zones** | No |

**FLOOD MAP**
# of Buildings: 1
Lot Acres: 0.0737
Lot Area: 3,211
Gross Area: MLS: 5,000

Year Built: MLS: 1970
Full Baths: MLS: 3
Property Category: Cm:

**LISTING INFORMATION**

MLS Listing Number: 15027564
MLS Status: Sold
MLS Status Change Date: 10/23/2017
MLS Area: NORTH OTTAWA COUNTY - N
MLS Listing Date: 11/01/2015
MLS Current List Price: $349,900
MLS Orig. List Price: $384,900

Closing Date: 10/23/2017
Closing Price: $310,000
MLS List. Agent Name: H13600-Meghan Reece Heritage
MLS List. Broker Name: BLUEWEST PROPERTIES, LLC
MLS Selling Agent Name: Mgen-Sandi Gentry
MLS Selling Broker Name: NON MEMBER

MLS Listing #: 14050627
MLS Status: Expired
MLS Listing Date: 10/18/2014
MLS Listing Price: $384,900
MLS Orig Listing Price: $384,900
MLS Listing Expiration Date: 10/18/2015

**LAST MARKET SALE & SALES HISTORY**

Recording Date: 12/23/2019
Document Date: Tax: 12/20/2019 MLS: 10/23/2017
Sale Price: $207,505
MLS Sale Price: $310,000
Libor/Page: 48087

Deed Type: Warranty Deed
Warranty Deed
Deed Type: Warranty Deed
Warranty Deed

Sale Price: $207,505
Sale/Settlement Date: 12/20/2019
12/10/2019
10/30/2017

Nominal: Y
Y
Grantee: Arm Holding Co LLC
Village Of Spring Lake
Savidge Three LLC

Seller Name: Village Of Spring Lake
Savidge Three LLC
Jackson Street LLC

Document Number: 48087
46192
40622

Document Type: Warranty Deed
Warranty Deed
Warranty Deed

**PROPERTY MAP**

*Lot Dimensions are Estimated*
COMMUTE METHOD

- Set: 1.39%
- Home: 4.19%
- Public: 0.71%
- Drive: 98.81%

WEATHER

- January High Temp (avg °F): 29.8
- January Low Temp (avg °F): 16.5
- July High Temp (avg °F): 79.3
- July Low Temp (avg °F): 61.4
- Annual Precipitation (inches): 32.72

EDUCATION

EDUCATIONAL CLIMATE INDEX (1)

- 1
- 2
- 3
- 4
- 5

HIGHEST LEVEL ATTAINED

<table>
<thead>
<tr>
<th>Level</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 9th grade</td>
<td>160</td>
</tr>
<tr>
<td>Some High School</td>
<td>629</td>
</tr>
<tr>
<td>High School Graduate</td>
<td>3,230</td>
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<tr>
<td>Some College</td>
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<tr>
<td>Associate Degree</td>
<td>1,401</td>
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<tr>
<td>Bachelor's Degree</td>
<td>3,284</td>
</tr>
<tr>
<td>Graduate Degree</td>
<td>1,814</td>
</tr>
</tbody>
</table>

(1) This measure of socioeconomic status helps identify ZIP codes with the best conditions for quality schools. It is based on the U.S. Census Bureau’s Socioeconomic Status (SES) measure with weights adjusted to more strongly reflect the educational aspect of social status (education 2:1 to income 1:1). Factors in this measure are income, educational achievement and occupation of persons within the ZIP code. Since this measure is based on the population of an entire ZIP code, it may not reflect the nature of an individual school. (2) Powered by Onboard Informatics. Information is deemed reliable but not guaranteed. Copyright © 2014 Onboard Informatics. All rights reserved.
Coronavirus/COVID-19 Epidemic:
According to Cushman & Wakefield, March 2020 – Coronavirus: Impact on the Global Property Markets - Part One, “If past outbreaks are a useful guide, then COVID-19 should largely be contained by the first half of 2020. Most anticipate a strong rebound in markets in the second half of the year.”

“In terms of the impact on property, it’s also premature to draw strong inferences about the virus’s impact. We simply note that the commercial real estate sector is not the stock market. It’s slower moving and the leasing fundamentals don’t swing wildly from day to day. Certainly, if the virus has a sustained and material impact on the broader economy, it will have feedthrough impacts on property as well. But again, it’s still too early to gauge any fallout.”

“The global economy was gathering momentum heading into 2020. Assuming infections globally will abate by mid-year, and with more government stimulus now going in, market conditions will be primed for a robust rebound as pent-up demand is unleashed.”

According to Moody’s Investors Service, April 1, 2020, “The worsening coronavirus outbreak in the US is impairing household finances and idling business operations. The resulting revenue losses of small and medium-sized enterprises, which are businesses with fewer than 500 employees, will reverberate across the economy through job losses, financial stress and lower consumption.” “The US economy relies on SME’s for a large share of output and employment. Although individual SME’s may be small in terms of revenue and employees, collectively they account for about 61 million jobs, or 47% of total private sector jobs. The economic and financial shocks that the coronavirus pandemic are dealing to SME’s will have far-reaching effects throughout the economy. SME financial stress will lower demand and revenue in sectors that focus on business-to-business products and services. In addition, escalating job losses in SME’s will hurt consumer-facing sectors more broadly. These factors will also be credit negative for securitizations backed by SME and consumer loans, partly offset by strong.
Coronavirus/COVID-19 Epidemic: (continued)

Employment levels at SME’s are highly sensitive to economic cycles. During the 2001 recession, SME’s and large companies had similar levels of job losses. But during the global financial crisis, SME’s accounted for 61% of net job losses between 2008 and 2010. On the other hand, SME’s also led job creation in the decade following the 2008 recession, representing 62% of net job growth.

Some sectors most vulnerable to the coronavirus shock have a large share of SME employment. In sectors we identify as more exposed to the current downturn, SME’s employ about 22 million people, many of whom are now at risk of job loss. In sectors such as accommodation and food services, and arts, entertainment and recreation, SME’s account for about 60% of employment. Policy effectiveness will be measured by SME survival and employment trends. The federal Government’s targeted policy support for SME’s will cushion the ongoing economic shock to some degree if it bolsters small business survival through the coronavirus crisis and reduces the rapidly rising pace of job losses. The US economy relies on SME’s for a large share of output and employment. Although individual SME’s may be small in terms of revenue and employees, SME’s collectively contribute 44% of GDP and 35% of exports. Moreover, SME’s employ almost half of the US workforce. Acute declines in demand as a result of the coronavirus will have a large negative effect on SME’s, with far-reaching effects on US growth and employment.

SME’s account for a large share of employment in some of the sectors that the coronavirus is affecting most immediately, including hotels, restaurants and retail stores. Business shutdowns could leave a significant portion of the more than 22 million SME employees in the most-exposed sectors out of work or at risk of losing their jobs. Furthermore, SME employees typically are more financially vulnerable during a crisis than are employees at large companies. Should they become sickened with the virus or experience other illness, they are less likely to have health insurance and paid sick leave benefits. In addition, SME owners, including the self-employed, are more exposed to financial stress from revenue loss than are owners of large companies, because their business and personal finances are often closely linked.”

When considering what sectors will most likely be affected by coronavirus, the appraiser relied upon information prepared by Moody’s Investors Service, April 16, 2020. According to this data, “Lodging & Leisure (including cruise lines and restaurants), passenger airlines, and shipping are generally viewed as being highly exposed around the world. Such sectors are generally reliant on trade and the free movement of people, which are both being curtailed to varying degrees around the world. Automotive manufacturers are also highly exposed because of their reliance on international supply chains, many of which are being disrupted, as well as some direct exposure to China.”
Coronavirus/COVID-19 Epidemic: (continued)

“Gaming and non-food retail in certain regions are also highly exposed. Non-food retail is subject to supply chain disruptions and decline in foot traffic is inevitable if consumers are reluctant to shop because of health concerns. North America non-food retail is somewhat better positioned because of its business mix – including drugstores, and convenience stores/gas stations. Gaming is highly exposed in North America, where casinos are dependent on travel, although to a lesser degree in regions where it is carried out more online. Manufacturing is highly exposed in North America, where a high proportion of produced goods are exported.”

“A large number of sectors will be moderately exposed globally, often because of the secondary effects of the outbreak and in some cases trade in global commodities. This applies in particular to the Oil & Gas and Metals & Mining sectors, which will suffer as a result of the fall in commodity prices.”

“Some sectors will demonstrate greater resilience. Food, Retail and packaging should generally benefit from stable demand, but may still be exposed to supply chain disruptions. The Telecoms and Technology services sectors should also prove resilient, especially if they reduce the level of physical contact and people spend more time at home and working remotely. Internet and Online Services companies may benefit from this trend. Other sectors, such as Waste Management and Healthcare Services, will benefit from continued demand for essential services.”

Following are the various sectors and their level of exposure to coronavirus:
Coronavirus/COVID-19 Epidemic: (continued)

According to a special report from Marcus & Millichap (Coronavirus Response: How Will the Real Estate Market Respond? – March 2020) “…points to recent history as an indicator for how long and how far reaching this market correction might be as well as the implications for the CRE sectors. SRA, H1N1 and other recent pandemic also generated short-term market volatility. While it’s still too early to compare the full health impacts of COVID-19 with those strains, the markets stabilized in the range of 3 to 6 months on average during past events.”

In isolation from this new health scare, real estate supply and demand are largely in balance. It’s fair to assume that—barring a devolution into a far worse global health emergency—job creation and economic growth will both decelerate but remain positive.

This should support real estate fundamentals and lead to a relatively stable outlook for the sector over the remainder of the year.

The biggest real estate impact from the coronavirus will be in the hospitality sector as tourists cancel vacations and corporations curtail employee travel. The cancelations of conferences and similar large events will also hurt hotels’ bottom lines. Last year’s nationwide 66.2% occupancy rate was close to a record high; while the virus will almost certainly diminish performance, the sector may still stay above the 30-year average occupancy of 62.5%.

Another asset class that could see poor performance in the short term is the already beleaguered retail sector. The trend for more experiential retail that has buoyed restaurants, entertainment venues, fitness centers and similar facilities may boomerang as the public avoids busy public spaces. Product shortages might also weaken store performance. Expect some retailers to hold off on expansion plans until activity levels bounce back.

In the short term, the novel coronavirus will do little to drive down demand for housing, resulting in a continued favorable rental environment. At the end of 2019, multifamily vacancy rates in the U.S. stood at 4.2%. The addition of new Class A units may push that rate incrementally higher during 2020, but miniscule Class B/C vacancy rates likely will result in rent growth for those properties.

The office sector should perform similarly over the next two to three quarters as it has in the recent past. A tight labor market and steady job creation are likely to keep office demand stable and we shouldn’t see much deviation from the 13% national vacancy average rate at the end of last year.
Coronavirus/COVID-19 Epidemic: (continued)

Similarly, there likely will be little short-term impact to the industrial sector due to the coronavirus. There may be a reduction in the flow of goods out of China, but the Marcus & Millichap report expect this to pose little risk to the strong demand for industrial space. At most, some users may postpone commitments for large warehouse space as they evaluate economic conditions. This could delay absorption of new spec facilities in some market.”

While we’ve been inundated with headlines about COVID-19-and its detrimental impacts on the equity markets-the virus is unlikely to have severe, long-lasting effects on the commercial real estate sector. Marcus & Millichap points out that falling interest rates will propel refinance and acquisition activity and despite lenders increasing spreads over the risk-free rates, quality investors have been able to lock in debt in the 3% range. Coronavirus-related uncertainty among buyers has meant that property values aren’t escalating, and cap rates aren’t compressing, so investment activity should remain stable despite a lack of confidence in the wider economy.

All of these assessments are based on market responses to pandemics from the recent past, and the current situation with COVID-19. If consumer confidence levels plummet and/or stock market volatility swells out of control, the situation could be far different. However, the Marcus & Millichap report expects deductions but still positive economic growth even in the face of these uncertain times, sustaining the cycle and the underlying demand for real estate.”

According to the article entitled “The Impact of Coronavirus on Real Estate Markets” (March 18, 2020), prepared by J. Scott, “Despite what many people believe, there isn’t a direct connection between stock market performance and real estate values. It’s the overall health of the economy (which prior to COVID-19, was still considered relatively strong) that ultimately affects them both. As long as consumers feel confident about their jobs and income, they will continue to spend—and that includes buying real estate.

Among other things, the strength of the real estate market is impacted by treasury bond prices, which are correlated to mortgage rates. When the stock market and other asset classes start to see a lot of volatility, investors will move their cash to bonds for stability and security. As demand for treasury bonds increases, however, bond prices go up and their yields (the interest they pay investors) fall. And that pulls mortgage rates down, too.

It's worth noting that the catalyst for today's economic situation is very different from the 2008 financial crisis, which was directly caused by issues in the sub-prime lending market. During that recession, sub-prime mortgages were bundled up and sold for much more than they were worth. Ultimately, real estate speculators let homes financed by these mortgages go into default, and these bundles of mortgages-called
Coronavirus/COVID-19 Epidemic: (continued)

credit default swaps-lost most of their value, bankrupting large investors and starting a domino effect that rippled through all aspects of the economy.

The current stock market volatility is not the result of issues in the real estate market but is specially the result of uncertainty about how the coronavirus may impact supply chains and corporate earnings. While it remains to be seen, real estate may be insulated to some extent because of tight residential inventory, high buyer demand, low mortgage rates, and lower prices for lumber and oil.

Businesses may or may not have the resources to survive this pandemic, there is no doubt that employees will be immediately and directly affected. Not only are their house and income suddenly in jeopardy, but their jobs may go away. And this will impact real estate markets. When people start to lose their jobs and see their hours and wages cut, their disposable income drops. This results in their spending less money, one of the most important factors in maintaining the health of the economy. A reduction in spending directly (and negatively) affects U.S. GDP, unemployment, and income growth-all of which are needed to support housing prices.

In other works, if employers see long-lasting decreases in revenue, they will start laying off employees, and their laid-off workers will have less to spend-which slows growth further and creates a vicious cycled leading to more layoffs. This would affect housing markets by tipping the current balance of low supply and high demand.

By definition, two successive quarters of declining GDP officially represents a recession, and recessions always have significant impact on individual’s incomes. Reduced income and wages results in homebuyers and renters having less to spend on their monthly housing costs, leading to lower home prices and lower market rents.

It’s worth nothing that we might already be in a recessionary period (we won’t know until today’s economic data is released in a couple of months from now). In addition, Goldman Sachs has forecast significant declines in the U.S. GDP from now through June. And UCLA Anderson School of Management’s Anderson Forecast says that the economy has stopped growing and won’t recover until the end of September.

The impact on commercial real estate remains to be seen. It’s a slower-moving, more stable market that responds much later than more volatile indicators like stock performance. Cushman & Wakefield notes that if the virus has a sustained and material impact on the broader economy, it will have feed-through impact on commercial property…
Coronavirus/COVID-19 Epidemic: (continued)

Commercial real estate is also comprised of many different asset classes—from office to retail to warehouse—and each of these asset classes may respond differently during the next economic downturn.

That doesn’t mean there’s no potential bright side to all this negative news. During three of the last five recessions, home prices actually went up—anywhere from 1.9% to 4.8%. And if the economic impact due to coronavirus follows the pattern set by past public health issues, we may be poised for a strong rebound once the virus is under control and normal activities have resumed.

Additionally, there may be other factors that may lead to more desirable outcomes. As mentioned earlier, low inventory and high demand may help prop up the real estate market through the crisis. At the end of last year, the number of homes for sale was down 9.5% annually and the number of entry-level homes was 16.5% lower than the year before. Realtor.com already predicts historic inventory lows this year.

The most obvious bright spot in the current uncertainty is low mortgage rates. Since the Fed usually doesn’t move quickly to undo stimulus efforts, rates are likely to remain low for a while. If demand and consumer confidence remain high, that presents opportunities to refinance existing properties and to move forward on new purchases.

The coronavirus’s ultimate impact on real estate markets will largely depend on the length of the outbreak and whether there is a quick recovery (with a return to overall social and economic stability) or a more extended one (in which medical outcomes are worse than expected, and consumer and economic disruptions linger).”

The article (The Coronavirus Is Beginning to Affect Real Estate), written by Tim Nelson on March 18, 2020 states “The lack of certainty around the COVID-19 situation has encouraged some larger commercial real estate players to pause their acquisitions for the time being. According to Crain’s Chicago Business, Origin Investments has “indefinitely postponed” $241 million worth of apartment building deals out of fears they may be overpaying in a declining market.

Given how both the scope of the pandemic and the nature of governmental responses to it seem to change practically by the hour, it will be hard to predict exactly where things stand in the real estate market. With Fannie Mae, Freddie Mac, and HUD announcing a moratorium on all foreclosures and evictions through the end of April, it’s possible that the situation could stabilize before anything too drastic happens. Still, the one thing you can count on at the moment like this is to expect the unexpected.”
Coronavirus/COVID-19 Epidemic: (continued)


After a sharp spike in unemployment at the beginning of the pandemic, the number of unemployment claims has lessened in Q3. Because working in an office still poses health risks to workers, many employers have decided to work remotely through the end of the year or the foreseeable future. This means office activity is quiet, with employers and investors operating with wait-and-see mentalities until concrete talks begin about how offices will look once employees can safely return to work.

Medical office space has picked up compared to the general office market and provided the most significant activity in Q3, other than deals that had already been in the works. Spectrum Health added to its land acquisitions in the Monroe North District, acquiring two more properties for $2.5 million for its future Center for Transformation and Innovation.

Also, in Q3 a historic West Side building was rebranded and transformed into a co-working space called “The Hub.”

Overall, the office market is holding its collective breath, but a significant pickup in office activity is not likely to happen this year.

Tenants and sellers generated the most activity in the office market in Q3.

Tenants seem to be returning to the market very slowly and are mostly small users. There are still some buyers searching for opportunities with ample parking and nice, quality buildings in the most desirable West Michigan corridors.

Some office users are beginning to think of innovative ways to bring employees back to work safely by altering the layout, function and schedule of their offices to promote social distancing. For example, one local company plans to convert its existing workspaces into an “office hotel-ing” area, where employees can come and go to work and not have assigned places.

Advisors find themselves facilitating more leaseback transactions and have seen an increased use of free rental deals in order to attract tenants.
Coronavirus/COVID-19 Epidemic: (continued)
The vacancy rate for downtown office space is 9.73% and 6.89% for the suburban market. This was a slight increase from Q2. Rental rates have and will continue to hold steady totaling $16.77 per square foot in the suburbs, and $21.55 per square foot downtown, which reflects a total of $18.06 per square foot for the market.

Experts have made conflicting predictions about vacancy rates and absorption. On the one side, some say tenants may need more space for less dense, socially distanced workspace and common areas, whereas the other side says tenants will need less space due to more people working from home. Recently we have seen a trend of more short-term leases and renewals as tenants wait out the pandemic, for now uncertain of long-term needs.

Thus far rental collection has continued, but this may change as funds from State Paycheck Protection Programs – which have aided businesses and employees through the pandemic – run out and banks need to get involved in payments that have fallen behind. Sale prices are also holding steady for now, but potential financial pressure could come into play if tenants cease paying rent.

Advisors also predict concessions will increase as a more creative way to entice tenants, while cap rates will remain flat.

Nearly a year into many people working from home, we may begin to see more permanent changes to the nature of workspaces in general, as some companies may bring workers back but configure different office spaces to maintain safety guidelines.

Vacancy rates are predicted to increase as more tenants leave the market.

Office activity will not return to pre-CVOD-19 levels for the foreseeable future.”

In conclusion, after considering these articles written by professionals in the areas of economics and real estate, it is determined that the Coronavirus/COVID-19 epidemic will likely negatively impact the Market Values of office and commercial real estate properties. However, the level of impact is not yet known.
Neighborhood Analysis:
The property that is the subject of this value estimate is located within the Village of Spring Lake. The subject is located two parcels south of Savidge St. Savidge Street is the primary commercial artery that runs easterly through the Village of Spring Lake and Spring Lake Township turning into M-104. This Savidge Street corridor is a primary commercial hub of Spring Lake and is primarily improved with relatively high-density commercial development that includes retail strip centers, restaurants, quick service restaurants and stand-alone commercial development. The subject is also located on the west side of Jackson; between Liberty Street. It is located between Buchanan Street and Division Street. As noted, it lies within the Village of Spring Lake, Ottawa County, Michigan. Savidge Street(M104), which bisects the Village of Spring Lake, it is the areas primary transportation corridor between Grand Haven west, and Grand Rapids to the east. The primary transportation corridors linking this area are M-104 to I–96 and M-45. No major vacancy problems in this general area were observed. Based on the existing composition of the surrounding neighborhood, and the complementary mix of businesses and available public utilities, this location should continue to have good demand into the foreseeable future.

Jackson Street is one of the primary north/south artery of the area and this Street frontage running north from Savidge Street to Liberty Street. The Street and beyond is commercially improved. Included and surrounding the Subject is a Post Office, retail strip centers, restaurants, office buildings, and commercial buildings. This area running south from this commercial district is improved with both single-family and multiple-family residences that appear to be in average to relatively good physical condition. The back-up areas lying to the east and west are also commercial zoned buildings.

Located to the east of Jackson Street is a neighborhood shopping center commonly known as the General Dollar Shopping Center, French Academy, Spring Lake Township Building and the newly developed commercial/apartment area. This development was originally developed in the late 1950’s and has been renovated various times over the years. This center is improved with one and two+ story retail and office buildings, and some that appear to be in relatively good physical condition and some recently fully renovated or built. These buildings, for the most part, have a high percentage of owner/occupancy. These buildings share an asphalt surface parking lot that is maintained by the Village of Spring Lake, per Heather from Spring Lake Assessing.

The communities of Grand Haven, Spring Lake and Ferrysburg make up the general marketing area, locally known as the Tri cities. The Tri cities are located along the eastern shoreline of Lake Michigan in the Northwest part of Ottawa County. The Grand River bisects these communities and provides access to Lake Michigan. This area has good market acceptance because of its well managed local government, desirable school districts and positive water influence.
Neighborhood Analysis: (continued)

MARKET AREA AND NEIGHBORHOOD DESCRIPTION
Employment levels are stabilized throughout the State of Michigan and the Ottawa area. Although the state’s monthly jobless rates have been stable since mid-year 2018, remaining within the narrow band of 2.1 to 5.2%, Michigan’s workforce and total employment levels have recorded consistent monthly gains. Also, according to DTMB statistics, not only have Michigan employment levels improved greatly in recent years, so too have payroll job gains. 2016 signaled the sixth consecutive year of payroll job gains, including an 82,000 or 1.9% increase in overall jobs from 2015 to 2016. From 2010 to 2016, total statewide payroll jobs rose by 462,000 or 12.0%.

Ottawa County has a population of approximately 291,830 residents per 2019 census figures and is a part of the Tri Cities and Grand Rapids/ Wyoming Metropolitan statistical area. This area has a diverse economic base with exposure in the manufacturing, professional services, health care and tourism sectors. Major manufacturers include shape corporation, Herman Miller, GHSP, engine power components, automatic Spring products, Etc. according to https://www.miottawa.org, the local area unemployment rate is currently about 3.1 percent, as compared to an overall unemployment rate of 5.7 percent for the State of Michigan.

The Ottawa area is centrally located in the extreme western part of the Lower Peninsula of Michigan on near the shore of Lake Michigan. Ottawa County has a seaport which can accommodate ocean draft shipping with access to the shipping lanes of all of the Great Lakes. Seaport facilities are available at Grand Haven. Many industrial sites and parks maintain and utilize existing railroad spurs. The adjacent County of Muskegon provides Muskegon County Airport with the Muskegon County area with air transit and passenger service.

There are numerous public and parochial schools available to the residents of Ottawa County. In addition, vocational/technical programs are also available. Grand Valley State University, Hope College, and Cornerstone College, and Grace Christian University provide for higher education throughout Ottawa County. Aquinas College, and Grand Valley University offer extension courses.

Swimming, hiking, fishing, and boating in the summer and skiing and ice-fishing during the winter are but a few of the recreational activities available in Spring Lake, Ottawa County. Ottawa County offers State Parks, miles of Lake Michigan sandy beaches, inland lakes, charter fishing services, marinas, public golf courses, and miles of bike trails. The County's unique wastewater management system is instrumental in maintaining clear waterways and lakes.
Neighborhood Analysis: (continued)

Region Description: The subject property is located in Ottawa County. Major highway access to the area is provided by US-31 and M104, providing direct access to the City of Grand Haven. Approximate travel distances to major areas are as follows: Chicago, 180 miles; Detroit, 185 miles; Cleveland, 305 miles; Indianapolis, 270 miles; Lansing, 104 miles; and Grand Rapids, 30 miles. In 1993, the U.S. Census Bureau expanded the Grand Rapids MSA to include Muskegon and Allegan counties and is now known as the Grand Rapids-Muskegon-Holland Combined Metropolitan Statistical Area (GR-M-H CMSA). The GR-M-H CMSA is the second largest in the state next to Detroit and is the economic and cultural center for West Michigan.
### Businesses within 1 Mile

<table>
<thead>
<tr>
<th>Address</th>
<th>Phone #</th>
<th>Distance</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EATING - DRINKING</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dollar General</td>
<td>(616) 842-1694</td>
<td>0.03</td>
<td>Grocery Stores And Markets</td>
</tr>
<tr>
<td>Mama Mia’s Pizzeria</td>
<td>(616) 842-0541</td>
<td>0.07</td>
<td>Pizza</td>
</tr>
<tr>
<td>Stan’s Bar</td>
<td>(616) 842-1553</td>
<td>0.08</td>
<td>Bars</td>
</tr>
<tr>
<td>Subway</td>
<td>(616) 847-9335</td>
<td>0.2</td>
<td>Restaurants - Deli</td>
</tr>
<tr>
<td>Mc Donald’s</td>
<td>(616) 846-8000</td>
<td>0.2</td>
<td>Restaurants - Burgers</td>
</tr>
<tr>
<td>Bell’s Market</td>
<td>(616) 607-7520</td>
<td>0.24</td>
<td>Grocers - Retail</td>
</tr>
<tr>
<td>Dockside Ez Mart</td>
<td>(616) 842-2420</td>
<td>0.24</td>
<td>Convenience Stores</td>
</tr>
<tr>
<td>Miss Lee’s</td>
<td>(616) 842-6970</td>
<td>0.24</td>
<td>Ice Cream Parlors</td>
</tr>
<tr>
<td>Pine Street Cafe</td>
<td>(616) 847-6060</td>
<td>0.24</td>
<td>Restaurants - American</td>
</tr>
<tr>
<td>Pizza Hut</td>
<td>(616) 847-8100</td>
<td>0.24</td>
<td>Pizza</td>
</tr>
<tr>
<td><strong>SHOPPING</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eye Care Management</td>
<td>(616) 846-0620</td>
<td>0.03</td>
<td>Opticians</td>
</tr>
<tr>
<td>Dollar General</td>
<td>(616) 842-1694</td>
<td>0.03</td>
<td>Variety Stores</td>
</tr>
<tr>
<td>Trendy Tots</td>
<td>(616) 846-3627</td>
<td>0.03</td>
<td>Consignment Shops</td>
</tr>
<tr>
<td>Core Computers &amp; Svc</td>
<td>(616) 850-0395</td>
<td>0.04</td>
<td>Computer Service And Repair</td>
</tr>
<tr>
<td>Field’s Fabrics</td>
<td>(616) 846-8040</td>
<td>0.07</td>
<td>Fabric Shops</td>
</tr>
<tr>
<td>Love In Action</td>
<td>(616) 844-1360</td>
<td>0.08</td>
<td>Thrift Shops</td>
</tr>
<tr>
<td>Spring Lake Floral</td>
<td>(616) 842-3358</td>
<td>0.09</td>
<td>Florists - Retail</td>
</tr>
<tr>
<td>Eye Care One</td>
<td>(616) 844-7000</td>
<td>0.13</td>
<td>Optical Goods - Retail</td>
</tr>
<tr>
<td>Biz Pools</td>
<td>(616) 842-3281</td>
<td>0.14</td>
<td>Hot Tubes And Spas</td>
</tr>
<tr>
<td>Gem</td>
<td>(616) 607-7455</td>
<td>0.15</td>
<td>Jewelers - Retail</td>
</tr>
</tbody>
</table>

(1) SchoolDigger Ratings provide an overview of a school's test performance. The ratings are based strictly on test score performance for that state's standardized tests. Based on a scale of 1-5. © 2006-2016 SchoolDigger.com
(2) The community rating is the overall rating that is submitted by either a Parent/Guardian, Teacher, Staff, Administrator, Student or Former Student. There will be only one rating per school. Based on a scale of 1-5.
(3) Powered by Onboard Informatics. Information is deemed reliable but not guaranteed. Copyright © 2014 Onboard Informatics. All rights reserved.
**Improvement Description:**

The routine inspection of the property and improvements is for the purposes of establishing the Market Value of the property. The appraisal "inspection" is really more of an "observation". It is not to be regarded as a full property inspection of the type intended to reveal defects in mechanical systems, structural integrity, roofing, siding, or any other property components. The appraiser claims no special expertise in these areas, nor is the appraiser an expert regarding wood destroying (or other) insects, radon gas, lead based paint and asbestos.

Unless otherwise noted, the appraiser assumes the various elements that constitute the subject property are fundamentally sound and in working order. Statements regarding condition, particularly those regarding the heating and cooling systems, are based on superficial observations only.

In short, the appraiser is not an inspector and the appraisal report should not be considered to be an inspection report. The appraisal should not be relied upon to disclose the condition of the property or the presence/absence of any defects.

The client is invited and encouraged to employ qualified experts to inspect and address any area of concern. If negative conditions are discovered, the value estimate may likely require modification.
Improvement Description: (continued)

Following is some pertinent data regarding the subject building:

**Type of Property:**
Two-story office building with no basement.

**Type of Construction:**
Exterior walls are Stucco and wood. Windows are insulated sliding style, set in aluminum frame and the roof is covered with asphalt.

**Year Built:**
Originally constructed in 1970 and has been remodeled at various times over the years, the last noted in 1990, per assessing.

**SF Size:**
- 2626 SF – MFA
- 2586 SF – 2nd Floor Area
- 5212 SF – Above Grade
- 0 SF – Finished Basement
- 0 SF – Total Finished Area

**Land to Building Ratio:**
1.24:1 (GBA)

**Sprinkler (Fire Protection):**
Yes, (assumed working)

Located on the west elevation of the building are two sets of insulated entrance doors and then one front door on the east elevation that open into a shared waiting area. Located off the waiting area are patients’ exam rooms with two private offices and two half bathroom that include sink and toilet. The subject is on a slab with no basement.

The 2nd floor is finished and divided into several office areas and a receptionist area, a break room along with two half bathrooms with toilet and Lavatory.

Finished floors throughout this building are commercial grade carpet, carpet squares and vinyl. The walls are painted drywall and ceilings are suspended acoustic tile with fixtures. The majority of these finishes are in below average condition due to deferred maintenance.

Access to the second-floor area is from a back staircase on the west side and also a staircase from the first-floor lobby. Overall physical condition of the subject building appears to be fair to average for a building of its age, use and construction type. At the time of the inspection, all utilities were turned off and there were noted items of deferred maintenance were observed.
Improvement Description: (continued)
Site improvements to this property consists of asphalt paved parking lot that is maintained by the Village and drives that are drained, poured concrete walk that is located immediately to the east of the main building, minimal landscaping, and underground sprinkling. Access to this property is from a curb cut and a parking lot owned by the Village of Spring Lake and is shared with the Postal Services, Love in Action and Stann’s Bar.

At the time of the inspection, the utilities were turned off and there was deferred maintenance throughout the subject. This included stained flooring, holes in the drywall, missing ceiling panels, stained ceiling panels, rotted wood in one area of flooring on the second floor, evidence of mold and/or dampness on the main level, and aged curling roofing shingles. Estimated cost to cure for these items is between fifty to sixty thousand. However, the appraiser is not a licensed contractor and for further information on the actual amounts should be done by someone licensed in that field.

**Extraordinary assumptions** are defined as assumptions, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions. A comment to the definition explains that extraordinary assumptions presume as fact otherwise uncertain information:

- about physical, legal, or economic characteristics of the property,
- or about conditions external to the property, such as market conditions or trends,
- or about the integrity of data used in an analysis

**Hypothetical conditions** are defined as that which is contrary to what exists but is supposed for the purpose of analysis. The comment to the definition explains that hypothetical conditions assume conditions contrary to known facts

- about physical, legal, or economic conditions,
- or about conditions or facts lying outside the observable scope of discussion or analysis but potentially affecting the scope or results of analysis or direction of discussion (such as market conditions or trends known to be contrary to known conditions),
- or about the accuracy, reliability, or integrity of data on which an analysis may be based.

This appraisal is subject to the extraordinary assumption of but not limited to: all utilities are working and in average condition. The fire sprinkling system is fully functional and working. Also, the amenities, lab, underground sprinkling, utilities such as but not limited to: furnace, hot water heater, electrical, and air conditioning units. See attached photos.
Highest and Best Use:

One of the requirements of this appraisal is to determine the highest and best use of the subject property, as though vacant and as improved. **Highest and best use** is defined in *The Dictionary of Real Estate*, 6th Edition (Chicago: Appraisal Institute, 2015) as:

1. “The reasonably use of property that results in the highest value. The four criteria that the highest and best use must meet are legally permissibility, physical possibility, financial feasibility, and maximum productivity.

2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset’s existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)

3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future (Uniform Appraisal Standards for Federal Land Acquisition).”

Highest and best use is shaped by the competitive forces within the market where the property is located or in other words highest and best use is an economic study of market forces focused on the subject property. The objective of the highest and best use analysis is to identify the property use that can be expected to produce the highest overall return for each dollar of capital invested. Highest and best use is the foundation on which market value rests.

**Highest and Best Use of land or a site as though vacant:**

“Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.” *The Dictionary of Real Estate*, Fifth Edition (Chicago: Appraisal Institute, 2010).

Land as though vacant is a fundamental concept of valuation theory and the basis for the cost approach. Questions to consider when determining the highest and best use, as vacant are what use should the land be utilized, what type of building, if any, should be constructed and when should these buildings be constructed. In some cases, land should be held for speculation, i.e. to remain vacant until development is justified by market demands.
Highest and Best Use: (continued)
The subject site contains 3105.8 SF (.071 acres) and is zoned CBD, Commercial Business District-Commercial Zone District, which allows for many mixed-use residential/commercial uses and office and commercial development. It is your appraiser’s opinion, which is formed after an analysis of the location of this property, the trend of development in this general vicinity, the current zoning, and after considering the potential uses to which this property can be utilized, that the highest and best use of the property is that it be developed in accordance with its current zoning.

**Highest and Best Use of property as improved:**
“The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.”

The subject site is improved with a two-story clinic and offices with no basement that was originally constructed in 1970 and has been remodeled at various times over the years, the last time per assessing was in 1990. It is assumed that all necessary building permits were obtained for the various phases of construction of the subject building and its site improvements. An office building/medical clinic use of the subject property appears to be a proper use and is, in the appraiser’s opinion, the highest and best use of this property in its entirety.
SKETCH OF THE MAIN FLOOR OF 109 S. JACKSON:

Area Calculations Summary

<table>
<thead>
<tr>
<th>Living Area</th>
<th>Calculation Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Floor</td>
<td>2586 Sq ft</td>
</tr>
<tr>
<td></td>
<td>52 x 42.5 = 2210</td>
</tr>
<tr>
<td></td>
<td>28 x 8 = 224</td>
</tr>
<tr>
<td></td>
<td>19 x 8 = 152</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Living Area (Rounded)</th>
<th>2586 Sq ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enclosed area</td>
<td>40 Sq ft</td>
</tr>
<tr>
<td></td>
<td>8 x 5 = 40</td>
</tr>
<tr>
<td>Utility Room</td>
<td>175 Sq ft</td>
</tr>
<tr>
<td></td>
<td>35 x 5 = 175</td>
</tr>
</tbody>
</table>
SKETCH OF THE SECOND FLOOR OF 109 S. JACKSON:

Area Calculations Summary

<table>
<thead>
<tr>
<th>Living Area</th>
<th>Calculation Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second Floor</td>
<td>2626 Sq ft</td>
</tr>
<tr>
<td>Total Living Area</td>
<td>2626 Sq ft</td>
</tr>
<tr>
<td>Non-Living Area</td>
<td></td>
</tr>
<tr>
<td>Stairway to Exit</td>
<td>175 Sq ft</td>
</tr>
</tbody>
</table>
PHOTOS OF THE MAIN FLOOR OF 109 S. JACKSON:

Subject Front View
199 S Jackson St
G.L.A.
Tot. Rooms
Tot. Bathrms.
Location
View
Site
Quality
Age

Subject Rear View

Subject Street View
Photos:

EXAM ROOM 1

EXAM ROOM 2

EXAM ROOM 3

EXAM ROOM 4

EXAM ROOM 5

EXAM ROOM 6
Photos:

- Reception Area
- Lab Area
- Office 1
- Office 2
- 1/2 Bath 1
- 1/2 Bath 2
Photos:

1/2 BATH UPPER LEVEL

BACK STAIRS

RECEPTION AREA UPPER LEVEL

WAITING AREA UPPER LEVEL
Photos:

Examination Room 1, Upper Level

Examination Room 2, Upper Level

Examination Room 3, Upper Level

Examination Room 4, Upper Level

Examination Room 5, Upper Level

Examination Room 6, Upper Level
Photos:

EXAM ROOM 7 UPPER LEVEL

EXAM ROOM 8 UPPER LEVEL

BREAK ROOM UPPER LEVEL

OFFICE UPPER LEVEL
AREAL PHOTO OF THE SUBJECT:
Cost Approach:
The **Cost Approach** is defined in *The Dictionary of Real Estate Appraisal, 6th Edition* (Chicago: Appraisal Institute, 2015) as “A set of procedures through which a value indication is derived for the fee simple estate by estimating the current cost to construct a reproduction of (or replacement for) the existing structure; including an entrepreneurial incentive or profit; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated value of the Fee Simple Estate in the subject property to reflect the value of the property interest being appraised.”

The Cost Approach is a valuable tool when estimating the Market Value of new or special purpose properties, where the actual construction costs are known and where a reliable estimate of depreciation and obsolescence can be made. The property that is the subject of this value estimate consists of a two-story commercial clinic and office building with no basement that was originally constructed in 1970 and has been remodeled at various times over the years, most recently in 1990. The Cost Approach was considered when estimating the Market Value of the subject property. It is the appraiser’s opinion, which is supported by current market data, that because the amount of depreciation and obsolescence would be so speculative for this type of property, along with the fact that this type of property would not typically be purchased on the open market on the basis of its physical value, the Cost Approach is deemed to be an unreliable approach when estimating the Market Value of the subject property and was therefore not utilized.
Sales Comparison Approach:
The Sales Comparison Approach is defined in The Dictionary of Real Estate Appraisal, Fifth Edition (Chicago: Appraisal Institute, 2010) as “The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.”

The Sales Comparison Approach allows the appraiser to estimate the value of Real Estate by comparing recent sales of similar properties in the surrounding or competing areas to the subject property. Inherent in this approach is the principle of substitution, which “holds that the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability within a reasonable amount of time.”

By analyzing sales that qualify as arm’s-length transactions between willing and knowledgeable buyers and sellers, the appraiser can identify market value and price trends. Comparability in physical, location, and economic characteristics are important criteria in evaluating the sales in relation to the subject property. The basic steps involved in the application of this approach are as follows:

1) Research the competitive market for information on sales transactions, listings, and offers to purchase or sell involving properties that are similar to the subject property in terms of characteristics such as property type, date of sale, size, physical condition, location, and land use constraints. The goal is to find a set of comparable sales as similar as possible to the subject property.

2) Verify the information by confirming that the data obtained is factually accurate and that the transactions reflect arms-length market considerations. Verification may elicit additional information about the market.

3) Select relevant units of comparison (e.g. price per acre, price per square foot, price per front foot) and develop a comparative analysis for each unit. The goal is to define and identify a unit of comparison that explains market behavior.

4) Look for differences between the comparable sale properties and the subject property using the elements of comparison. Then adjust the price of each sale property to reflect how it differs from the subject property or eliminate that property as a comparable. This step typically involves using the most comparable sale properties and then adjusting for any remaining differences.
Sales Comparison Approach: (continued)

5) Reconcile the various indications produced from the analysis of comparable sales into a single value indication or a range of values. According to the Assessment Records of the Village of Spring Lake, MI, the subject property is reported to be in the ownership of, Arm Holding LLC. According to the local Multiple Listing Services, the subject property is not currently and has not been listed available for sale or lease within the past 3 years of this value estimate.

The appraiser is not aware of any pending sales or leases on the subject property.

When estimating the Market Value of the subject property, consideration is given to current listings, pending sales and closed sales of similar types of improved properties that are located in similar areas of the TriCities area and West Michigan areas. The appraiser is a member of WMLAR (West Michigan Association of Realtors) and conducted a recent search on the FlexMLS systems, in order to obtain current listings and recent sales of similar types of improved properties.

Following are the details of these recent land sales that were considered when estimating the Market Value of the subject property. This list is not meant to be all inclusive:

<table>
<thead>
<tr>
<th>Land Sales</th>
<th>Subject</th>
<th>Sale #1</th>
<th>Sale #2</th>
<th>Sale #3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>113 W</td>
<td>804 E</td>
<td>113 S</td>
<td></td>
</tr>
<tr>
<td>City</td>
<td>Village of Spring Lake</td>
<td>Village of Spring Lake</td>
<td>Village of Spring Lake</td>
<td></td>
</tr>
<tr>
<td>Sale Price</td>
<td>N/A $315,000</td>
<td>$180,000</td>
<td>$127,500</td>
<td></td>
</tr>
<tr>
<td>Date of Sale</td>
<td>08/17/2020</td>
<td>03/31/2020</td>
<td>12/05/2018</td>
<td></td>
</tr>
<tr>
<td>Land Per Sq Ft</td>
<td>11,304</td>
<td>12,632</td>
<td>4,182</td>
<td></td>
</tr>
<tr>
<td>Price/SF</td>
<td>N/A $27.86</td>
<td>$14.25</td>
<td>$30.36</td>
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</tr>
<tr>
<td>Acres</td>
<td>N/A .26</td>
<td>.29</td>
<td>.10</td>
<td></td>
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<tr>
<td>Zoning Code</td>
<td>CBD</td>
<td>CBD</td>
<td>C</td>
<td></td>
</tr>
<tr>
<td>CBD</td>
<td>CBD</td>
<td>C</td>
<td>SFR</td>
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## Sales Comparison Approach: (continued)

### Land Sales

<table>
<thead>
<tr>
<th>Subject</th>
<th>Sale #4</th>
<th>Sale #5</th>
<th>Sale #6</th>
</tr>
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<tbody>
<tr>
<td><strong>Address</strong></td>
<td>830 E</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>City</strong></td>
<td>Village of Savidge</td>
<td>Village of Spring</td>
<td>Village of Spring</td>
</tr>
<tr>
<td><strong>Sale Price</strong></td>
<td>N/A $725,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Date of Sale</strong></td>
<td>N/A 05/17/2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Land Per Sq Ft</strong></td>
<td>N/A 209,088</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Price/SF of Land</strong></td>
<td>N/A $3.47</td>
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</tr>
<tr>
<td><strong>Land Acres</strong></td>
<td>N/A 4.80</td>
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<td></td>
</tr>
<tr>
<td><strong>Zoning Code</strong></td>
<td>CBD C</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Sales Comparison Approach: (continued)

Basis for Adjustments:

As no two properties are exactly the same, the comparables must be adjusted for the various physical and economic differences. In keeping with approved appraisal practice, the comparables are adjusted to the subject. The less desirable traits of the comparables receive positive (+) adjustments to more closely equate them to the subject’s greater desirability. Conversely, the superior traits of the comparables are assigned negative (-) adjustments.

Units of Comparison are the components into which a property may be divided for comparison purposes. The type of appraisal problem determines the unit or units to be selected and attempts to reflect the way the market buys and sells this property type. For example, an apartment may be analyzed on the basis of price per unit or price per square foot. For the purposes of this value estimate, the price per square foot of building area, including land, is considered to be the most appropriate unit of comparison in valuing the subject.

PROPERTY RIGHTS CONVEYED:
All comparable properties were conveyed in fee with no adverse legal encumbrances. As a result, no adjustment is necessary for this condition.

FINANCING TERMS:
Where required, owner-carried contract financing is adjusted to equate to the basic definition of Market Value that calls for a cash transaction or its financial equivalent. Each of the comparables had sale terms that were considered to be at market rates (either cash or cash equivalent) and no adjustment is made for financing.

CONDITIONS OF SALE:
The comparables are analyzed to ascertain whether or not they are fully arm’s length in nature. All the sales were arm’s length transactions between unrelated parties, not acting under duress and no condition of sale adjustment is made to these sales.

MARKET CONDITIONS:
These closed sales have taken place between June 2018 and November 2020. The overall office and commercial Real Estate market in the West Michigan area has been increasing in Market Values between 2018 to present. The general recent driving factors to initiate an increase in the Market Values of commercial and office properties, is the limited inventory for these types of properties. An additional driving factor that increases the Market Values for these types of properties is that costs for new construction are very high. Many commercial and office users are responding to rising construction costs by choosing properties already built, over new construction. However, as stated, there is limited inventory and increasing demand for existing properties. These factors result in higher asking and selling prices for these types of
Sales Comparison Approach: (continued)
Basis for Adjustments: (continued)

MARKET CONDITIONS: (continued)
properties. As a result, a positive adjustment is made to all the sales to reflect the improving market conditions. As detailed supra throughout the report, the Coronavirus-COVID-19 epidemic has swept throughout the United States and other countries throughout the world. It is very likely that the real estate market throughout the United States, and more specifically Michigan will be affected and that values will likely decline. However, as of the effective date (October 22, 2020) of this value estimate, there is no conclusive or quantifiable market evidence to indicate a decline in value. Therefore, as of this date, no negative adjustment is made for market conditions as it directly relates to the virus.

LOCATION & ACCESS:
The adjustment for location and access is to reflect the increase or decrease in value attributable to the property’s location or neighborhood. The subject property does not have visual exposure from a primary artery and is located approximately 160 feet South of Savidge Street. The immediate area is improved with older, and some new commercial, office development that is mostly well-maintained and no major vacancy problems in this immediate area were observed. Located approximately 5 miles to the east of the property is the M-104 Highway and the property, and the property has good access to the major arteries and expressways of the area. All sales have visual exposure from a main artery and are considered to be located in superior locales when compared to the location of the subject property. In addition, land values in these comparable areas are higher when compared to the land values located in close proximity to the subject property.
Sales Comparison Approach: (continued)

<table>
<thead>
<tr>
<th>Address</th>
<th>Sold Price</th>
<th>SF Size</th>
<th>Asking Price/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 15549 Cleveland St., SL</td>
<td>$450,000</td>
<td>4790 Sf</td>
<td>$93.95 /Sf of GBA</td>
</tr>
<tr>
<td>2. 411 W. Savidge St, SL</td>
<td>$315,000</td>
<td>2350 Sf</td>
<td>$134.00 /Sf of GBA</td>
</tr>
<tr>
<td>3. 113 W. Savidge St, SL</td>
<td>$315,000</td>
<td>2472 Sf</td>
<td>$127.43 /Sf of GBA</td>
</tr>
<tr>
<td>4. 606 E Savidge St., SL</td>
<td>$380,000</td>
<td>7052 Sf</td>
<td>$53.89 /Sf of GBA</td>
</tr>
<tr>
<td>5. 304 W Savidge St., SL</td>
<td>$400,000</td>
<td>4272 Sf</td>
<td>$93.64 /Sf of GBA</td>
</tr>
</tbody>
</table>

These listings range in building size between 2350 and 7052 square feet and are at asking prices that range between $53.89 and $134.00 per square foot of building area, including land. It is concluded that there is a limited inventory for similar types of improved properties in the subject property’s square foot size and within the subject property’s market area.

Also considered when estimating the Market Value of the subject property, via the Sales Comparison Approach, are closed sales of similar types of improved office and commercial properties. The appraiser selected 5 closed sales which were examined through a process of direct comparison to the subject considering the basic elements of comparison which include rights conveyed, financing terms, condition of sale, market conditions, location and access, land to building ratio, building size, multiple level and age, condition and quality.

Following is a recapitulation of the 5 closed sales and the unit of comparison chosen is the price paid per square foot of building area, including land.

The subject property has a land to building ratio of 1.24:1. The above sales have higher land to building ratios when compared to the land to building ratio of the subject property and a negative adjustment is made to these sales for land to building ratio.

**MULTIPLE LEVEL:**
The market indicates the multiple level office buildings typically sell at a lower per square foot rate when compared to buildings that are constructed on one level. Sales consist of buildings that are of one-story construction, unlike the subject building, and a negative adjustment is made to these sales for this factor.
Sales Comparison Approach: (continued)

Basis for Adjustments: (continued)

BUILDING SIZE:
The adjustment for square foot differences is based on the principle of economy of scale. Typically, properties with less building square footage sell for a higher price per square foot price than properties with more building square footage. The subject building contains 5212 square feet of gross building area. Sale four is larger in foot size when compared to the square foot size of the subject building and a positive adjustment is made to this sale for building size. Sales two and three are smaller in square foot size when compared to the square foot size of the subject building and a negative adjustment is made to these sales for building size.

AGE, CONDITION & QUALITY:
Included in this analysis is the consideration of the physical condition of the subject building. The subject building was originally constructed in 1970 and has been remodeled at various times over the years, lastly noted per assessing was 1990. The existing elements of the building’s construction are relatively fair to average for a property of its age and construction type. Please note the deferred maintenance including, roof, flooring, cosmetics, missing ceiling panels, possible mold issues, paint, were estimated based on cost to cure was estimated between fifty and sixty thousand. This is only an estimated. That being said estimated deferred maintenance will be noted as fifty five thousand. Each of the comparable sales was physically inspected from the exterior by the appraiser and adjustments for these factors were made based upon the appraiser’s judgment and consideration of each of these sales in relation to the age, condition and quality of the subject building.

These 5 closed sales indicate a per square foot building value, “As Is”, including land, that ranges between $53.89 and $134.00. It is estimated after making this analysis and after reviewing other known sales and offerings to sell, similar types of improved office and commercial properties, that the market indicates a per square foot building value, “As Is”, including land, in the amount of $94.00.

Based upon this study, the estimated Market Value of the subject property, “As Is”, from the Sales Comparison Approach is estimated as follows:

Indicated Market Value from the Sales Comparison Approach – “As Is”:
5212 SF – GBA @ $94.00/SF \[ \text{Called} \quad 489,928 \]
\[ \text{Called} \quad 490,000 \]
\[ \text{Cost to Cure Deferred Maintenance per estimation} \quad 55,000 \]
\[ \quad 434,928 \]

ESTIMATED SALES COMPARISON VALUE = $435,000

Called $490,000
Cost to Cure Deferred Maintenance per estimation - $55,000
\[ \quad 434,928 \]
Income Capitalization Approach:
The Income Capitalization Approach is defined in The Dictionary of Real Estate Appraisal, 6th Edition (Chicago: Appraisal Institute, 2010) as “Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.”

The Income Capitalization Approach is based on the basic principles of real estate appraisal, which are as follows:

*Anticipation and Change
*Supply and Demand
*Substitution
*Balance
*Externalities

Anticipation and Change:
The perception that value is created by the expectation of benefits to be derived in the future. For this appraisal, the appraiser selected a capitalization rate that implicitly reflects the anticipated pattern of change in income over time.

Supply and Demand:
In economic theory, the principle that states that the price of a commodity, good, or service varies directly, but not necessarily proportionately, with demand, and inversely, but not necessarily proportionately, with supply. In a real estate appraisal context, the principle of supply and demand states that the price of real property varies directly, but not necessarily proportionately, with demand and inversely, but not necessarily proportionately, with supply. This principle is important when forecasting future benefits and estimating rates of return in the income capitalization approach. This theory states that if demand increases, rents may increase; vacancy rates will most likely drop and developers will then find construction profitable and property values may increase until supply and demand are in balance. This theory is also true in the reverse.

Substitution:
The appraisal principle that states that when several similar or commensurate commodities, goods, or services are available, the one with the lowest price will attract the greatest demand and widest distribution. This is the primarily principal upon which the cost and sales comparison approaches are based.

Balance:
The principal that real property value is created and sustained when contrasting, opposing, or interacting elements are in a state of equilibrium.
Income Capitalization Approach: (continued)

Externalities:
The principle that economies outside a property have a positive effect on its value while dis-economies outside a property have a negative effect on its value. In appraisal, off-site conditions that affect a property’s value. Exposure to street noise or proximity to a blighted property may exemplify negative externalities, whereas proximity to attractive and well-maintained properties or easy access to mass transit may exemplify positive externalities.

If the Income Capitalization Approach is utilized, the first step when estimating the Market Value of a property when utilizing the income capitalization approach is to estimate the property’s market rent. **Market rent** is defined in *The Dictionary of Real Estate Appraisal, 6th Edition* (Chicago: Appraisal Institute, 2015) as “The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term concessions, renewal and purchase options, and tenant improvements (TI’s).”

The Income Capitalization Approach values a property based on the property owner’s anticipation of receiving future benefits. These benefits can accrue to the property owner both during and at the end of the holding period. During the holding period, the owner receives all cash flows generated from the ongoing operations of the property. At the end of the holding period, the owner receives the cash flow resulting from the reversion of the property. The Income Capitalization Approach attempts to value these future economic benefits through a process called capitalization.

The most commonly utilized methods of capitalization (converting future economic benefits from real property into a value estimate) are direct capitalization and yield capitalization (or discounted cash flow analysis). Direct capitalization estimates the value of the property by dividing a single year’s net operating income by an overall capitalization rate (“OAR”), also called a “going-in” capitalization rate. Typically, the net operating income projected for the year following the date of value is capitalized (as long as the income capitalized is consistent with the derivation of the capitalization rate). This requires an estimate of both future income and expenses (e.g. real estate taxes, insurance, management fee, utilities, maintenance and repairs, and any other expected expenses). In addition, vacancy and bad debts/credit loss must be estimated. Income and expenses are estimated by analyzing the past financial history of the property, considering management’s expectations for the future and research comparable properties’ financial results. After net operating income is projected, an appropriate overall rate must be estimated. The overall rate may be estimated through an analysis of market sales, current debt and equity terms, investor surveys, and discussions with
market participants.

**Income Capitalization Approach: (continued)**

The other commonly used methodology in the Income Capitalization Approach is the discounted cash flow analysis. This method is typically used for properties that generate an irregular or uneven pattern of cash flows.

The technique utilized to value this property is direct capitalization, applying a capitalization rate to stabilized income. The capitalization rate reflects available mortgage terms and require equity returns. This technique approaches the property from a prospective purchaser’s point of view relative to available financing and a required equity return.

The following is an overview of the steps typically involved in the direct capitalization approach:

1) Potential Gross Income, which is the income the property would produce at 100% occupancy charging market rent, is estimated.

2) Vacancy and Bad Debts/Credit Loss, which results from vacant and tenant delinquencies, is estimated and subtracted from Potential Gross Income.

3) Effective Gross Income, which is Potential Gross Income less Vacancy and Bad Debts/Credit Loss, plus Miscellaneous Income (if any), is calculated.

4) Stabilized Operating Expenses necessary to operate the property in a way that generates the estimated income, are determined. These include insurance, administrative costs, repair and maintenance costs, management fee, utilities, replacement costs, etc.

5) Net Operating Income is calculated by subtracting Stabilized Operating Expenses from the Effective Gross Income.

**Estimation of Market Rent:**

In estimating economic or market rent for the subject property, a rental comparison is used to discover what competitive leased properties are located in the market, and through an appropriate adjustment process, to develop indications of what they would rent for if they possessed all of the pertinent physical and amenity characteristics of the subject property.
Income Capitalization Approach: (continued)
The basic principle underlying this approach is the Principle of Anticipation, in which an investor will purchase a property based on the ability of the property to provide a future income stream. To determine what that income stream may be, a market rent must be established by comparing other currently leased properties with the subject to establish the present value of the future benefits. Another principle in this approach is the Principle of Substitution. This principle states that the informed renter will pay no more for a particular commercial area than the cost of renting an equally desirable substitute rental unit.

This approach is dependent on sufficient verifiable data in the marketplace in order to give a meaningful indication of what the subject property could rent for. The initial step for the subject property is to develop and substantiate the economic or market rent, which is the rent the property should bring in the open market.

The subject property is currently 100% leased on a month-to-month basis and because of the short-term nature of this lease, the subject property is considered to be available in Fee Simple Estate. **Fee Simple Estate** is defined as "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat." *The Dictionary of Real Estate Appraisal, 6th Edition* (Chicago: Appraisal Institute, 2015).

The current monthly rent being paid on the subject property is $0.

Also considered when estimating the market rent of the subject property are current listings and contract rents of similar types of improved office properties. The appraiser is a member of WMLAR (West Michigan Association of Realtors) and conducted a recent search on the local Multiple Listing Systems. The details of these listings are contained within the appraiser’s permanent files.

Following is a summary of comparable closed market rentals of similar types of improved office properties, located within the TriCities and Muskegon area. For purposes of this analysis, the unit of comparison chosen is the net rental rate paid per square foot, per year.
After making an analysis of this market data, after reviewing other known rents and offerings to rent, similar types of improved office and medical clinics and after considering market conditions, location, SF size and age, condition and quality of the subject property, it is the appraiser’s opinion that the market indicates an annual net rental rate for the subject property, in the amount of $8.50/SF/YR, which is utilized as in the income stream.

**POTENTIAL GROSS INCOME:**
The potential gross income for the subject property is calculated as follows:
5212 SF @ 8.50/SF/YR $44,302

**VACANCY AND COLLECTION LOSS:**
Most properties do not continually maintain full occupancy. Typically, vacancies occur during periods of tenant turnover or when tenants choose not to renew their existing lease. In addition, tenants may fail to pay their rent or pay their rent late. It is important to note that the Income Capitalization Approach is concerned with projected income. However, investors realize that most properties will experience some vacancy and collection losses in the future. Accordingly, the estimated vacancy and bad debt/credit loss are based on those expected to be realized in the future.
Income Capitalization Approach: (continued)
VACANCY AND COLLECTION LOSS: (continued)

The first charge against the income stream is a reserve for vacancy and bad debts/collection loss. The subject property is located approximately 160 feet south of Savidge Street, north of Exchange Street, in an area that is improved with older, commercial, office and some new development that is mostly well-maintained and no major vacancy problems in this immediate area were observed. Located approximately 5 miles to the east of the property is the M-104 Highway and the property is considered to have good access to the primary arteries and expressways of the area. After considering these conditions, a 09% allowance for vacancy and bad debts/credit loss is utilized and charged against the income stream.

EFFECTIVE GROSS INCOME:

Deducting the combined allowance for vacancy and bad debts/credit loss from the Potential Gross Income results in the following Effective Gross Income:

\[
\begin{align*}
$44,302 & \text{ – Potential Gross Income} \\
$ 3,987 & \text{ – Vacancy and Bad Debts/Credit Loss (9\%)} \\
$40,315 & \text{ – Effective Gross Income}
\end{align*}
\]

EXPENSES:
The next step in the Income Capitalization Approach to value is to estimate both variable and fixed expenses. These estimated expenses are subtracted from the previously derived effective gross income to estimate a net operating income for the subject. Market based expenses provide the best evidence for the subject property. This estimated rental rate is based upon a triple net lease. As a result, additional reductions are required in this analysis and include a management fee/leasing commission, which is estimated at 3\% of effective gross income, a reserve for replacement of short-lived items, which is estimated at $.25/SF/YR of building area and the Landlord’s share of operating expenses during the estimated market vacancy period. The resultant net operating income is subsequently capitalized into a value estimate.

NET OPERATING INCOME:
Subtracting expenses from the effective gross income indicates a net operating income for the subject property, as follows:

\[
\begin{align*}
$40,315 & \text{ – Effective Gross Income} \\
$ 1,209 & \text{ – Management Fee/Leasing Commission (3\%)} \\
$ 1,303 & \text{ – Reserve for Replacement} \\
$ 2,015 & \text{ – Landlord’s Share of OE During Vacancy Period} \\
$35,788 & \text{ – Net Operating Income (NOI)}
\end{align*}
\]
Income Capitalization Approach: (continued)

CAPITALIZATION RATES:

The final determination to be made in the Income Capitalization Approach is to arrive at an appropriate capitalization rate. There are 5 methods that are available for estimating the overall capitalization rate:

1. Derivation from comparable sales
2. Derivation from effective gross income multiplier
3. Band of investment - mortgage and equity component
4. Band of investment - land and building component
5. The debt service coverage formula

The methods chosen for this appraisal are derivation from comparable sales and band of investment – mortgage equity component. The appraiser did consider the following market capitalization rates that were abstracted from sales have taken place in the West Michigan area:

<table>
<thead>
<tr>
<th>Address</th>
<th>Date of Sale</th>
<th>Overall Capitalization Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2830 East Beltline Avenue NE</td>
<td>3/2020</td>
<td>7.50%</td>
</tr>
<tr>
<td>Grand Rapids Twp., MI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>510 W. Savidge Street</td>
<td>1/2019</td>
<td>7.73%</td>
</tr>
<tr>
<td>Spring Lake Twp., MI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1009 – 44th Street SW</td>
<td>3/2019</td>
<td>9.26%</td>
</tr>
<tr>
<td>Wyoming, MI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3001 Orchard Vista Drive SE</td>
<td>3/2018</td>
<td>9.10%</td>
</tr>
<tr>
<td>Cascade Twp., MI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4315 Airwest Drive SE</td>
<td>7/2019</td>
<td>8.84%</td>
</tr>
<tr>
<td>Kentwood, MI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3691 Northridge Drive NW</td>
<td>1/2019</td>
<td>8.00%</td>
</tr>
<tr>
<td>Walker, MI</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The band of investment method takes into consideration the percent of debt, down payment, mortgage constant and equity dividend. The formula for determining the overall capitalization rate utilizing this method is as follows:

Overall Capitalization Rate = (\% of Debt \times \text{Mortgage Constant}) + (\text{Down Payment} \times \text{Equity Dividend})
Income Capitalization Approach: (continued)
CAPITALIZATION RATES: (continued)
The percent of debt utilized in this analysis is 70%. The mortgage constant is the return necessary to service the debt portion of the investment based upon the length of the loan and interest rate charged. For this analysis, a 15-year term with a 5% interest rate was selected, resulting in a mortgage constant of .09492.

The percentage of equity utilized is 30%. The equity dividend is the amount a typical investor considers to be a reasonable return on investment. For this analysis, an equity dividend of 10% was selected. Therefore, the overall capitalization rate is estimated as follows:

\[
\text{Overall Capitalization Rate} = (.70 \times .09492) + (.30 \times .10) \\
OAR = .0664 + .03 \\
OAR = .0964 (9.64\%)
\]

Also considered when determining an overall capitalization rate for the subject property are current regional and national market surveys, such as Realty Rates.com. According to the Realty Rates Investor Survey, for the 4th Quarter 2020, overall rates (OAR) for Office – All Types, range between 4.44% and 13.23%, with the average being 7.74%. After reviewing this market data and considering the risks that are inherent with this type of property, a 9.00% overall capitalization rate is chosen.

INDICATED TRUE CASH VALUE:

The capitalization rate allows for the transformation of the NOI into an estimate of the Market Value of the subject property, via the Income Capitalization Approach. The formula for direct capitalizing is:

\[
\text{Value} = \frac{\text{Net Operating Income}}{\text{Overall Capitalization Rate}}
\]

This results in the following indicated Market Value for the subject property, “As Is”, via the Income Capitalization Approach:

\[
\begin{align*}
\$35,788 \text{ (NOI)} / 9.00\% &= \\
\text{Indicated Market Value Per Income Capitalization Approach} &= \$397,644 \\
\text{Equalling:} &= \$400,000
\end{align*}
\]
Exposure Time:
According to Statement on Appraisal Standards Number Six of the Uniform Standards of Professional Appraisal Practice, 2018-2019, published by the Appraisal Standards Board, reasonable exposure time is one of a series of conditions in most True Cash Value definitions. Exposure time is always presumed to precede the effective date of the valuation disclosure.

Exposure time is defined as the estimated length of time the property interest being valued would have been offered in the market prior to the hypothetical consummation of a sale at True Cash Value on the effective date of the valuation disclosure; a retrospective estimate based upon analysis of past events assuming a competitive and open market. Exposure time is different for various types of real estate and under various market conditions. It is noted that the overall concept of reasonable exposure encompasses both adequate, sufficient, and reasonable time and also adequate, sufficient and reasonable effort. This statement focuses on the time component. The fact that exposure time is always presumed to occur prior to the effective date of the valuation is substantiated by related facts in the valuation process: supply and demand conditions as of the effective date of the valuation disclosure; the use of current cost information; the analysis of historical sales information (sold after exposure and after completion of negotiations between the seller and buyer).

According to Advisory Opinion Seven of the Uniform Standards of Professional Appraisal Practice, 2018-2019, published by the Appraisal Standards Board, reasonable marketing time is an estimate of the amount of time it might take to sell a property interest in real estate at the estimated Market Value level during the period immediately after the effective date of the valuation.

In contrast to exposure time, which is presumed to precede the effective date of the valuation, marketing time is presumed to occur after the effective date of value. The estimate of market time uses some of the same data analyzed in the process of estimating exposure time and is not intended to be prediction of a date of sale or a one-line statement. It is an integral part of the analyses concluded during the valuation assignment. The estimate may be expressed as a range and can be based on one of more of the following:

- Statistic information about days on the market;
- Information gathered through sales verification;
- Interviews of market participants; and
- Anticipated changes in market conditions.

Related information obtained through this process includes other market conditions that may affect marketing time such as the identification of typical buyers and sellers for the type of real estate involved and typical equity investment levels and/or financing terms.
Exposure Time: (continued)
The reasonable marketing time is a function of price, time, use and anticipated market conditions such as changes in the cost and availability of funds; not an isolated estimate of time alone.

When estimating the exposure time, consideration is given to the length of time a similar property was placed on the open market for sale and when the property was sold.

After reviewing this data and after having discussions with local real estate agents and investors who are familiar with properties similar to the subject property, it is my opinion that exposure time for the subject property would be 12 to 24 months prior to the effective date of the appraisal.

The estimate of exposure time assumes a reasonable and sufficient effort in professionally marketing these types of properties. Furthermore, the above estimate is not a prediction of a date of sale.
Reconciliation and Final Value Estimate:

There are 3 approaches that are normally utilized when estimating the Market Value of Real Estate. They are the Cost Approach, Sales Comparison Approach and the Income Capitalization Approach. For reasons that were discussed in preceding sections of this appraisal report, the Cost Approach was not utilized. Following are the Market Values as indicated by each of the approaches that were employed:

<table>
<thead>
<tr>
<th>Approach</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Comparison Approach</td>
<td>435,000</td>
</tr>
<tr>
<td>Income Capitalization Approach</td>
<td>400,000</td>
</tr>
</tbody>
</table>

After considering the type of property that is involved in this assignment, it is the appraiser’s opinion that the subject property is not the type of property that would be purchased on the basis of its rental income producing capabilities but would rather be purchased by an owner-user/single-occupant. As a result, the most reliance is placed upon placed the Sales Comparison Approach when estimating the Market Value of the subject property.

Based upon the reasoning contained in this appraisal report and on the Assumptions and Limiting Conditions as contained herein, it is my opinion that the subject property has a Market Value as of October 22, 2020, in the amount of $435,000, excluding any Furniture, Fixtures & Equipment (FF&E), Going Concern and Intangible Items and excepting the extraordinary assumptions.
Address: 113 W Savidge St
Cross Street: North on W Savidge St and east of N Jackson St
City or Township: Village of Spring Lake
County: Ottawa
State: Michigan
Tax ID Number: 70-03-15-379-003
Comments: Property is located on local busy street on Savidge near other retail/office buildings.

Sale Information
Sale Date: August 17, 2020
Sale Price: $315000
Cash Price: $315000
Grantor: MILL POINT LAND CO LLC
Grantee: VAN KAMPEN BOYER MOLINARI CHARITABLE

Land Description
Net Land Area: 11,304 SF (.26 Acres)
Shape: Rectangular
Topography: Level
Environmental Contamination: None Known
Visibility: Very Good

Zoning & Utilities
Current Zoning: Central Business District (CBD)
Water: Public
Sewer: Public
Gas: Natural
Electricity: Public

Real Property Rights: Fee Simple
Condition of Sale: Arm’s Length

Units of Comparison:
Price/Sq. Ft (Net Land Area): $27.86

Source
Contact: Public Records - PTA

Comment/Remarks:
This property is located just past the intersection of W Savidge ST and N Jackson St. Located in this immediate area are retail strip centers, national and regional chain restaurants and along with numerous stand-alone retail and office buildings. The immediate area surrounding this property consists of more lower density commercial development than the sites located just to the east and west.
Vacant Sale-Commercial Comparable #2

Location
Address: 804 E Savidge St
Project Name: N/A
Cross Street: South east corner of E Savidge St and Dewitt Ln
City or Township: Village of Spring Lake
County: Ottawa
State: Michigan
Tax ID Number: 70-03-14-376-027
Comments: Property is located near vacant lots, a place of worship, dental/office buildings, and residential homes.

Sale Information
Sale Date: March, 31 2020
Sale Price: $180000
Cash Price: $180000
Grantor: DOEZEMA JOHN M
Grantee: SAVIDGE SPRING LAKE LLC

Land Description
Net Land Area: 12,819 SF (.29 Acres)
Shape: Rectangular
Topography: Level
Environmental Contamination: None Known
Visibility: Very Good

Zoning & Utilities
Current Zoning: Community Commercial (C)
Water: Public
Sewer: Public
Gas: Natural
Electricity: Public

Real Property Rights: Fee Simple
Condition of Sale: Arm’s Length

Units of Comparison:
Price/Sq. Ft (Net Land Area): $14.05

Source
Contact: Public Records - PTA

Comment/Remarks:
This property is located south on W Savidge ST. Located in this immediate area are residential homes, places of worship, vacant lots, and along with a hand full of stand-alone retail and office buildings. The immediate area surrounding this property consists of more lower density commercial development than the sites located just to the east and west, along with residential homes.
Vacant Sale-Commercial Comparable #3

Location
Address: 113 S Division St
Project Name: The Lilley Mansion Bed and Breakfast
Cross Street: West on Division, near W Exchange
City or Township: Village of Spring Lake
County: Ottawa
State: Michigan
Tax ID Number: 70-03-15-361-010
Comments: Property is located near small business buildings, restaurants, office buildings, and residential homes.

Sale Information
Sale Date: December 5, 2018
Sale Price: $127,500
Cash Price: $127,500
Grantor: Downs Daniel E
Grantee: Vankampen Kimberly

Land Description
Net Land Area: 4,182 SF (Acres)
Shape: Rectangular
Topography: Level
Environmental Contamination: None Known
Visibility: Good
Zoning & Utilities
Current Zoning: Single-Family Residential
Water: Public
Sewer: Public
Gas: Natural
Electricity: Public

Real Property Rights: Fee Simple
Condition of Sale: Arm’s Length

Units of Comparison:
Price/Sq. Ft (Net Land Area): $30.48

Source
Contact: Public Records - PTA

Comment/Remarks:
This property is located on the west side of Division just north of W Exchange St. Located in this immediate area residential homes, retail strip centers, national and regional chain restaurants and along with numerous stand-alone retail and office buildings.
The immediate area surrounding this property consists of more lower density commercial development than the sites located just to the north.
Vacant Sale-Commercial Comparable #4

Location
Address: 830 E Savidge St
Project Name: N/A
Cross Street: South west corner of E Savidge St S Fruitport
City or Township: Village of Spring Lake
County: Ottawa
State: Michigan
Tax ID Number: 70-03-14-376-033
Comments: Property is located near vacant lots, a place of worship, and residential homes.

Sale Information
Sale Date: April 17, 2019
Sale Price: $725,000
Cash Price: $725,000
Grantor: DOEZEMA JOHN M-JUDITH K
Grantee: RANDELL PRICE PROPERTIES LLC

Land Description
Net Land Area: 209,088 SF (4.80 Acres)
Shape: Irregular
Topography: Level
Environmental Contamination: None Known
Visibility: Very Good

Zoning & Utilities
Current Zoning: Community Commercial (C)
Water: Public
Sewer: Public
Gas: Natural
Electricity: Public

Real Property Rights: Fee Simple
Condition of Sale: Arm’s Length

Units of Comparison:
Price/Sq. Ft (Net Land Area): $3.47

Source
Contact: Public Records - PTA

Comment/Remarks:
This property is located south on W Savidge ST. Located in this immediate area are residential homes, places of worship, vacant lots, and along with a hand full of stand-alone retail and office buildings.

The immediate area surrounding this property consists of more lower density commercial development than the sites located just to the east and west, along with residential homes.
Land Sales Location Map

Property Address: 109 S Jackson St
City: Spring Lake
County: Ottawa
State: MI
Zip Code: 49456-2095

COMPARABLE No. 1
113 W Savidge
0.07 miles NE

COMPARABLE No. 2
804 E Savidge
1.04 miles E

SUBJECT
109 S Jackson St

COMPARABLE No. 3
113 S Division
0.10 miles W

COMPARABLE No. 4
830 E Savidge
1.06 miles E
Improved Sales Comparable #1

Location

Address: 18688 174th Ave
City/Township: Spring Lake
County: Ottawa County
State: Michigan
PP#: 70-03-04-300-069

Site Description

Land Size (Acres): 1.98 acres
Land Size (SF): 86,379 SF
Shape: Rectangular
Topography: Level
Zoning: High Density Residential (R-4)
Access: Average
Visibility: Average

Building Data

Year Built: 1973
Gross Building Area: 6,000 SF
Building Type: 1 story, offices, and garages
Condition: Average
Parking: Adequate on-site parking.

Sales Data

Grantor: D 4 PROPERTIES LLC
Grantee: NORTHBOUND REALTY LLC
Date of Sale: 12/17/2019
Sale Price: $305,000
Verified By: Ottawa County

Units of Comparable

Sale Price per Sq. ft. $50.83/SF of Gross Building Area

Comments/Remarks

The property is located along the west side of 174th Ave, located north of Van Wagoner St. The property is located approximate one mile from the exit off of US-31.
Improved Sales Comparable #2

Location

Address: 113 W Savidge St
City/Township: Spring Lake
County: Ottawa County
State: Michigan
PP#: 70-03-15-379-003

Site Description

Land Size (Acres): .26 acres
Land Size (SF): 11,325 SF
Shape: Rectangular
Topography: Level
Zoning: Central Business District (CBD)
Access: Average
Visibility: Average

Building Data

Year Built: 1960
Gross Building Area: 2,472 SF
Building Type: 1 story, offices
Condition: Average
Parking: Adequate on-site parking.

Sales Data

Grantor: MILL POINT LAND CO LLC
Grantee: VAN KAMPEN BOYER MOLINARI CHARITABL
Date of Sale: 08/17/2020
Sale Price: $315,000
Verified By: Ottawa County

Units of Comparable

Sale Price per Sq. ft. $127.43/SF of Gross Building Area

Comments/Remarks

The property is located along the north side of M-104/ E Savidge St. The property was formerly occupied for a law office.
Improved Sales Comparable #3

Location
Address: 606 E Savidge St
City/Township: Spring Lake
County: Ottawa County
State: Michigan
PP#: 70-03-14-375-001

Site Description
Land Size (Acres): .51 acres
Land Size (SF): 22,215 SF
Shape: Rectangular
Topography: Level
Zoning: Community Commercial (C)
Access: Average
Visibility: Average

Building Data
Year Built: 1960
Gross Building Area: 7,052 SF
Building Type: 1 story, Restaurant
Condition: Average
Parking: Adequate on-site parking.

Sales Data
Grantor: MACATAWA BANK
Grantee: EAST SAVIDGE REAL ESTATE LLC
Date of Sale: 10/15/2019
Sale Price: $380,000
Verified By: Ottawa County

Units of Comparable
Sale Price per Sq. ft. $53.89/SF of Gross Building Area

Comments/Remarks
The property is located along the south side of M-104/ E Savidge St. The property was formerly occupied as a restaurant.
Improved Sales Comparable #4

Location
Address: 304 W Savidge St
City/Township: Spring Lake
County: Ottawa County
State: Michigan
PP#: 70-03-15-361-002

Site Description
Land Size (Acres): .26 acres
Land Size (SF): 11,325 SF
Shape: Rectangular
Topography: Level
Zoning: Central Business District (CBD)
Access: Average
Visibility: Average

Building Data
Year Built: 1975
Gross Building Area: 4,272 SF
Building Type: 1 story, Offices
Condition: Average
Parking: Adequate on-site parking.

Sales Data
Grantor: ACC COMPANIES LLC
Grantee: SAVIDGE FINE LLC
Date of Sale: 01/31/2018
Sale Price: $400,000
Verified By: Ottawa County

Units of Comparable
Sale Price per Sq. ft. $93.64 /SF of Gross Building Area

Comments/Remarks
The property is located along the south side of M-104/ E Savidge St.
**Improved Sales Comparable #5**

**Location**

<table>
<thead>
<tr>
<th>Address:</th>
<th>411 W Savidge St</th>
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<td>City/Township:</td>
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<td>Michigan</td>
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<tr>
<td>PP#:</td>
<td>70-03-15-356-001</td>
</tr>
</tbody>
</table>

**Site Description**

| Land Size (Acres):   | .44 acres        |
| Land Size (SF):      | 19,166 SF        |
| Shape:               | Rectangular      |
| Topography:          | Level            |
| Zoning:              | Central Business District (CBD) |
| Access:              | Average          |
| Visibility:          | Average          |

**Building Data**

| Year Built:    | 1957 |
| Gross Building Area: | 2,350 SF |
| Building Type: | 1 story, gas station |
| Condition:     | Average |
| Parking:       | Adequate on-site parking. |

**Sales Data**

| Grantor:                | ERICKSON CARL JR -ET AL |
| Grantee:                | SAVIDGE SIX LLC         |
| Date of Sale:           | 01/15/2018              |
| Sale Price:             | $315,000                |
| Verified By:            | Ottawa County           |

**Units of Comparable**

| Sale Price per Sq. ft. | $134.00 /SF of Gross Building Area |

**Comments/Remarks**

The property is located along the north side of M-104/ E Savidge St.
Improved Sales Comparable #6

Location

Address: 15549 Cleveland St
City/Township: Spring Lake
County: Ottawa County
State: Michigan
PP#: 70-03-14-400-060

Site Description

Land Size (Acres): 1.82 acres
Land Size (SF): 79,279 SF
Shape: Rectangular
Topography: Level
Zoning: General Commercial (GC)
Access: Average
Visibility: Average

Building Data

Year Built: 1994
Gross Building Area: 4,790 SF
Building Type: 1 story, quick service restaurant
Condition: Average
Parking: Adequate on-site parking.

Sales Data

Grantor: ARC CAFEHLD 001 LLC
Grantee: GARRISON JOHN EDGAR
Date of Sale: March 12, 2019
Sale Price: $450,000
Verified By: Ottawa County

Units of Comparable

Sale Price per Sq. ft. $93.95 /SF of Gross Building Area

Comments/Remarks

The property is located along the north side of M-104/ Cleveland St.
Sales Comparison Map, Pg 65
APPRAISAL, VALUATION AND PROPERTY SERVICES
PROFESSIONAL LIABILITY INSURANCE POLICY

DECLARATIONS

Aspen American Insurance Company
(Related to below as the "Company")
38 Hudson Avenue, 7th Floor
New York, NY 10013
877.245.5310

Date Issued: 09/13/2020
Policy Number: AW01353-01
Previous Policy Number:

THIS IS A CLAIMS MADE AND REPORTED POLICY. COVERAGE IS LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND THEN REPORTED TO THE COMPANY IN WRITING NO LATER THAN SIXTY (60) DAYS AFTER EXTRICATION OR TERMINATION OF THIS POLICY, OR DURING THE EXTENDED REPORTING PERIOD, IF APPLICABLE, FOR A WRONGFUL ACT COMMITTED ON OR AFTER THE RETROACTIVE DATE AND BEFORE THE END OF THE POLICY PERIOD. PLEASE READ THIS POLICY CAREFULLY.

1. Customer ID: 179617
   Named Insured:
   AI APPRAISAL SERVICES
   Address:
   160 Sth
   Framingham, MA 01701

2. Policy Period: From: 09/13/2020 To: 09/13/2021
   12:01 A.M. Standard Time at the address stated in 1 above.

3. Deductible: $1000 Each Claim

4. Retroactive Date: 08/23/2020

5. Incurred Date: 08/23/2020

6. Limits of Liability:
   A. $100,000 Each Claim
   B. $1,000,000 Aggregate
   Subrogation Response: $1,000 Supplemental Payment Coverage
   Pre-Claim Assistance: $1,000 Supplemental Payment Coverage
   Disciplinary Proceeding: $250 Supplemental Payment Coverage
   Loss of Earnings: $500 per day Supplemental Payment Coverage

7. Covered Professional Services (as defined in the Policy and/or by Endorsement):
   Real Estate Appraisal and Valuation: Yes X No
   Residential Property: Yes X No
   Commercial Property: Yes X No
   Build Injury and Property Damage Claims: Yes X No
   Franchise Appraisal (on $100,000 Sub Limit): Yes X No
   Right of Way Appraisals: Yes X No
   Machinery and Equipment Valuation: Yes X No
   Personal Property Appraisal: Yes X No
   Real Estate Sale/Brokerage: Yes X No

Aspen American Insurance Company
LIAD05 (04/15)

Form 5251SL - "TOTAL" appraisal software by a/a mode, Inc. - 1-800-654-9300
**Appraisal, Valuation and Property**
**Services Professional Liability Insurance Policy**

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<thead>
<tr>
<th>Name</th>
<th>Coverage</th>
<th>Effective Date</th>
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</thead>
<tbody>
<tr>
<td>Angelo's Appraisal</td>
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</tr>
<tr>
<td>Effective Date 05/25/2020</td>
<td></td>
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<tr>
<td>Name</td>
<td>Coverage</td>
<td>Effective Date</td>
</tr>
<tr>
<td>Effective Date 05/25/2020</td>
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<td></td>
</tr>
</tbody>
</table>

All other terms, conditions, and exclusions of this Policy remain unchanged.
FROM:
A1 Appraisal Services
PO Box 5
Ferndale, MI 48409
Telephone Number: (616) 482-1459  Fax Number: 

TO:
Episcopias Villages
102 W Swedige St, Unit 2
Spring Lake, MI 49456

E-Mail
Telephone Number: 616-843-1393  Fax Number: 
Alternate Number: 

DESCRIPTION
Lender: N/A  
Client: Episcopias Villages, Atti: Katie
Purchase/Borrower: N/A  
Property Address: 1909 S. Haven St  
City: Spring Lake
County: Ottawa  
State: MI  
Zip: 49456-2005
Legal Description: See attached addenda.

FEES
1004 Full Commercial Appraisal  
2,000.00
Rush Inspection  
200.00

SUBTOTAL  
2,200.00

PAYMENTS

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<tr>
<th>Check #</th>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
</table>

Thank you for your business, we hope to serve you again.

SUBTOTAL  

Terms: Upon Receipt Cash or Check Please to the above PO Box 5, Ferndale, MI 49409  
TOTAL DUE  
$ 2,200.00

Form INVO52: "TOTAL" appraisal software by a la mode, inc. - 1-800-ALABOQE
Chris,

Land $41,771 true cash value
Building $429,466 true cash value

Add those together and divide by 2 to get the SEV.

5,377 is one level. 10,754 sq ft is the total for both floors

Happy to help. Those were easy ones :) !!

-----Original Message-----
From: Christine Burns <christine@springlakevillage.org>
Sent: Thursday, February 4, 2021 8:08 AM
To: Heather Singleton <HSingleton@springlaketwp.org>
Subject: RE: Values for 109 Jackson

OK....next two questions (sorry to be a pest).

Do you have two separate values (one for land & one for building) that equal the SEV & TV that I can steal for my report? I have an appraisal that I can send you. They don't have it broken down by land/building, but that's going to be super helpful to me because the Village (in this property swap) doesn't really care about a building that is about to be razed.

Also, can you tell me how many square feet the footprint is?

THANKS!

-----Original Message-----
From: Heather Singleton <HSingleton@springlaketwp.org>
Sent: Wednesday, February 3, 2021 2:46 PM
To: Christine Burns <christine@springlakevillage.org>
Subject: RE: Values for 109 Jackson

Chris,

These are the values for 2021, but I was thinking about making an adjustment due to vacancy. Should I leave it alone?

235,600 Assessed Value ($471,200 True Cash Value)
225,817 Taxable Value (last years value X 1.4 %)

Heather
-----Original Message-----
From: Christine Burns <christine@springlakevillage.org>
Sent: Wednesday, February 3, 2021 8:50 AM
To: Heather Singleton <HSingleton@springlaketwp.org>
Subject: RE: Values for 109 Jackson

No worries.  Thanks!

-----Original Message-----
From: Heather Singleton <HSingleton@springlaketwp.org>
Sent: Tuesday, February 2, 2021 12:18 PM
To: Christine Burns <christine@springlakevillage.org>
Subject: Values for 109 Jackson

Chris,

I am sorry, but it will not be until tomorrow.

Heather

Sent from my iPhone
Ms. Christine Burns  
Village Manager  
Village of Spring Lake  
102 W. Savidge Street  
Spring Lake, MI 49456

RE: Broker’s Opinion of Value

Dear Ms. Burns:

As you requested in our recent telephone call and as contemplated by our subsequent e-mail exchange, Capstone Real Estate, LLC has agreed to conduct a market analysis of and provide the Village of Spring Lake with a broker’s opinion of value (“BOV”) for two parcels of land located within the Village of Spring Lake, Michigan. The first subject of our BOV is the property commonly known as 109 S. Jackson Street (which property is presently owned by Arm Holding Co., LLC [“ARM”], and ARM’s parcel will be referred to hereinafter as the “ARM Parcel”). The second subject of our BOV has not been assigned a mailing address, but is the parcel at the northwest corner of the intersection of Jackson and Exchange Streets (which property is presently owned by the Village of Spring Lake [the “Village”], which parcel will be referred to hereinafter as the “Village Parcel”). The permanent parcel number for the ARM Parcel is 70-03-15-381-025; and the permanent parcel number for the Village Parcel is 70-03-15-381-020.

We understand the purpose of the BOV is to assist Village officials and staff in assessing the equity of a contemplated property trade, pursuant to which the Village would convey the Village Parcel to ARM and in exchange, ARM would convey the ARM Parcel to the Village. Your instructions to me were that, although there is presently a building on the ARM Parcel, any trade would require ARM to demolish and remove the building prior to a transaction, and that the ARM Parcel would be conveyed to the Village, if at all, cleared of all debris, filled and leveled.

Based on the information available to us, including information obtained from the County’s public records as well as information provided by you and by individuals associated with ARM, we have determined that both parcels have frontage on one or more public roads, have access to all typical utilities, and are subject to the same zoning (both located within the Village’s Central Business District. The ARM Parcel consists of 3,106 square feet of land area, and the Village Parcel consists of 10,560 square feet of land area.

I visited the neighborhood and viewed both parcels as well as the immediate vicinity. I have also conducted market research, which included the review and analysis of recent comparable sold property reports (specifically including the transaction by which ARM acquired the ARM Parcel.
less than 12 months ago), as well as my knowledge of comparable but un-reported and/or pending sales of similar properties.

Based on all of the foregoing, it is my opinion that the present fair market value of the ARM Parcel is $110,000.00. This valuation equates to $35.42 per square foot of land area. Because of the very close proximity of the parcels being evaluated and the fact that for practical purposes, they are identical or nearly so in all other material respects, our valuation methodology for the ARM Parcel must also apply to the Village Parcel. It is therefore our opinion that the present fair market value of the Village Parcel is $374,000.00.

Please note that the above-stated value of the Village Parcel has not been adjusted to reflect what we believe is a minor premium for its corner location (as opposed to the interior-block location of the ARM Parcel), nor a minor discount for its larger size (all else being equal, larger parcels typically carry slightly lower values on a per-square-foot basis than smaller parcels), because we believe those adjustments are offsetting. Also, and while the cost of demolishing and removing the building from and clearing and leveling the ARM Parcel will apparently be a precondition of the contemplated exchange, we have not accounted for (or allocated) that expense, as we are not qualified to accurately assess the likely cost of that work.

Our conclusions set forth in this letter are subject to the following conditions: While I did visit the area and viewed both parcels, that visit was to confirm the general appearance and apparent quality of the immediate and neighborhood market. Our estimate of value is based on the assumption that there are no environmental issues and that title to both parcels is clear and readily marketable. Our estimate of value is based only upon our research and analysis of comparable sales and our review of the information submitted to us by the Village and by ARM, our visits to and familiarity with the immediate area, and the assumption that reasonable marketing time and efforts would be allowed in the event of an actual sale of either parcel.

Neither Capstone Real Estate, LLC nor any of its principals, agents or contractors (collectively, "Capstone") are licensed as appraisers, nor shall this report be treated as an appraisal. This is a market analysis, not an appraisal, and was prepared by a Real Estate Broker or Associate Broker, not a licensed appraiser.

Capstone shall not, by reason of the submission of this report, be required to give further consultation or testimony or to appear for deposition or in Court with reference to this report, the underlying assignment, or any of the property in question unless subsequent arrangements for same have been made. This report is submitted to and shall belong to the Village and the Village only. Please contact me if you have any questions regarding the content of this report.

Very truly yours,

CAPSTONE REAL ESTATE, LLC

[Signature]

David L. Ten Cate, JD, CCIM
### Village of Spring Lake
### Jackson Street Property Swap

<table>
<thead>
<tr>
<th>Village Parcel</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land Area in Square Feet</strong></td>
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<tr>
<td><strong>Broker's Opinion of Value (BOV) for the land</strong></td>
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<tbody>
<tr>
<td><strong>2021 State Equalized Value (SEV)</strong></td>
<td>0</td>
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<tr>
<td><strong>Assessor's Determination of True Cash Value - Twice SEV</strong></td>
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<tr>
<td><strong>2021 Taxable Value</strong></td>
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<tr>
<td><strong>DDA Base Value</strong></td>
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<tr>
<td><strong>2021 DDA Taxable Value Capture</strong></td>
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<tr>
<td><strong>Estimated 2021 Village Debt Service Taxes</strong></td>
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<tr>
<td><strong>Estimated 2021 DDA Capture</strong></td>
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<tr>
<td><strong>2021 Taxes</strong></td>
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<tr>
<td>**2022 State Equalized Value (SEV) * **</td>
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<tr>
<td>**2022 State Equalized Value (SEV) **</td>
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<tr>
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<td><strong>2022 Taxable Value</strong></td>
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<td><strong>2021 DDA Taxable Value Capture</strong></td>
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<tr>
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<tr>
<td><strong>2021 Taxes</strong></td>
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* Assumes tear down and $800,000 New Building
** Assumes construction of $1,000,000 Building on larger site
**Current**

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<th>109 S. Jackson</th>
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<tr>
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<tr>
<td>3,106</td>
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<tr>
<td>$110,000</td>
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<td>4,134</td>
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<td><strong>$4,477</strong></td>
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**Proposed Land Swap**

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<td>--------------------------------</td>
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<tr>
<td></td>
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<tr>
<td>Square Feet of Land</td>
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<tr>
<td>Cost/Square Foot</td>
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<td>Property Value</td>
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<tr>
<td>Demolition of Building</td>
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<tr>
<td>Electrical Costs</td>
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<tr>
<td>Excavation of New Site</td>
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<td>Water Extension</td>
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<td>Sewer Extension</td>
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<tr>
<td>Public Sidewalk Removal</td>
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<td>Asphalt</td>
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<tr>
<td>Gravel Base</td>
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<td></td>
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<tr>
<td></td>
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<tr>
<td>Difference</td>
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*value indicated is for both land & building
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<tr>
<th>Assessor</th>
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<tbody>
<tr>
<td>Vacant</td>
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<tr>
<td>10,560</td>
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<td><strong>13.45</strong></td>
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<td>142,032</td>
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<td>40,000</td>
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<td>1,000</td>
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<tr>
<td>2,100</td>
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<td>2,000</td>
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**$20,667**
WORK SESSION AGENDA REPORT

TO: Village President Mark Powers & Village Council Members

FROM: Marv Hinga, Village Treasurer

DATE: February 8, 2021

RE: Comcast Franchise Agreement

**Background:** The Village has been approached by Comcast to set up a franchise agreement to operate in the Village of Spring Lake.

**Issues & Questions Specified:**

**Alternatives:** None. State law does not give the Village the authority to keep out telecommunication providers. The proposed agreement is comparable to previously approved agreements.

**Financial Impact:** No negative impact. Once Comcast starts operations in the Village, the Village would receive a franchise fee equal to 5% of Comcast revenues generated in the Village.

**Recommendation:** Approve the agreement.

**Attachments:** Comcast Cover Letter, Proposed Franchise Agreement
Marv:

I have had a chance to review the documents. Based on my experience I do not believe that the Village has much of an ability to alter the terms of the franchise. Accordingly I would note the following:

1. On page 4, the blank in Subsection A(ii) needs to be completed. 5% has typically been used.
2. On page 6, under Section VII(A) the blanks need to be completed in Subsections 1, 2 and 3. I do not have any record of prior agreements entered into with the Village. My experience has been that “zero” is inserted in each of the Subsections. If you have record of other agreements that have a different provision I would be happy to take a look at them.
3. On page 8 the contact information for the Village needs to be completed.
4. On page 9, the information for the Village needs to be completed, and the date the franchise agreement was submitted, completed and approved will ultimately need to be supplied.
5. On Attachment 1, the description of the service area needs to be revised to replace the word “City” with the “Village.”

Once these issues have been addressed we would have no objection to the document being submitted to the Council for their consideration. I believe the timelines set forth in the attached emails are correct. Should there be any question concerning what those dates are please let me know. Similarly, should you have any additional questions please do not hesitate to advise.

Thanks. Bob

Robert E. Sullivan
SCHOLTEN FANT
100 North Third Street
PO Box 454
Grand Haven, Michigan 49417
(616) 842-3030

From: Marv Hinga <marv@springlakevillage.org>
Sent: Friday, January 22, 2021 1:24 PM
To: Sullivan, Bob <bsullivan@scholtenfant.com>
Cc: Christine Burns <christine@springlakevillage.org>
Subject: FW: Comcast expanding service
Good Afternoon Bob,

Attached is the cover letter and franchise agreement from Comcast. Would you review and let me know if there are any issues with the proposed agreement?

Thank you for your help.

Have a good weekend.

Marv Hinga
616-607-1174

From: Snyder, Jeffrey <Jeffrey_Snyder@comcast.com>
Sent: Thursday, January 21, 2021 2:47 PM
To: Marv Hinga <marv@springlakevillage.org>
Cc: Christine Burns <christine@springlakevillage.org>
Subject: RE: Comcast expanding service

Thank you for the information.

We are sending the franchise documents today and they should be delivered tomorrow. I want to point out that there are two timelines in the state law governing these franchises that both start on the date you receive the documents. The first one is a 15 business day timeline to review the documents for their completeness. If you think we did not fill out our portions accurately, or if we left something blank we were responsible for, you have 15 business days to notify Comcast. You can do that by emailing or calling me. The second timeline is a 30 day timeline for the village to act on the documents. If no action is taken within 30 days the statute says the agreement is “deemed approved.” We would much rather respond to any questions or concerns you have and have the agreement approved.

If you have any questions or concerns about the agreement please let me know. We include two copies of the agreement, one for you to keep, and one to be sent back to Comcast, as well as a self-addressed pre-stamped envelope for you to send our copy back to us.

Our construction team is anxious to get started submitting permits for construction in the road right of way. Would it be possible for the village to accept our applications and to start the review process before the franchise is finalized? We completely understand that final approval of the permits cannot happen until the agreement is in place, but if the review work could start while the agreement is in process we would greatly appreciate it. Please let me know if this is possible or if you have another suggestion.

Thank you,

Jeff Snyder
Manager – External Affairs
Comcast | Heartland Region
3500 Patterson Ave | Grand Rapids, MI 49512
Office: (734)359-1961 | Cell: (616)560-1922
Jeffrey_snyder@comcast.com
Good Morning Mr. Snyder,

The answers to your questions are highlighted below.

Marv Hinga

Thank you. After reviewing the documents I have a couple questions.

1. The Charter franchise leaves the Franchise Fee and PEG fee lines blank while the AT&T agreement lists 5% and 0% in those lines. Does the Village collect the 5% and 0% amounts from both Charter and AT&T? Yes
2. Does the Village originate any PEG channels carried by AT&T and Charter? No

Thank you, I appreciate your help.

Jeff Snyder
Manager – External Affairs
Comcast | Heartland Region
3500 Patterson Ave | Grand Rapids, MI 49512
Office: (734)359-1961 | Cell: (616)560-1922
Jeffrey_snyder@comcast.com

Good Evening Mr. Snyder,

Attached are the requested documents.

Marv Hinga
Village of Spring Lake
616-842-1393
Manager Burns and Clerk Hinga,

Please see my below message and respond. Comcast intends to move forward soon with submitting a franchise agreement to the Village.

Thank you,

Jeff Snyder
Manager – External Affairs
Comcast | Heartland Region
3500 Patterson Ave | Grand Rapids, MI 49512
Office: (734)359-1961 | Cell: (616)560-1922
Jeffrey_snyder@comcast.com

From: Snyder, Jeffrey
Sent: Wednesday, December 16, 2020 11:13 AM
To: marv@springlakevillage.org
Cc: christine@springlakevillage.org
Subject: RE: Comcast expanding service

Clerk Hinga,

Please see my below request to Manager Burns. Comcast would like to get this moving so we can submit the franchise agreement to the Village in time to have the agreement approved in January. State law requires us to match provisions of the existing provider’s franchise agreement so getting a copy of the existing franchises is important to make sure we submit the agreement with the proper provisions. Your help is appreciated.

Thanks,

Jeff Snyder
Manager – External Affairs
Comcast | Heartland Region
3500 Patterson Ave | Grand Rapids, MI 49512
Office: (734)359-1961 | Cell: (616)560-1922
Jeffrey_snyder@comcast.com

From: Snyder, Jeffrey
Sent: Friday, December 11, 2020 12:08 PM
To: christine@springlakevillage.org
Subject: Comcast expanding service

Manager Burns,

Comcast intends to expand service into a portion of the Village of Spring Lake. This is part of a larger expansion that includes portions of Grand Haven as well. This project is focused on serving business customers at his time. We cannot make any promises about future expansions, but it is possible Comcast could decide to expand into more of the village at a future time.
I am preparing documents to file for a franchise agreement with the Village and I have a couple questions. Does the Village have existing franchise agreements with other cable video providers? State law requires us to match certain provisions from existing providers. Could you please send me copies of those agreements? Does the Village originate any Public, Government, or Education channels that Comcast would need to carry?

I greatly appreciate your help on this. Please let me know if you have any questions. I would be happy to set up a virtual meeting to discuss this if you would like to.

Thank you,

Jeff Snyder
Manager – External Affairs
Comcast | Heartland Region
3500 Patterson Ave | Grand Rapids, MI 49512
Office: (734)359-1961 | Cell: (616)560-1922
Jeffrey_snyder@comcast.com
January 21, 2021

Mr. Marv Higa, Clerk
Village of Spring Lake
102 W Savidge Street
Spring Lake, MI 49456

Re: Michigan Uniform Video Service Local Franchise Agreement

Dear Mr. Higa:

In accordance with the instructions set forth by the Michigan Public Service Commission in its provision of the Uniform Video Service Local Franchise Agreement, enclosed please find two completed Uniform Video Service Local Franchise Agreements along with the necessary Attachment 1’s thereto filed on behalf of Comcast of Muskegon. Kindly return one executed copy of the Agreement to me in the self-addressed stamped envelope.

You will find several stickers attached to the document indicating where the Franchising Entity is required to supply information. Please note that on page 9 of the UVSLSA in the box entitled, “Franchise Agreement (Franchising Entity to Complete), the “Date submitted” is the date the Franchising Entity receives the Agreement from Comcast and the “Date completed and approved” is when the Franchising Entity signs the Agreement.

If you have any questions, please contact me directly at 616-560-1922 or Leslie Brogan, Senior Director, Government Affairs, at 517-230-6952.

Sincerely,

[Signature]

Jeffrey Snyder
Manager, External Affairs
Comcast, Heartland Region
3500 Patterson Rd. SE
Grand Rapids, MI 49512

Enclosure
INSTRUCTIONS FOR
UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT

Pursuant to 2006 Public Act 480, MCL 484.3301 et seq, any Video Service Provider seeking to provide video service in one or more service areas in the state of Michigan after January 30, 2007, shall file an application for a Uniform Video Service Local Franchise Agreement with the Local Unit of Government ("Franchising Entity") that the Provider wishes to service. Pursuant to Section 2(2) of 2006 PA 480, "Except as otherwise provided by this Act, a person shall not provide video services in any local unit of government without first obtaining a uniform video service local franchise as provided under Section 3." Procedures applicable to incumbent video service providers are set forth below.

As of the effective date (January 1, 2007) of the Act, no existing franchise agreement with a Franchising Entity shall be renewed or extended upon the expiration date of the agreement. The incumbent video Provider, at its option, may continue to provide video services to the Franchising Entity by electing to do one of the following:

1. Terminate the existing franchise agreement before the expiration date of the agreement and enter into a new franchise under a uniform video service local franchise agreement.

2. Continue under the existing franchise agreement amended to include only those provisions required under a uniform video service local franchise.

3. Continue to operate under the terms of an expired franchise until a uniform video service local franchise agreement takes effect. An incumbent video Provider with an expired franchise on the effective date has 120 days after the effective date of the Act to file for a uniform video service local franchise agreement.

On the effective date (January 1, 2007) of the Act, any provisions of an existing Franchise that are inconsistent with or in addition to the provisions of a uniform video service local Franchise Agreement are unreasonable and unenforceable by the Franchising Entity.

If, at a subsequent date, the Provider would like to provide video service to an additional Local Unit of Government, the Provider must file an additional application with that Local Unit of Government.

The forms shall meet the following requirements:

- The Provider must complete both the "Uniform Video Service Local Franchise Agreement" and "Attachment 1 - Uniform Video Service Local Franchise Agreement" forms if they are seeking a new/renewed Franchise Agreement, and send the forms by mail (certified, registered, first-class, return receipt requested, or by a nationally recognized overnight delivery service) to the appropriate Franchising Entity. Until otherwise officially notified by the Franchising Entity, the forms shall be sent to the Clerk or any official with the responsibilities or functions of the Clerk in the Franchising Entity. "Attachment 2 - Uniform Video Service Local Franchise Agreement" is not required to be filed at this time unless it is being used regarding amendments, terminations, or transfers pertaining to an existing Uniform Video Service Local Franchise Agreement. (Refer to Sections X to XII of the Agreement, as well as Section 3(4-6) of the Act.)

- Pursuant to Section 11 of the Act: Except under the terms of a mandatory protective order, trade secrets and commercial or financial information designated as such and submitted under the Act to the Franchising Entity or Commission are exempt from the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246 and MUST BE KEPT CONFIDENTIAL.

1. The Provider may specify which items of information should be deemed "confidential." It is the responsibility of the provider to clearly identify and segregate any confidential information submitted to the franchising entity with the following information:

   "[Insert PROVIDER'S NAME] [CONFIDENTIAL INFORMATION]"

2. The Franchising Entity receiving the information so designated as confidential is required (a) to protect such information from public disclosure, (b) exempt such information from any response to a
FOIA request, and (c) make the information available only to and for use only by such local officials as are necessary to approve the franchise agreement or perform any other task for which the information is submitted.

3. Any Franchising Entity which disputes whether certain information submitted to it by a provider is entitled to confidential treatment under the Act may apply to the Commission for resolution of such a dispute. Unless and until the Commission determines that part or all of the information is not entitled to confidential treatment under the Act, the Franchising Entity shall keep the information confidential.

- Responses to all questions must be provided and must be amended appropriately when changes occur.
- All responses must be printed out, typed, signed/dated (where appropriate), and mailed (certified, registered, first class, return receipt requested, or by a national recognized overnight delivery service) to the appropriate party.
- The Agreement and Attachments are templates. Tab through the documents and fill in as appropriate, use the appropriate “dropdown box” (City/Village/Township) when indicated.
- For sections that need explanation, if the Provider runs out of space, the Provider should then submit the application with typed attachments that are clearly identified.
- The Franchising Entity shall notify the Provider as to whether the submitted Franchise Agreement is complete as required by this Act within 15 business days after the date that the Franchise Agreement is filed. If the Franchise Agreement is not complete, the Franchising Entity shall state in its notice the reasons the franchise agreement is incomplete. The Franchising Entity cannot declare an application to be incomplete because it may dispute whether or not the applicant has properly classified certain material as “confidential.”
- A Franchising Entity shall have 30 days after the submission date of a complete Franchise Agreement to approve the agreement. If the Franchising Entity does not notify the Provider regarding the completeness of the Franchise Agreement or approve the Franchise Agreement within the time periods required under this subsection, the franchise agreement shall be considered complete and the Franchise Agreement approved. The Provider shall notify both the Franchising Entity and the Michigan Public Service Commission of such an approved and completed Agreement by completing Attachment 3 - Uniform Video Service Local Franchise Agreement.
- For changes to an existing Uniform Video Service Local Franchise Agreement (amendments, transfers, or terminations), the Provider must complete the “Attachment 2 - Uniform Video Service Local Franchising Entity” form, and send the form to the appropriate Franchising Entity.
- For information that is to be submitted to the Michigan Public Service Commission, please use the following address:

Michigan Public Service Commission
Attn: Video Franchising
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

Fax: (517) 284-8200

Questions should be directed to the Telecommunications Division, Michigan Public Service Commission at (517) 284-8190.
UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT

THIS UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT ("Agreement") is made, pursuant to 2006 PA 480, MCL 484.3301 et seq, (the "Act") by and between the Village of Spring Lake, a Michigan municipal corporation (the "Franchising Entity"), and Comcast of Muskegon, a Michigan General Partnership doing business as Comcast.

I. Definitions
For purposes of this Agreement, the following terms shall have the following meanings as defined in the Act:

A. "Cable Operator" means that term as defined in 47 USC 522(5).
B. "Cable Service" means that term as defined in 47 USC 522(6).
C. "Cable System" means that term as defined in 47 USC 522(7).
E. "Franchising Entity" means the local unit of government in which a provider offers video services through a franchise.
F. "FCC" means the Federal Communications Commission.
G. "Gross Revenue" means that term as described in Section 6(4) of the Act and in Section VI(D) of the Agreement.
H. "Household" means a house, an apartment, a mobile home, or any other structure or part of a structure intended for residential occupancy as separate living quarters.
I. "Incumbent video provider" means a cable operator serving cable subscribers or a telecommunication provider providing video services through the provider's existing telephone exchange boundaries in a particular franchise area within a local unit of government on the effective date of this act.
J. "IPTV" means internet protocol television.
K. "Local unit of government" means a city, village, or township.
L. "Low-income household" means a household with an average annual household income of less than $35,000.00 as determined by the most recent decennial census.
M. "METRO Act" means the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act, 2002 PA 48, MCL 484.3101 et seq.
N. "Open video system" or "OVS" means that term as defined in 47 USC 573.
O. "Person" means an individual, corporation, association, partnership, governmental entity, or any other legal entity.
P. "Public rights-of-way" means the area on, below, or above a public roadway, highway, street, public sidewalk, alley, waterway, or utility easements dedicated for compatible uses.
Q. "Term" means the period of time provided for in Section V of this Agreement.
R. "Uniform video service local franchise agreement" or "franchise agreement" means the franchise agreement required under the Act to be the operating agreement between each franchising entity and video provider in this state.
S. "Video programming" means that term as defined in 47 USC 522(20).
T. "Video service" means video programming, cable services, IPTV, or OVS provided through facilities located at least in part in the public rights-of-way without regard to delivery technology, including internet protocol technology. This definition does not include any video programming provided by a commercial mobile service provider defined in 47 USC 332(d) or provided solely as part of, and via, a service that enables users to access content, information, electronic mail, or other services offered over the public internet.
U. "Video service provider" or "Provider" means a person authorized under the Act to provide video service.
V. "Video service provider fee" means the amount paid by a video service provider or incumbent video provider under Section 6 of the Act and Section VI of this Agreement.
II. Requirements of the Provider

A. An unfranchised Provider will not provide video services in any local unit of government without first obtaining a uniform video service local franchise agreement as provided under Section 3 of the Act (except as otherwise provided by the Act).

B. The Provider shall file in a timely manner with the Federal Communications Commission all forms required by that agency in advance of offering video service in Michigan.

C. The Provider agrees to comply with all valid and enforceable federal and state statutes and regulations.

D. The Provider agrees to comply with all valid and enforceable local regulations regarding the use and occupation of public rights-of-way in the delivery of the video service, including the police powers of the Franchising Entity.

E. The Provider shall comply with all Federal Communications Commission requirements involving the distribution and notification of federal, state, and local emergency messages over the emergency alert system applicable to cable operators.

F. The Provider shall comply with the public, education, and government programming requirements of Section 4 of the Act.

G. The Provider shall comply with all customer service rules of the Federal Communications Commission under 47 CFR 76.309 (c) applicable to cable operators and applicable provisions of the Michigan Consumer Protection Act, 1976 PA 331, MCL 445.901 to 445.922.
   i. Including but not limited to: MCL 445.902; MCL 445.903 (1)(a) through 445.903(1)(cc); MCL 445.903(1)(ff) through (jj); MCL 445.903(2); MCL 445.905; MCL 445.906; MCL 445.907; MCL 445.908; MCL 445.911; MCL 445.911; MCL 445.914; MCL 445.915; MCL 445.916; MCL 445.918.

H. The Provider agrees to comply with in-home wiring and consumer premises wiring rules of the Federal Communications Commission applicable to cable operators.

I. The Provider shall comply with the Consumer Privacy Requirements of 47 USC 551 applicable to cable operators.

J. If the Provider is an incumbent video provider, it shall comply with the terms which provide insurance for right-of-way related activities that are contained in its last cable franchise or consent agreement from the Franchising Entity entered before the effective date of the Act.

K. The Provider agrees that before offering video services within the boundaries of a local unit of government, the video Provider shall enter into a Franchise Agreement with the local unit of government as required by the Act.

L. The Provider understands that as the effective date of the Act, no existing Franchise Agreement with a Franchising Entity shall be renewed or extended upon the expiration date of the Agreement.

M. The Provider provides an exact description of the video service area footprint to be served, pursuant to Section 2(3)(e) of the Act. If the Provider is not an incumbent video Provider, the date on which the Provider expects to provide video services in the area identified under Section 2(3)(e) of the Act must be noted. The Provider will provide this information in Attachment 1 - Uniform Video Service Local Franchise Agreement.

N. The Provider is required to pay the Provider fees pursuant to Section 6 of the Act.

III. Provider Providing Access

A. The Provider shall not deny access to service to any group of potential residential subscribers because of the race or income of the residents in the local area in which the group resides.

B. It is a defense to an alleged violation of Paragraph A if the Provider has met either of the following conditions:
   i. Within 3 years of the date it began providing video service under the Act and the Agreement; at least 25% of households with access to the Provider's video service are low-income households.
   ii. Within 5 years of the date it began providing video service under the Act and Agreement and from that point forward, at least 30% of the households with access to the Provider's video service are low-income households.

C. [If the Provider is using telecommunication facilities] to provide video services and has more than 1,000,000 telecommunication access lines in Michigan, the Provider shall provide access to its video service to a number of households equal to at least 25% of the households in the provider's telecommunication
service area in Michigan within 3 years of the date it began providing video service under the Act and Agreement and to a number not less than 50% of these households within 5 years. The video service Provider is not required to meet the 50% requirement in this paragraph until 2 years after at least 30% of the households with access to the Provider's video service subscribe to the service for 6 consecutive months.

D. The Provider may apply to the Franchising Entity, and in the case of paragraph C, the Commission, for a waiver of or for an extension of time to meet the requirements of this section if 1 or more of the following apply:
   i. The inability to obtain access to public and private rights-of-way under reasonable terms and conditions.
   ii. Developments or buildings not being subject to competition because of existing exclusive service arrangements.
   iii. Developments or buildings being inaccessible using reasonable technical solutions under commercial reasonable terms and conditions.
   iv. Natural disasters
   v. Factors beyond the control of the Provider

E. The Franchising Entity or Commission may grant the waiver or extension only if the Provider has made substantial and continuous effort to meet the requirements of this section. If an extension is granted, the Franchising Entity or Commission shall establish a new compliance deadline. If a waiver is granted, the Franchising Entity or Commission shall specify the requirement or requirements waived.

F. The Provider shall file an annual report with the Franchising Entity and the Commission regarding the progress that has been made toward compliance with paragraphs B and C.

G. Except for satellite service, the provider may satisfy the requirements of this paragraph and Section 9 of the Act through the use of alternative technology that offers service, functionality, and content, which is demonstrably similar to that provided through the provider's video service system and may include a technology that does not require the use of any public right-of-way. The technology utilized to comply with the requirements of this section shall include local public, education, and government channels and messages over the emergency alert system as required under Paragraph II(E) of this Agreement.

IV. Responsibility of the Franchising Entity

A. The Franchising Entity hereby grants authority to the Provider to provide Video Service in the Video Service area footprint, as described in this Agreement and Attachments, as well as the Act.

B. The Franchising Entity hereby grants authority to the Provider to use and occupy the Public Rights-of-way in the delivery of Video Service, subject to the laws of the state of Michigan and the police powers of the Franchising Entity.

C. The Franchising Entity shall notify the Provider as to whether the submitted Franchise Agreement is complete as required by the Act within 15 business days after the date that the Franchise Agreement is filed. If the Franchise Agreement is not complete, the Franchising Entity shall state in its notice the reasons the Franchise Agreement is incomplete. The Franchising Entity cannot declare an application to be incomplete because it may dispute whether or not the applicant has properly classified certain material as "confidential."

D. The Franchising Entity shall have 30 days after the submission date of a complete Franchise Agreement to approve the agreement. If the Franchising Entity does not notify the Provider regarding the completeness of the Franchise Agreement or approve the Franchise Agreement within the time periods required under Section 3(3) of the Act, the Franchise Agreement shall be considered complete and the Franchise Agreement approved.
   i. If time has expired for the Franchising Entity to notify the Provider, The Provider shall send (via mail: certified or registered, or by fax) notice to the Franchising Entity and the Commission, using Attachment 3 of this Agreement.

E. The Franchising Entity shall allow a Provider to install, construct, and maintain a video service or communications network within a public right-of-way and shall provide the provider with open, comparable, nondiscriminatory, and competitively neutral access to the public right-of-way.

F. The Franchising Entity may not discriminate against a video service provider to provide video service for any of the following:
   i. The authorization or placement of a video service or communications network in public right-of-way.
   ii. Access to a building owned by a governmental entity.
   iii. A municipal utility pole attachment.

G. The Franchising Entity may impose on a Provider a permit fee only to the extent it imposes such a fee on incumbent video providers, and any fee shall not exceed the actual, direct costs incurred by the Franchising Entity for issuing the relevant permit. A fee under this section shall not be levied if the Provider already has paid a permit fee of any kind in connection with the same activity that would otherwise be covered by the
permit fee under this section or is otherwise authorized by law or contract to place the facilities used by the Provider in the public right-of-way or for general revenue purposes.

H. The Franchising Entity shall not require the provider to obtain any other franchise, assess any other fee or charge, or impose any other franchise requirement than is allowed under the Act and this Agreement. For purposes of this Agreement, a franchise requirement includes but is not limited to, a provision regulating rates charged by video service providers, requiring the video service providers to satisfy any build-out requirements, or a requirement for the deployment of any facilities or equipment.

I. Notwithstanding any other provision of the Act, the Provider shall not be required to comply with, and the Franchising Entity may not impose or enforce, any mandatory build-out or deployment provisions, schedules, or requirements except as required by Section 9 of the Act.

J. The Franchising Entity is subject to the penalties provided for under Section 14 of the Act.

V. Term

A. This Franchise Agreement shall be for a period of 10 years from the date it is issued. The date it is issued shall be calculated either by (a) the date the Franchising Entity approved the Agreement, provided it did so within 30 days after the submission of a complete franchise agreement, or (b) the date the Agreement is deemed approved pursuant to Section 3(3) of the Act. If the Franchising Entity either fails to notify the Provider regarding the completeness of the Agreement or approve the Agreement within the time periods required under that subsection.

B. Before the expiration of the initial Franchise Agreement or any subsequent renewals, the Provider may apply for an additional 10-year renewal under Section 3(7) of the Act.

VI. Fees

A. A video service Provider shall calculate and pay an annual video service provider fee to the Franchising Entity. The fee shall be 1 of the following:
   i. If there is an existing Franchise Agreement, an amount equal to the percentage of gross revenue paid to the Franchising Entity by the incumbent video Provider with the largest number of subscribers in the Franchising Entity.
   ii. At the expiration of an existing Franchise Agreement or if there is no existing Franchise Agreement, an amount equal to the percentage of gross revenue as established by the Franchising Entity of \( \frac{5}{0} \) % (percentage amount to be inserted by Franchising Entity which shall not exceed 5%) and shall be applicable to all providers

B. The fee shall be due on a quarterly basis and paid within 45 days after the close of the quarter. Each payment shall include a statement explaining the basis for the calculation of the fee.

C. The Franchising Entity shall not demand any additional fees or charges from a provider and shall not demand the use of any other calculation method other than allowed under the Act.

D. For purposes of this Section, "gross revenues" means all consideration of any kind or nature, including, without limitation, cash, credits, property, and in-kind contributions received by the provider from subscribers for the provision of video service by the video service provider within the jurisdiction of the franchising entity.

1. Gross revenues shall include all of the following:
   i. All charges and fees paid by subscribers for the provision of video service, including equipment rental, late fees, insufficient funds fees, fees attributable to video service when sold individually or as part of a package or bundle, or functionally integrated, with services other than video service.
   ii. Any franchise fee imposed on the Provider that is passed on to subscribers.
   iii. Compensation received by the Provider for promotion or exhibition of any products or services over the video service.
   iv. Revenue received by the Provider as compensation for carriage of video programming on that Provider's video service.
   v. All revenue derived from compensation arrangements for advertising to the local franchise area.
   vi. Any advertising commissions paid to an affiliated third party for video service advertising.

2. Gross revenues do not include any of the following:
   i. Any revenue not actually received, even if billed, such as bad debt net of any recoveries of bad debt.
   ii. Refunds, rebates, credits, or discounts to subscribers or a municipality to the extent not already offset by subdivision (D)(i) and to the extent the refund, rebate, credit, or discount is attributable to the video service.
   iii. Any revenues received by the Provider or its affiliates from the provision of services or capabilities other than video service, including telecommunications services, information services, and services,
capabilities, and applications that may be sold as part of a package or bundle, or functionality integrated, with video service.

iv. Any revenues received by the Provider or its affiliates for the provision of directory or internet advertising, including yellow pages, white pages, banner advertisement, and electronic publishing.

v. Any amounts attributable to the provision of video service to customers at no charge, including the provision of such service to public institutions without charge.

vi. Any tax, fee, or assessment of general applicability imposed on the customer or the transaction by a federal, state, or local government or any other governmental entity, collected by the Provider, and required to be remitted to the taxing entity, including sales and use taxes.

vii. Any forgone revenue from the provision of video service at no charge to any person, except that any forgone revenue exchanged for trades, barter, services, or other items of value shall be included in gross revenue.

viii. Sales of capital assets or surplus equipment.

ix. Reimbursement by programmers of marketing costs actually incurred by the Provider for the introduction of new programming.

x. The sale of video service for resale to the extent the purchaser certifies in writing that it will resell the service and pay a franchise fee with respect to the service.

E. In the case of a video service that is bundled or integrated functionally with other services, capabilities, or applications, the portion of the video Provider’s revenue attributable to the other services, capabilities, or applications shall be included in gross revenue unless the Provider can reasonably identify the division or exclusion of the revenue from its books and records that are kept in the regular course of business.

F. Revenue of an affiliate shall be included in the calculation of gross revenues to the extent the treatment of the revenue as revenue of the affiliate has the effect of evading the payment of franchise fees which would otherwise be paid for video service.

G. The Provider is entitled to a credit applied toward the fees due under Section 6(1) of the Act for all funds allocated to the Franchising Entity from annual maintenance fees paid by the provider for use of public rights-of-way, minus any property tax credit allowed under Section 8 of the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act (METRO Act), 2002 PA 48, MCL 484.3109. The credits shall be applied on a monthly pro rata basis beginning in the first month of each calendar year in which the Franchising Entity receives its allocation of funds. The credit allowed under this subsection shall be calculated by multiplying the number of linear feet occupied by the Provider in the public rights-of-way of the Franchising Entity by the lesser of 5 cents or the amount assessed under the METRO Act. The Provider is not eligible for a credit under this section unless the provider has taken all property tax credits allowed under the METRO Act.

H. All determinations and computations made under this section shall be pursuant to generally accepted accounting principles.

I. Any claims by a Franchising Entity that fees have not been paid as required under Section 6 of the Act, and any claims for refunds or other corrections to the remittance of the Provider shall be made within 3 years from the date the compensation is remitted.

J. The Provider may identify and collect as a separate line item on the regular monthly bill of each subscriber an amount equal to the percentage established under Section 6(1) of the Act, applied against the amount of the subscriber’s monthly bill.

K. The Franchising Entity shall not demand any additional fees or charges from a Provider and shall not demand the use of any other calculation method other than allowed under the Act.

VII. Public, Education, and Government (PEG) Channels

A. The video service Provider shall designate a sufficient amount of capacity on its network to provide for the same number of public, education, and government access channels that are in actual use on the incumbent video provider system on the effective date of the Act or as provided under Section 4(14) of the Act.

B. Any public, education, or government channel provided under this section that is not utilized by the Franchising Entity for at least 8 hours per day for 3 consecutive months may no longer be made available to the Franchising Entity and may be programmed at the Provider’s discretion. At such a time as the Franchising Entity can certify a schedule for at least 8 hours of daily programming for a period of 3 consecutive months, the Provider shall restore the previously reallocated channel.

C. The Franchising Entity shall ensure that all transmissions, content, or programming to be retransmitted by a video service Provider is provided in a manner or form that is capable of being accepted and retransmitted by a Provider, without requirement for additional alteration or change in the content by the Provider, over the particular network of the Provider, which is compatible with the technology or protocol utilized by the Provider to deliver services.
D. The person producing the broadcast is solely responsible for all content provided over designated public, education, or government channels. The video service Provider shall not exercise any editorial control over any programming on any channel designed for public, education, or government use.

E. The video service Provider is not subject to any civil or criminal liability for any program carried on any channel designated for public, education, or government use.

F. If a Franchising Entity seeks to utilize capacity pursuant to Section 4(1) of the Act or an agreement under Section 13 of the Act to provide access to video programming over one or more PEG channels, the Franchising Entity shall give the Provider a written request specifying the number of channels in actual use on the incumbent video provider's system or specified in the agreement entered into under Section 13 of the Act. The video service Provider shall have 90 days to begin providing access as requested by the Franchising Entity. The number and designation of PEG access channels shall be set forth in an addendum to this agreement effective 90 days after the request is submitted by the Franchising Entity.

G. A PEG channel shall only be used for noncommercial purposes.

VIII. PEG Fees

A. The video service Provider shall also pay to the Franchising Entity as support for the cost of PEG access facilities and services an annual fee equal to one of the following options:
   1. If there is an existing Franchise on the effective date of the Act, the fee (enter the fee amount $0) paid to the Franchising Entity by the incumbent video Provider with the largest number of cable service subscribers in the Franchising Entity as determined by the existing Franchise Agreement;
   2. At the expiration of the existing Franchise Agreement, the amount required under (1) above, which is % (The amount under (1) above is not to exceed 2% of gross revenues);
   3. If there is no existing Franchise Agreement, a percentage of gross revenues as established by the Franchising Entity and to be determined by a community need assessment, is % of gross revenues. (The percentage that is established by the Franchising Entity is not to exceed 2% of gross revenues.); and
   4. An amount agreed to by the Franchising Entity and the video service Provider.

B. The fee required by this section shall be applicable to all providers, pursuant to Section 6(9) of the Act.

C. The fee shall be due on a quarterly basis and paid within 45 days after the close of the quarter. Each payment shall include a statement explaining the basis for the calculation of the fee.

D. All determinations and computations made under this section shall be pursuant to generally accepted accounting principles.

E. Any claims by a Franchising Entity that fees have not been paid as required under Section 6 of the Act, and any claims for refunds or other corrections to the remittance of the Provider shall be made within 3 years from the date the compensation is remitted.

F. The Provider may identify and collect as a separate line item on the regular monthly bill of each subscriber an amount equal to the percentage established under Section 6(8) of the Act, applied against the amount of the subscriber's monthly bill.

G. The Franchising Entity shall not demand any additional fees or charges from a Provider and shall not demand the use of any other calculation method other than allowed under the Act.

IX. Audits

A. No more than every 24 months, a Franchising Entity may perform reasonable audits of the video service Provider's calculation of the fees paid under Section 6 of the Act to the Franchising Entity during the preceding 24-month period only. All records reasonably necessary for the audits shall be made available by the Provider at the location where the records are kept in the ordinary course of business. The Franchising Entity and the video service Provider shall each be responsible for their respective costs of the audit. Any additional amount due verified by the Franchising Entity shall be paid by the Provider within 30 days of the Franchising Entity's submission of invoice for the sum. If the sum exceeds 5% of the total fees which the audit determines should have been paid for the 24-month period, the Provider shall pay the Franchising Entity's reasonable costs of the audit.

B. Any claims by a Franchising Entity that fees have not been paid as required under Section 6 of the Act, and any claims for refunds or other corrections to the remittance of the provider shall be made within 3 years from the date the compensation is remitted.
X. **Termination and Modification**

This Franchise Agreement issued by a Franchising Entity may be terminated or the video service area footprint may be modified, except as provided under Section 9 of the Act, by the Provider by submitting notice to the Franchising Entity. The Provider will use Attachment 2, when notifying the Franchising Entity.

XI. **Transferability**

This Franchise Agreement issued by a Franchising Entity or an existing franchise of an incumbent video service Provider is fully transferable to any successor in interest to the Provider to which it is initially granted. A notice of transfer shall be filed with the Franchising Entity within 15 days of the completion of the transfer. The Provider will use Attachment 2, when notifying the Franchising Entity. The successor in interest will assume the rights and responsibilities of the original provider and will also be required to complete their portion of the Transfer Agreement located within Attachment 2.

XII. **Change of Information**

If any of the information contained in the Franchise Agreement changes, the Provider shall timely notify the Franchising Entity. The Provider will use Attachment 2, when notifying the Franchising Entity.

XIII. **Confidentiality**

Pursuant to Section 11 of the Act: Except under the terms of a mandatory protective order, trade secrets and commercial or financial information designated as such and submitted under the Act to the Franchising Entity or Commission are exempt from the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246 and MUST BE KEPT CONFIDENTIAL.

A. The Provider may specify which items of information should be deemed "confidential." It is the responsibility of the provider to clearly identify and segregate any confidential information submitted to the franchising entity with the following information:

   "[insert PROVIDER'S NAME]
   [CONFIDENTIAL INFORMATION]"

B. The Franchising Entity receiving the information so designated as confidential is required (a) to protect such information from public disclosure, (b) exempt such information from any response to a FOIA request, and (c) make the information available only to and for use only by such local officials as are necessary to approve the franchise agreement or perform any other task for which the information is submitted.

C. Any Franchising Entity which disputes whether certain information submitted to it by a provider is entitled to confidential treatment under the Act may apply to the Commission for resolution of such a dispute. Unless and until the Commission determines that part or all of the information is not entitled to confidential treatment under the Act, the Franchising Entity shall keep the information confidential.

XIV. **Complaints/Customer Service**

A. The Provider shall establish a dispute resolution process for its customers. Provider shall maintain a local or toll-free telephone number for customer service contact.

B. The Provider shall be subjected to the penalties, as described under Section 14 of the Act, and the Franchising Entity and Provider may be subjected to the dispute process as described in Section 10 of the Act.

C. Each Provider shall annually notify its customers of the dispute resolution process required under Section 10 of the Act. Each Provider shall include the dispute resolution process on its website.

D. Before a customer may file a complaint with the Commission under Section 10(5) of the Act, the customer shall first attempt to resolve the dispute through the dispute resolution process established by the Provider in Section 10(2) of the Act.

E. A complaint between a customer and a Provider shall be handled by the Commission pursuant to the process as described in Section 10(5) of the Act.

F. A complaint between a Provider and a franchising entity or between two or more Providers shall be handled by the Commission pursuant to the process described in Section 10(6) of the Act.

G. In connection with providing video services to the subscribers, a provider shall not do any act prohibited by Section 10(1)(a-1) of the Act. The Commission may enforce compliance to the extent that the activities are not covered by Section 2(9)(l) in the Act.
XV. Notices

Any notices to be given under this Franchise Agreement shall be in writing and delivered to a Party personally, by facsimile or by certified, registered, or first-class mail, with postage prepaid and return receipt requested, or by a nationally recognized overnight delivery service, addressed as follows:

If to the Franchising Entity:
(must provide street address)

Village of Spring Lake:

102 W. SAVIDGE
SPRING LAKE, MI 49456

Attn: VILLAGE MANAGER
Fax No.: 616-847-1393

If to the Provider:
(must provide street address)

1.
41112 Concept Dr.
Plymouth, MI 48170
Attn: VP of Government Affairs
Fax No.: 734-892-2159

2.
2805 Circle 75 Pkwy SE
Atlanta, GA 30339
Attn: Sen. Vice President, Government Relations

3.
One Comcast Center
Philadelphia, PA 19103
Attn: Government Affairs Department

Or such other addresses or facsimile numbers as the Parties may designate by written notice from time to time.

XVI. Miscellaneous

A. Governing Law. This Franchise Agreement shall be governed by, and construed in accordance with, applicable Federal laws and laws of the State of Michigan.
B. The parties to this Franchise Agreement are subject to all valid and enforceable provisions of the Act.
C. Counterparts. This Agreement may be signed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute on and the same agreement.
D. Power to Enter. Each Party hereby warrants to the other Party that it has the requisite power and authority to enter into this Franchise Agreement and to perform according to the terms hereof.
E. The Provider and Franchising Entity are subject to the provisions of 2006 Public Act 480.
IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have executed this Franchise Agreement.

Village of Spring Lake, a Michigan Municipal Corporation

By
Print Name
Title
Address
City, State, Zip
Phone
Fax
Email

Comcast of Muskegon, a Michigan General Partnership doing business as Comcast

By Craig D'Agostini
Print Name
Vice President of Government and Regulatory Affairs
Title
41112 Concept Drive
Address
Plymouth, MI 48170
City, State, Zip
Phone
Fax
Email

FRANCHISE AGREEMENT (Franchising Entity to Complete)

Date submitted:

Date completed and approved:
ATTACHMENT 1

UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT
(Pursuant To 2006 Public Act 480)
(Form must be typed)

Date: January 12, 2021
Applicant's Name: Comcast of Muskegon
Address 1: 41112 Concept Dr.
Address 2
City: Plymouth State: MI
Phone: 248-233-4700 Zip: 48170
Federal I.D. No. (FEIN): 84-1140664

Company executive officers:

Name(s): Craig D'Agostini
Title(s): Vice President of Government and Regulatory Affairs

Person(s) authorized to represent the company before the Franchising Entity and the Commission:

Name: Jeffrey Snyder
Title: Manager, External Affairs
Address: 3500 Patterson Ave. SE, Grand Rapids, MI 49512
Phone: 734-359-1961 Fax: 517-657-3743 Email: Jeffrey_Snyder@comcast.com

Name: Leslie A. Brogan
Title: Senior Director, Government Affairs
Address: 1401 E. Miller Rd., Lansing, MI 48911
Phone: 734-359-2079 Fax: 517-657-3743 Email: Leslie_Brogan@comcast.com

Describe the video service area footprint as set forth in Section 2(3e) of the Act. (An exact description of the video service area footprint to be served, as identified by a geographic information system digital boundary meeting or exceeding national map accuracy standards.)

Comcast intends to serve, in accordance with the standards set forth in PA 480 of 2006, the present territorial corporate limits of the Village and any area henceforth annexed to or otherwise added to the Village during the term of this franchise.
[Option A: for Providers that Options B and C are not applicable, a description based on a geographic information system digital boundary meeting or exceeding national map accuracy standards]

[Option B: for Providers with 1,000,000 or more access lines in Michigan using telecommunication facilities to provide Video Service, a description based on entire wire centers or exchanges located in the Franchising Entity]

[Option C: for an Incumbent Video Service Provider, it satisfies this requirement by allowing the Franchising Entity to seek right-of-way information comparable to that required by a permit under the METRO Act as set forth in its last cable franchise or consent agreement from the Franchising Entity entered into before the effective date of the Act]

Pursuant to Section 2(3)(d) of the Act, if the Provider is not an incumbent video Provider, provide the date on which the Provider expects to provide video services in the area identified under Section 2(3)(e) (the Video Service Area Footprint).

Date: January 2022

For All Applications:  

Verification  
(Provider)

I, Craig D’Agostini, of lawful age, and being first duly sworn, now states: As an officer of the Provider, I am authorized to do and hereby make the above commitments. I further affirm that all statements made above are true and correct to the best of my knowledge and belief.

Name and Title (printed): Craig D’Agostini, Vice President of Government & Regulatory Affairs  
Signature: [Signature]  
Date: January 12, 2021

(Franchising Entity)

Village of Spring Lake, a Michigan municipal corporation

By

Print Name

Title

Address

City, State, Zip

Phone

Fax

Email

Date

ATTACHMENT 1
Background: The Cross-Connection Program is a state mandated program that was enacted by PA 399 in 1976. Safe Drinking Water Act. The attached broacher prepared by the State provides a brief description of the program. This is a complicated, time consuming program that requires on sight testing and annual reporting to the State.

The Village made the decision years ago to hire a professional service to administer the cross-connection program. Hydro Corp was selected to perform these services. The TWP also uses Hydro Corp to manage their program.

This is a three-year contract totaling $13,824, $4,608 per year or $384 per month from the water department. This contract is $432 cheaper than the last three-year contract.

Issues & Questions Specified:

Alternatives:

Bid the service out and possibly select a different service provider.
Hire and train Village personnel to perform in house.

Financial Impact: This is an annual budget item from the water department. It is not a new expense.

Recommendations: Recommend to Village Council to accept the January 11, 2021 Hydro Corp three-year proposal, in the amount of $13,824, to administer the Village’s cross-connection program in compliance with the Safe Drinking Water Act and grant the Village Manager the signatory authority to execute a contract with Hydro-Corp. Place on Consent Agenda.

Attachments: Hydro Corp Proposal
Questions concerning cross connection control and backflow prevention may be directed to:

- Michigan Department of Environmental Quality
  Office of Drinking Water and Municipal Assistance
  517-284-6514
- Michigan Department of Licensing and
  Regulatory Affairs
  Bureau of Construction Codes
  616-334-9330
- Your local health department or your local water department.

A cross connection is an arrangement of piping that could allow undesirable water, sewage, or chemical solutions to enter your drinking (potable) water system as a result of backflow. Cross connections with potable piping systems have resulted in numerous cases of illness and even death. Historically, cross connections have been one of the most serious public health threats to a drinking water supply system and many times are present in a residential water system.

Prepared by: Michigan Department of Environmental Quality
www.michigan.gov/deq

The Michigan Department of Environmental Quality (MDEQ) will use electronic signatures and records in the process of communicating, including agreements, certifications, applications, endorsements, declarations, permits, plans, reports, requirements, regulations, contracts, or any related documents, unless a document is required to be signed or sealed by law. Such electronic signatures and records are admissible into evidence in the same manner as if the same were fully handwritten or hand-sealed as required by law.

What hazards threaten the homeowner?

Many common household uses for water pose a public health threat to the potable water supply system whether the home is supplied by municipal water or by a private well. Principal areas of water use in the home that pose a threat due to cross connections are:

- a hose connection to a chemical solution aspirators to feed lawn/shrub herbicides, pesticides, and fertilizers.
- lawn irrigation systems.
- chemically treated heating systems.
- water softeners.
- hose connections to water outlets or laundry tub.
- swimming pools.
- solar heating systems.
- private nonpotable water supplies.
- console (stirrupable) bail cock assemblies in toilets.
- water-operated sump drain devices.

This list of potential cross connection hazards is by no means complete. A private residence that has one or two of these situations is seriously jeopardizing its own potable water system and that of the community if it is served by a public water supply system.
PROPOSAL

DEVELOPED FOR
John Stuparits
Director of Public Works
Village of Spring Lake
101 S. Buchanan Street
Spring Lake, MI 49456

January 29, 2018

KEEPING DRINKING WATER SAFE FOR INDUSTRIES AND MUNICIPALITIES

For over 30 years, HydroCorp™ has been dedicated to safe drinking water for companies and communities across North America. Fortune 500 firms, metropolitan centers, utilities, small towns and businesses — all rely on HydroCorp to protect their water systems, averting backflow contamination and the acute health risks and financial liabilities it incurs.
SCOPE OF WORK .................................................................3

PROFESSIONAL SERVICE AGREEMENT ....................... 4-10

QUALIFICATIONS .............................................................11
SCOPE OF WORK

Based on our conversations, HydroCorp™ will provide the following services to the Village of Spring Lake. This project is a continued effort for an ongoing Cross-Connection Control Program and will provide the Village with the necessary data and information to maintain compliance with the Michigan Department of Environmental Quality (DEQ) Water Bureau Cross Connection Control Regulations. Once this project has been approved and accepted by the Village and HydroCorp, you may expect completion of the following elements within a three (3) year period. The components of the project include:

1. Annually, perform a minimum of 45 initial inspections, compliance inspections, and re-inspections at individual industrial, commercial, institutional facilities and miscellaneous water users within the Village served by the public water supply for cross-connections. Inspections will be conducted in accordance with the DEQ Water Bureau Cross Connection Control regulations.

2. Generate all backflow prevention assembly test notices, non-compliance notices and coordinate/monitor backflow prevention assembly testing compliance for all backflow prevention assemblies.

3. Perform administrative functions including: answering water user telephone calls, scheduling of inspections, mailing of all notices, verification of backflow prevention assembly tester credentials & proper testing results and general customer service and program education inquiries.

4. Generate and document the required program data for the facilities using the HydroCorp Software Data Management Program.

5. Submit comprehensive management reports on a quarterly basis.

6. Conduct an annual review meeting to discuss overall program status and recommendations.

7. Provide up to six- (6) ASSE approved hose bibb vacuum breakers or anti-frost hose bibb vacuum breakers, (i.e. combination) per facility as required, in order to place a facility into immediate compliance at the time of inspection.


9. Assist the Village with a community wide public relations program including general awareness brochures and customized web site cross connection control program overview content and resources.

10. Provide ongoing support via phone, fax, internet, text or email.

The above services will be provided for:

| Monthly Amount: $ 396.00 | Annual Amount: $ 4,752.00 | Contract Total: $ 14,256.00 |

Contract Amount is based upon a 36-month period. HydroCorp will invoice in 36 equal amounts of $ 396.00
PROFESSIONAL SERVICE AGREEMENT

This agreement, made and entered into this DATE by and between the Village of Spring Lake, organized and existing under the laws of the State of Michigan, referred to as “Utility”, and HydroCorp™ a Michigan Corporation, referred to as “HydroCorp”.

WHEREAS, the Utility supplies potable water throughout its corporate boundary to property owners; and desires to enter into a professional services contract for cross connection control program inspection, reporting and management services.

WHEREAS, HydroCorp is experienced in and capable of supplying professional inspection of potable water distribution systems and cross connection control program management to the Utility and the Utility desires to engage HydroCorp to act as its independent contractor in its cross connection control program.

WHEREAS, the Utility has the authority under the laws of the State of Michigan and its local governing body to enter into this professional services contract.

NOW THEREFORE, in consideration of the mutual agreements herein contained, and subject to the terms and conditions herein stated, the parties agree as follows:

ARTICLE I. Purpose

During the term of this Agreement, the Utility agrees to engage HydroCorp as an independent contractor to inspect and document its findings on its potable water distribution system in public, commercial and industrial facilities within the community. Each party to this Agreement agrees that it will cooperate in good faith with the other, its agents, and subcontractors to facilitate the performance of the mutual obligations set forth in this Agreement. Both Parties to this Agreement recognize and acknowledge that the information presented to them is complete and accurate, yet due to the inaccessible nature of water piping or due to access constraints within water users’ facilities, complete and accurate data is not always available.

ARTICLE II. Scope of Services

The scope of services to be provided by HydroCorp under this Agreement will include the inspections/surveys, program administration, answering telephone call inquires, scheduling of inspections, program compliance review, public education materials, preparation of quarterly management reports, and annual cross connection reports with respect to the facilities to the extent specifically set forth in this Article II (hereinafter the “Scope of Services”). Should other reports/services be included within the Scope of Services, the same shall be appended to this Agreement as Exhibit 1.

2.1 PROGRAM REVIEW/PROGRAM START UP MEETING. HydroCorp will conduct a Program Startup Meeting for the Cross-Connection Control/Backflow Prevention Program. Items for discussion/review will include the following:

- Review state & local regulations
- Review and/or provide assistance in establishing local Cross-Connection Control Ordinance
- Review/establish wording and timeliness for program notifications including:
  - Inspection Notice
  - Compliance Notice
  - Non-Compliance Notices 1-2, Penalty Notices
- Special Program Notices
- Electronic use of notices/program information
- Obtain updated facility listing, address information and existing program data from Utility
- Prioritize Inspections (Village owned buildings, schools, high hazard facilities, special circumstances.)
- Review/establish procedure for vacant facilities
• Establish facility inspection schedule
• Review/establish procedures and protocol for addressing specific hazards
• Review/establish high hazard, complex facilities and large industrial facility inspection/containment procedures including supplemental information/notification that may be requested from these types of facilities in order to achieve program compliance.
• Review/establish program reporting procedures including electronic reporting tools
• Review/establish educational and public awareness brochures

2.2 INSPECTIONS. HydroCorp will perform initial inspections, compliance inspections, and re-inspections at individual industrial, commercial, institutional facilities and miscellaneous water users within the utility served by the public water supply for cross-connections. Inspections will be conducted in accordance with the Michigan Department of Environmental Quality Cross Connection Control Rules.

- **Initial Inspection** – the first time a HydroCorp representative inspects a facility for cross connections. Degree of Hazard will be assigned and/or verified during this facility visit. The Degree of Hazard will dictate future re-inspection frequency/schedule of facility, (facility will be either compliant or non-compliant after this inspection).
- **Compliance Inspection** – subsequent visit by a HydroCorp representative to a facility that was non-compliant during the Initial Inspection to verify that corrective action was completed and meets the program requirements.
- **Re-Inspection** – Revisit by a HydroCorp representative to a facility that was previously inspected. The re-inspection frequency/schedule is based on the degree of hazard assigned to the facility during the initial inspection (one or five year re-inspection cycle).

2.3 INSPECTION SCHEDULE. HydroCorp shall determine and coordinate the inspection schedule. Inspection personnel will check in/out on a daily basis with the Utility’s designated contact person. The initial check in will include a list of inspections scheduled. An exit interview will include a list of inspections completed.

2.4 PROGRAM DATA. HydroCorp will generate and document the required program data for the Facility Types listed in the Scope of Services using the HydroCorp Software Data Management Program. Program Data shall remain property of the Utility; however, the HydroCorp Software Data Management program shall remain the property of HydroCorp and can be purchased for an additional fee. Data services will include:

- Prioritize and schedule inspections
- Notify users of inspections, backflow device installation and testing requirements if applicable
- Monitor inspection compliance using the HydroCorp online software management program.
- Maintain program to comply with all MDEQ regulations

2.5 MANAGEMENT REPORTS. HydroCorp will submit comprehensive management reports in electronic, downloadable format on a quarterly & annual basis to the Utility. Reports to include the following information:

- Name, location and date of inspections
- Number of facilities inspected/surveyed
- Number of facilities compliant/non-compliant

2.6 REVIEW OF CROSS-CONNECTION CONTROL ORDINANCE. HydroCorp will review or assist in the development of a cross-connection control ordinance. Items for review include:

- Code adoption references, standard operational procedures, program notice documentation, reporting procedures and preference standards.
- Penalties for noncompliance.
2.7 **VACUUM BREAKERS.** HydroCorp will provide up to six (6) ASSE approved hose bibb vacuum breakers or anti-frost hose bibb vacuum breakers per facility as required, in order to place a facility into immediate compliance at the time of inspection if no other cross-connections are identified.

2.8 **PUBLIC RELATIONS PROGRAM.** HydroCorp will assist the Utility with a community-wide public relations program including general awareness brochures and website cross connection control program content.

2.9 **SUPPORT.** HydroCorp will provide ongoing support via phone, fax, text, website or email for the contract period.

2.10 **FACILITY TYPES.** The facility types included in the program are as follows:

- Industrial
- Institutional
- Commercial
- Miscellaneous Water users
- Multifamily

**Complex Facilities.** Large industrial and high hazard complexes or facilities may require inspection/survey services outside the scope of this Agreement. (HydroCorp typically allows a maximum of up to three (3) hours of inspection time per facility.) An independent cross connection control survey (at the business owner’s expense) may be required at these larger/complex facilities and the results submitted to the Utility to help verify program compliance.

2.11 **INSPECTION TERMS.** HydroCorp will perform a minimum of 135 Non-Residential inspections over a three - (3) year contract period. The total inspections include all initial inspections, compliance and re-inspections. Vacant facilities that have been provided to HydroCorp, scheduled no show or refusal of inspection will count as an inspection/site visit for purposes of the contract.

2.12 **COMPLIANCE WITH DEPARTMENT OF ENVIRONMENTAL QUALITY (DEQ).** HydroCorp will assist in compliance with DEQ and Michigan Plumbing Code cross connection control program requirements for all commercial, industrial, institutional, residential, multifamily and public authority facilities.

2.13 **POLICY MANUAL.** HydroCorp will review and/or develop a comprehensive cross connection control policy manual/plan and submit to the appropriate regulatory agency for approval on behalf of the Utility.

2.14 **INVENTORY.** HydroCorp shall inventory all accessible (ground level) backflow prevention assemblies and devices. Documentation will include: location, size, make, model and serial number if applicable.

2.15 **DATA MANAGEMENT.** HydroCorp shall provide data management and program notices for all inspection services throughout the contract period.

2.16 **ANNUAL YEAR END REVIEW.** HydroCorp will conduct an on-site annual year-end review meeting to discuss overall program status and specific program recommendations.

2.17 **CROSS CONNECTION CONTROL BROCHURES.** HydroCorp will provide approximately 300 cross-connection control educational brochures for the duration of the Agreement.

2.18 **INSURANCE.** HydroCorp will provide all required copies of general liability, workers’ compensation and errors and omissions insurance naming the Utility as an additional insured if required.
ARTICLE III. Responsibilities of the Utility

3.1 **UTILITY’S REPRESENTATIVE.** On or before the date services are to commence under this Agreement, the Utility shall designate an authorized representative (“Authorized Representative”) to administer this Agreement.

3.2 **COMPLIANCE WITH LAWS.** The Utility, with the technical and professional assistance of HydroCorp, shall comply with all applicable local, state, and federal laws, codes, ordinances, and regulations as they pertain to the water inspection and testing, and shall pay for any capital improvements needed to bring the water treatment and delivery system into compliance with the aforementioned laws.

3.3 **NOTICE OF LITIGATION.** In the event that the Utility or HydroCorp has or receives notice of or undertakes the prosecution of any actions, claims, suits, administrative proceedings, investigations or other proceedings in connection with this Agreement, the party receiving such notice or undertaking of such prosecution shall give the other party timely notice of such proceedings and will inform the other party in advance of all hearings regarding such proceedings.

3.4 **FACILITY LISTING.** The Utility must provide HydroCorp a complete list of facilities to be inspected, including facility name, type of service connection, address, contact person, and phone number, (if available). Electronic file format such as Microsoft Excel, etc. is required. An additional one-time fee to manually enter facility listing will be charged at the rate of $80.00 per hour. Incorrect facility addresses will be returned to the Utility contact and corrected address will be requested.

3.5 **LETTERHEAD/LOGO.** The Utility will provide HydroCorp with an electronic file copy of the utility logo or utility letterhead and all envelopes for the mailing of all official program correspondence only. (300 dpi in either .eps, or other high quality image format for printing.)

ARTICLE IV. Term, Compensation and Changes in Scope of Services

4.1 **TERM AND TERMINATION TERM.** Services by HydroCorp under this Agreement shall commence on **DATE** and end three – (3) year from such date, unless this Agreement is renewed or terminated as provided herein. The terms of this Agreement shall be valid only upon the execution of this Agreement within ninety (90) days of its receipt. Failure to execute this Agreement within the ninety (90) day period shall deem the proposed terms void.

4.2 **RENEWAL.** Upon the expiration of this Agreement the utility will have the option to renew this contract for two (2) consecutive one (1) year periods. Any increases in pricing for each of the renewal periods will be equal to the Consumer Price Index at the time of renewal or 3%, whichever is less.

4.3 **TERMINATION.** The Utility or HydroCorp may terminate this Agreement at any time and on any date in the initial and renewal terms of this Agreement, with or without any cause, by giving written notice of such intent to terminate to the other party at least thirty (30) days prior to the effective date of termination. Notice of the intent to terminate shall be given in writing by personal service, by an authorized agent, or by certified mail, return receipt requested. The Utility shall pay the balance of any outstanding accounts for work performed by HydroCorp.

4.4 **BASE COMPENSATION.** The Utility shall pay HydroCorp as compensation (“Base Compensation”) for labor, equipment, material, supplies, and utilities provided and the services performed pursuant to this Agreement, **$396.00 per month, $4,752.00 annually, for a three year contract total of $14,256.00.** Completed inspections shall consist of all initial inspections, re-inspections and compliance inspections as defined in section 2.2.
4.5 **PAYMENT OF INVOICES.** Upon presentation of invoices by HydroCorp, all payments including base and other compensation shall be due and payable on the first day of each month (due date) after the month for which services have been rendered. All such payments shall be made no later than thirty (30) days after the due date. Failure to pay shall be deemed a default under this Agreement. For any payment to HydroCorp which is not made within thirty (30) calendar days after the due date, HydroCorp, shall receive interest at one and one-half (1½) percent per month on the unpaid balance.

4.6 **CHANGES IN SCOPE OF SERVICES.** In the event that the Utility requests and HydroCorp consents to perform additional work or services involving the consulting, management, operation, maintenance, and repair of the Utility’s water delivery system where such services or work exceeds or changes the Scope of Services contemplated under this Agreement, HydroCorp shall be provided additional compensation. Within thirty (30) calendar days from the date of notice of such additional work or services, the parties shall mutually agree upon an equitable sum for additional compensation. This amount shall be added to the monthly sum effective at the time of change in scope. Changes in the Scope of Service include, but are not limited to, requests for additional service by the Utility or additional costs incurred in meeting new or changed government regulations or reporting requirements.

4.7 **CLIENT CONFIDENTIALITY.** Disclosure of all communications between HydroCorp and the Utility regarding business practices and other methods and forms of doing business is subject to the provisions of Michigan Public Records Law. HydroCorp agrees to make available for inspection and copying all records in its possession created, produced, collected or otherwise related to this Agreement to the same extent as if the records were maintained by the Utility. HydroCorp expressly acknowledges and agrees that its obligations concerning Public Records Law and compliance under this Agreement should not be limited by copyright, license, privacy and/or confidentiality except as authorized under the Public Records Law.

4.8 **ACCESSIBILITY.** Backflow prevention device information will be completed in full only when the identifying information (i.e. data plate, brass tag, etc.) is accessible and visible from ground level or from a fixed platform/mezzanine.

4.9 **CONFINED SPACES.** – HydroCorp personnel will not enter confined spaces.

**ARTICLE V. Risk Management and General Provisions**

5.1 **INFORMATION.** Both Parties to this Agreement recognize and acknowledge that the information presented to them is complete to the best of their knowledge, yet due to the inaccessible nature of water piping or lack of access provided by property owner/water user, complete accurate data is not always available. Cross-connection control inspection and results are documented as of a specific date. The property owner and/or water user may make modifications to the potable water system after the inspection date that may impact compliance with the program.

5.2 **LIMITATION OF LIABILITY.** HydroCorp’s liability to the Utility for any loss, damage, claim, or expense of any kind or nature caused directly or indirectly by the performance or non-performance of obligations pursuant to this Agreement shall be limited to general money damages in an amount not to exceed or within the limits of the insurance coverage provided hereunder. HydroCorp shall in no event be liable for indirect or consequential damages, including but not limited to, loss of profits, loss of revenue, or loss of facilities, based upon contract, negligence, or any other cause of action.
5.3 **HYDROCORP INSURANCE.** HydroCorp currently maintains the following insurance coverage’s and limits:

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Occurrence</th>
<th>Aggregate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive General Liability</td>
<td>$1 Million</td>
<td>$2 Million</td>
</tr>
<tr>
<td>Excess Umbrella Liability</td>
<td>$5 Million</td>
<td>$5 Million</td>
</tr>
<tr>
<td>Automobile Liability (Combined Single Limit)</td>
<td>$1 Million</td>
<td></td>
</tr>
<tr>
<td>Worker’s Compensation/ Employer’s Liability</td>
<td>$1 Million</td>
<td></td>
</tr>
<tr>
<td>Errors and Omissions</td>
<td>$2 Million</td>
<td>$2 Million</td>
</tr>
</tbody>
</table>

Within thirty (30) calendar days of the start of the project, HydroCorp shall furnish the Utility with satisfactory proof of such insurance, and each policy will require a 30-day notice of cancellation to be given to the Utility while this Agreement is in effect. The Utility shall be named as an additional insured according to its interest under the general liability policy during the term of this Agreement.

5.4 **UTILITY INSURANCE.** The Utility will maintain liability insurance on an all risk basis and including extended coverage for matters set forth in this Agreement.

5.5 **RELATIONSHIP.** The relationship of HydroCorp to the Utility is that of independent contractor and not one of employment. None of the employees or agents of HydroCorp shall be considered employees of the Utility. For the purposes of all state, local, and federal laws and regulations, the Utility shall exercise primary management, and operational and financial decision-making authority.

5.6 **ENTIRE AGREEMENT AMENDMENTS.** This Agreement contains the entire Agreement between the Utility and HydroCorp, and supersedes all prior or contemporaneous communications, representations, understandings, or agreements. This Agreement may be modified only by a written amendment signed by both parties.

5.7 **HEADINGS, ATTACHMENTS, AND EXHIBITS.** The heading contained in this Agreement is for reference only and shall not in any way affect the meaning or interpretation of this Agreement. The Attachments and Exhibits to this Agreement shall be construed as integral parts of this Agreement.

5.8 **WAIVER.** The failure on the part of either party to enforce its rights as to any provision of this Agreement shall not be construed as a waiver of its rights to enforce such provisions in the future.

5.9 **ASSIGNMENT.** This Agreement shall not be assigned by either party without the prior written consent of the other unless such assignment shall be to the affiliate or successor of either party.

5.10 **FORCE MAJEURE.** A party’s performance under this Agreement shall be excused if, and to the extent that, the party is unable to perform because of actions due to causes beyond its reasonable control such as, but not limited to, Acts of God, the acts of civil or military authority, loss of potable water sources, water system contamination, floods, quarantine restrictions, riot, strikes, commercial impossibility, fires, explosions, bombing, and all such interruptions of business, casualties, events, or circumstances reasonably beyond the control of the party obligated to perform, whether such other causes are related or unrelated, similar or dissimilar, to any of the foregoing. In the event of any such force majeure, the party unable to perform shall promptly notify the other party of the existence of such force majeure and shall be required to resume performance of its obligations under this Agreement upon the termination of the aforementioned force majeure.

5.11 **AUTHORITY TO CONTRACT.** Each party warrants and represents that it has authority to enter into this Agreement and to perform the obligations, including any payment obligations, under this Agreement.

5.12 **GOVERNING LAW AND VENUE.** This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, regardless of the fact that any of the parties hereto may be or may become a resident of a different state or jurisdiction. Any suit or action arising shall be filed in a court of competent jurisdiction within the State of Michigan, venue by the presiding County. The parties hereby consent to the personal jurisdiction of said court within the State of Michigan.
5.13 **COUNTERPARTS.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

5.14 **NOTICES.** All notices, requests, demands, payments and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally or sent by nationally recognized overnight carrier, or mailed by certified mail, postage prepaid, return receipt requested, as follows:

If to HydroCorp:

HydroCorp  
c/o Mark Martin  
5700 Crooks Road, Ste. 100  
Troy, MI 48337  
(248) 250-5005

If to Utility:

Village of Spring Lake  
c/o John Stuparits  
101 S. Buchanan Street  
Spring Lake, MI 49456  
(616) 842-1393

5.15 **SEVERABILITY.** Should any part of this Agreement for any reason, be declared invalid or void, such declaration will not affect the remaining portion, which will remain in full force and effect as if the Agreement has been executed with the invalid portion eliminated.

**SIGNATURES**

IN WITNESS WHEREOF, the parties have duly executed this Agreement effective as of the date first above written.

**Village of Spring Lake**

By:  
Title:

**HydroCorp**

By: John Hudak  
Its: President
Appendix

Specific Qualifications & Experience

**HydroCorp™** is a professional service organization that specializes in Cross Connection Control Programs. Cross Connection Control Program Management & Training is the main core and focus of our business. We are committed to providing water utilities and local communities with a cost effective and professionally managed cross connection control program in order to assist in protecting the public water supply.

- HydroCorp conducts over 30,000 Cross Connection Control Inspections *annually*.
- HydroCorp tracks and manages over 35,000+ backflow prevention assemblies for our Municipal client base.
- Our highly trained staff works in an efficient manner in order to achieve maximum productivity and keep program costs affordable. We have a detailed *system* and *process* that each of our field inspectors follow in order to meet productivity and quality assurance goals.
- Our municipal inspection team is committed to providing outstanding customer service to the water users in each of the communities we serve. We teach and train *customer service* skills in addition to the technical skills since our team members act as representatives of the community that we service.
- Our municipal inspection team has attended training classes and received certification from the following recognized Cross Connection Control Programs: UF TREEO, UW-Madison, and USC – Foundation for Cross Connection Control and Hydraulic Research, American Backflow Prevention Association (ABPA), American Society for Sanitary Engineering (ASSE). HydroCorp recognizes the importance of Professional Development and Learning. We invest heavily in internal and external training with our team members to ensure that each Field Service and Administrative team member has the skills and abilities to meet the needs of our clients.
- We have a trained administrative staff to handle client needs, water user questions and answer telephone calls in a professional, timely and courtesy manner. Our administrative staff can answer most technical calls related to the cross connection control program and have attended basic cross connection control training classes.
- HydroCorp currently serves over 200 communities in Michigan, Wisconsin, Maryland, Delaware, Virginia & Florida. We still have our first customer!
- HydroCorp and its’ staff are active members in many water industry associations including: National Rural Water Association, State Rural Water Associations, National AWWA, State AWWA Groups. HydroCorp is committed to assisting these organizations by providing training classes, seminars and assistance in the area of Cross Connection Control.
- Several Fortune 500 companies have relied on HydroCorp to provide Cross Connection Control Surveys, Program Management & Reporting to assist in meeting state/local regulations as well as internal company guidelines.
**WORK SESSION AGENDA REPORT**

**TO:** Village President Mark Powers & Village Council Members  

**FROM:** DeMario Johnson, Assistant to the Manager  

**DATE:** February 8, 2021  

**RE:** Seventh Amendment to the Downtown Development Authority

---

*Background:* The final step of adopting a Seventh Amendment for the Downtown Development Authority has arrived. On October 19, 2020, a public hearing was held regarding this matter. Council is allowed to adopt this new ordinance 60 days following the public hearing date. The new Seventh Amendment will amend the current Downtown Development Authority plan as well as the Tax Incremental Financing plan. Following the adoption of this ordinance, the ordinance will be published in the local newspaper and promptly filled with the Secretary of State.

*Issues & Questions Specified:* N/A

*Alternatives:* N/A

*Financial Impact:* N/A

*Recommendation:* Recommending for council to adopt the seventh amendment ordinance, which will expand the life span of the Downtown Development Authority to 2042 allowing for the completion of developmental projects stated within the plan.

*Attachments:* Seventh Amendment Ordinance
VILLAGE OF SPRING LAKE

ORDINANCE NO. 365

AN ORDINANCE TO ADOPT AND APPROVE THE SEVENTH AMENDMENT TO THE
RESTATED AND AMENDED SPRING LAKE DOWNTOWN DEVELOPMENT
AUTHORITY DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN
PURSUANT TO THE PROVISIONS OF MICHIGAN ACT 197 OF 1975, AS AMENDED
(“ACT 197”), AND TO PROVIDE FOR THE EFFECTIVE DATE OF THIS ORDINANCE.

THE VILLAGE OF SPRING LAKE, COUNTY OF OTTAWA, AND STATE OF MICHIGAN,
ORDAINS:

Section 1. Approval and Adoption of the Seventh Amendment to the Restated and
Amended Spring Lake Downtown Development Authority Development Plan and Tax
Increment Financing Plan. It is hereby determined that the Seventh Amendment to the
Restated and Amended Village of Spring Lake Development Plan and Tax Increment
Financing Plan for the Spring Lake Downtown Development Area (collectively referred to
as the “Plan”) constitutes a public purpose. The amended Plan is hereby approved and
adopted. A copy of the Plan shall be maintained on file in the Village of Spring Lake
Clerk/Treasurer’s Office and shall be crossed indexed to this Ordinance.

Section 2. Considerations. This Ordinance and approval of the Seventh Amendment to
the Restated and Amended Spring Lake Downtown Development Authority Development
Plan and Tax Increment Financing Plan is based on the determination of the Village
Council that it continues to be necessary and is in the best interests of the public to halt
property value deterioration and increase property tax valuation where possible in its
business district, to eliminate the causes of that deterioration, and to promote economic
growth in the business district.

Section 3. Conflicts. Ordinance No. 153, 170, 214, 250, 344, and 362, and all other
Ordinances or parts of Ordinances in conflict with this Ordinance are expressly repealed.

Section 4. Effective Date. This Ordinance is hereby declared to be effective on February
15, 2021.

_____________________________      Mark Powers       Village President

_____________________________      Marvin Hinga       Village Clerk/Treasurer
CERTIFICATE

I, Marvin Hinga, the Clerk/Treasurer for the Village of Spring Lake, Ottawa County, Michigan, do hereby certify that the foregoing Village of Spring Lake Ordinance was adopted at a regular meeting of the Village Council held on February 15, 2021. The following members of the Village Council were present at that meeting:

___________________________________________________________. The following members of the Village Council were absent:

___________________________________________________________. The Ordinance was adopted by the Village Council with members of the Council

____________________________________________________________________ voting in favor and with members of the Council __________________________________________ voting in opposition. The Ordinance was published in the Grand Haven Tribune on ____________, 2021.

_____________________________________

Marvin Hinga
Clerk/Treasurer

9 - Ordinance to adopt
Background: Late last year, Council & the DDA requested that proposals be requested for the design/build of Tanglefoot Park. Those RFPs were due back on February 4, 2021. Staff (Wally Delamater, Angela Stanford-Butler, DeMario Johnson and myself) reviewed all six proposals that were submitted.

Four of the six proposals appear to not meet our requirements. It was our desire to have a turn-key project (Design/Build) so we included language in the RFP indicating such (page 2, Section III – Services Required... “The firm should provide construction services in order to complete the comprehensive build of the project…”)

The two qualified firms, in staff’s opinion, are Progressive AE and GDK. The Village has experience working with both and have no concerns working with either firm. References will be verified prior to actual contract award.

As you can see by the enclosed cost comparison, there is a large variance between the two bids (Progressive AE $515,270 versus GDK $284,935). The caveat associated with the GDK bid is that there are a number of reimbursable, pass-thru expenses (see page 21 of their proposal) that remain unknown. However, staff does not anticipate that the reimbursable expenses outlined in the proposal would meet, or exceed, the difference of $230,335.

The other major difference between the two bids is the Design/Build Construction Oversight. Progressive AE is assuming a 22-week construction duration at a cost of $226,500 while GDK is assuming a 14-16 week construction duration at a cost of $68,000. GDK’s fee is based on an assumption of a site supervisor making $85/hour for a 16-week duration. If the site supervisor is not on site for any reason (i.e. weather delay), there is no chargeback to the Village.

The construction management fee is relatively close for both firms, with GDK coming in .1% less than Progressive. The actual dollar amount will be dependent on the sub-contractor bids that are awarded and the dollar figures in the spreadsheet are estimates based on an assumed construction cost of $3,000,000.

Staff feels that the largest difference between the two bids is 1) the cost for construction oversight and 2) reimbursable expenses that are unknown for GDK.
**Issues & Questions Specified:** Should the Village award a contract to one of the two firms who met the requirements of the RFP?

**Alternatives:** Do not award a contract to one of the firms, thereby delaying the project and potentially jeopardizing the MDNRTF grant.

**Financial Impact:** The DDA will be paying for all costs associated with this project. The financial impact is dependent on which firm is selected.

**Recommendation:** While both firms are completely capable of providing the outcome that the Village desires, it is staff’s recommendation to award the project to GDK. This recommendation is based on the difference in construction oversight costs, with the understanding that there will be additional reimbursable costs (as listed on page 21 of the GDK proposal). Those additional costs will be pass-thru costs and not part of the 3.9% CM fee.

**Attachments:**

Comparison of Costs
Comparison of Qualifications
<table>
<thead>
<tr>
<th>Vendor Information</th>
<th>Description of Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDK Construction</td>
<td>X</td>
</tr>
<tr>
<td>Fishbeck</td>
<td>X Missing construction management fee</td>
</tr>
<tr>
<td>MCSA Group</td>
<td>X Lacking construction oversight</td>
</tr>
<tr>
<td>Progressive AE</td>
<td>X</td>
</tr>
<tr>
<td>The DK Group</td>
<td>X Incomplete for the scope of the project</td>
</tr>
<tr>
<td>TowerPinkster</td>
<td>X Incomplete for the scope of the project</td>
</tr>
</tbody>
</table>

**Village Staff Notes**

Staff reviewed six proposals. After careful examination of all proposals, staff determined that GDK Construction and Progressive AE were the top two candidates.

Progressive AE and GDK put forth Construction Management Fees for what they indicated would be “on-site construction supervision.” They will handle this project from beginning to end.
The GDK and Progressive proposals addressed the items requested by the RFP. Both firms understood that the project is a design/build project and required a construction management component. The Fishbeck proposal was very comprehensive and detailed. However, did not provide an estimate for construction management. TowerPinkster stated that their design team would work with our construction partner. This indicated to staff that they do understand the entirety of the RFP.

<table>
<thead>
<tr>
<th>References</th>
<th>Staff Resources</th>
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<tr>
<td>Summary of Services</td>
<td>Cost</td>
<td>Insurance</td>
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<tr>
<td>---------------------</td>
<td>------</td>
<td>-----------</td>
</tr>
<tr>
<td>X</td>
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<td>X</td>
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<tr>
<td>Incomplete for the scope of the project</td>
<td>X</td>
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<tr>
<td>Incomplete for the scope of the project</td>
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</tr>
<tr>
<td>Incomplete for the scope of the project</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>
## Tanglefoot RFPs

The table below summarizes the estimated costs for the Tanglefoot project, along with fee percentages for different phases. The estimated costs are for a $3,000,000 project, and the duration is estimated to be 22 weeks. Fees are subject to change, and the final costs will be determined post-bid. The DK Design Group proposes a lump sum fee of $148,500.

<table>
<thead>
<tr>
<th>Service</th>
<th>Progressive</th>
<th>GDK</th>
<th>Fishbeck</th>
<th>MCSA</th>
<th>TowerPinkster</th>
<th>The DK Design Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Management Fee</td>
<td>4.00%</td>
<td>3.90%</td>
<td></td>
<td></td>
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<tr>
<td>Estimated</td>
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<td>117,000</td>
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<tr>
<td>Program Design &amp; Validation</td>
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<td>29,000</td>
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<td>Architectural Services</td>
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<td>21,500</td>
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<td>Topographic Survey</td>
<td>2,800</td>
<td>included</td>
<td>6,835</td>
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<td>5,000</td>
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<td>Design Development</td>
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<td>49,000</td>
<td>38,552</td>
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<td>Construction Documentation</td>
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<td>73,900</td>
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<td>62,800</td>
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<td>29,000</td>
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<td></td>
<td>9,948</td>
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<tr>
<td>Reimbursable Expenses</td>
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<td>***</td>
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<tr>
<td>GeoTechnical</td>
<td>10,500</td>
<td>included</td>
<td>3,400</td>
<td>10,000</td>
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<td>Design Build Construction Oversight</td>
<td>226,500</td>
<td>68,000</td>
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<td>Balance of Schematic Design Phase</td>
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<td>7,500</td>
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<td>Lump Sum (Fixed Fee)</td>
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<td>148,500</td>
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<td>Contingency</td>
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<td></td>
<td>15,000</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$515,270.00</strong></td>
<td><strong>$284,935.00</strong></td>
<td><strong>$194,500.00</strong></td>
<td><strong>$195,434.50</strong></td>
<td><strong>$158,500.00</strong></td>
<td><strong>$97,500.00</strong></td>
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<tr>
<td>Est. Construction Duration (weeks)</td>
<td><strong>22</strong></td>
<td></td>
<td><strong>14-16</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*This number cannot be determined until the bids come in.*

**GDK’s construction oversight is based on actual hours on site. If no site supervision is necessary, there is no chargeback.**

***See list on page 21 of proposal***
Request for Proposals (RFP) Architectural design of Tanglefoot Park redevelopment project at 312 W. Exchange St, Spring Lake, Michigan

Issue Date: January 11, 2021

Due Date: February 4, 2021, 2PM EST, Village of Spring Lake, 102 W. Savidge St, Spring Lake, Michigan 49456

I. Introduction

The Village of Spring Lake is soliciting proposals from qualified professional engineering firms that also provide architectural services, in order to design and build the redevelopment of Tanglefoot Park at 312 W. Exchange St. The firm should provide a detailed topographic survey, design development, and construction document services, for the scope of the project.

A qualified professional engineering firm is best described as a firm engaged in the professional practice of rendering service or creative work requiring education, training, and experience, in the art of engineering.

II. Background Information

In recent years, Tanglefoot Park has operated as an RV park for summer users. In order to serve the greater community at large, the Village of Spring Lake has decided to redevelop the waterfront property into a community event space and outdoor public use facility.
The selected proposer must be an engineering firm that also provides architectural services. The firm should have at least five years of experience in Michigan, providing such services.

III. Services Required

The goal of this project is to receive the necessary engineering and architectural services to redevelop the park. The property will include but not limited to the following; a new community event space, water splash pad, fire pit sitting area, kayak launch, picnic tables, landscaping, and parking. All areas of the redevelopment should comply with Michigan's ADA standards for Universal Design. The new community event space will be built to serve the Village as a rental property for everything from weddings and parties, to art shows and the farmer's market. The event space should be a pavilion (type), open concept. This space should accommodate events with a gathering of 250 people.

The Village of Spring Lake is requesting that the selected engineering/architectural firm provide a topographic survey, design development, and construction document services. The firm should also provide construction services, in order to complete the comprehensive build of the project (which includes the preparation of the existing site).

The Village of Spring Lake was awarded the 2021 Michigan Department of Natural Resources Trust Fund Grant. The $300,000 grant will go directly towards the redevelopment of Tanglefoot Park. The selected proposer must adhere to all obligations stated by the Michigan Department of Natural Resources. The project is expected to total $3,000,000. Attached to this request for proposal is a conceptual drawing that indicates the requested services.

IV. Submittal Requirements

The following information shall be require in the RFP submittal:

1. Letter of Transmittal- The letter is not intended to be a summary of the proposal itself. The letter of transmittal must contain the following statements and information:
   a. Company name, address, and telephone number(s) of the firm submitting the proposal.
   b. Name, title, address, e-mail address, and telephone number of the person or persons to contact who are authorized to represent the firm and to whom correspondence should be directed.
   c. Federal and state taxpayer identification numbers of the firm.
   d. Briefly state your understanding of the services to be performed and commitment to provide the services as specified.
e. A corporate officer or other individual who is legally authorized to bind the applicant to both its proposals must sign the letter.

f. Statement which indicates, “proposals shall be valid and binding for ninety (90) days following proposal due date and will become part of the contract that is negotiated with the Village of Spring Lake.”

2. General Vendor Information- Provide the following information:
   a. Length of time in business.
   b. Length of time in business of providing proposed services.
   c. Location of office in which would service this account (location of headquarters and any field offices that are not providing service to this project should also be listed).

3. Description of services- Provide the following information:
   a. Describe how your firm is positioned to provide the services listed in this request for proposals and provide a history of experience providing similar services.
   b. Describe your approach and methodology in providing these services.
   c. Provide insight on how your team will phase our project and your proposed schedule for each phase of our project.

4. References- Provide the following information:
   a. Name, title, address, and telephone number of three references for clients whom you have provided park redevelopment services in Michigan over the past 5 years.
   b. Describe the actual services provided and the length of tenure providing services to each client referenced.

5. Staff Resources- Provide the following information:
   a. Identify names of principles and key personnel who, if your company is selected, will actually provide the requested services.
   b. Summarize the experience and expertise of these members.
   c. Describe the role and responsibilities that each of these individuals will have.

6. Default- Please provide the details of any action resulting in the termination (for default) of a contact in the past five years. Termination for default is defined as notice to stop performance due to the vendor’s non-performance or poor performance; and the issue was either (a) not litigated or (b) litigated, and such litigation determined the
vendor to be in default. If default occurred, list complete name, address, and telephone number of the party. If the vendor has experienced NO such terminations for default in the past five years, declare that. The Village will evaluate the facts and may, at its sole discretion, reject the vendor’s proposal if the facts discovered indicate that completion of a contact resulting from this RFP may be jeopardized by selection of this vendor.

7. Other information- Beyond the scope of this RFP, what other (related or otherwise) does your organization provide that may be of interests to the Village of Spring Lake?

8. Summary- Please summarize your proposal and your firm’s qualifications. Additionally, you may articulate why your firm is pursuing this work and how the firm is uniquely qualified to perform the task. Include any other pertinent information that helps the Village of Spring Lake determine your overall qualifications. Your proposal summary is not to exceed two pages.

9. Costs of services- Provide the following information:
   a. The proposal must contain a fee schedule that includes hourly rates for proposed services.
   b. Describe how your services are priced and any specific pricing you are able to provide.
   c. Include the costs of providing services for the bidding and negotiation of general contractors.
   d. Include the costs of providing the service of village representative in order to provide oversight during the construction phase.

10. Insurance- Contractor shall furnish a certified copy of General Liability Insurance, as well as worker’s compensation for the company and employees prior to beginning any work. The firm’s General Liability Insurance should be a minimum of $1,000,000.

11. Project Timeline
   a. RFP due: February 4, 2021
   b. Firm selected: February 15, 2021
   c. Start work: February 16, 2021
   d. Completed design: May 6, 2021
   e. Design affirmed by The Village of Spring Lake: May 17, 2021
f. Bid construction contract: June 14, 2021  
g. Start construction: any time after July 1, 2021  
h. Project Complete: November 15, 2021

V. Evaluation Criteria and Process

The selection committee (Spring Lake Downtown Development Authority) will conduct an evaluation of qualifications and will rate each submitted proposal based upon the following criteria:
1. Experience  
2. Understanding of services to be provided  
3. Ability to provide the requested services  
4. Compatibility with end users  
5. Project approach  
6. Costs of services  
7. References

VI. Deadline for Submissions of Proposals

The Village of Spring Lake must receive three (3) paper copies of the proposal prior to 2PM prevailing time on Thursday, February 4, 2021. One (1) electronic copy is also required. All copies of the proposal must be plainly marked as “Tanglefoot Park Redevelopment Proposal.” Proposals shall be delivered or mailed to:

Mrs. Christine Burns, Village Manager  
Village of Spring Lake  
102 W. Savidge St  
Spring Lake, MI 49456

Any questions regarding this proposal must be submitted no later than Monday, February 1, 2021 to:

Mrs. Christine Burns, Village Manager  
Phone- (616) 842-1393  
Email- Christine@Springlakevillage.org

VII. Miscellaneous
1. The Village of Spring Lake reserves the right to reject any and all proposals for failure to meet the requirements contained herein, to waive any technicalities, and to select the proposal that, in sole judgement of the Village of Spring Lake, best meets the requirements of the project.
2. The request for proposal creates no obligation on the part of the Village of Spring Lake to award a contract or to compensate the proposer for any costs incurred during proposal presentation, response, submission, presentation, or oral interviews (if held). The Village of Spring Lake reserves the right to award a contract based upon proposals received without further discussion or negotiation. Proposers should not rely upon the opportunity to alter their qualifications during discussions.

3. The Village of Spring Lake further reserves the right to make such investigation as it deems necessary to determine the ability of proposers to furnish the required services, and proposers shall furnish all such information for this purpose as the Village of Spring Lake may request.

4. Proposers must specifically identify any portions of their submittals deemed to contain confidential or proprietary information, or trade secrets. Those portions must be readily separable from the balance of the proposal. Such designations will not necessarily be conclusive, and proposers may be required to justify why the Village of Spring Lake should not, upon written request, disclose such materials.

5. Evaluation and Award - This is a request for proposal and not a bid process. Therefore, The Village of Spring Lake has the discretion to evaluate the qualitative as well as financial aspects of each proposal and make its selection based on what it considers to be in its best interest as a whole. The award and selection of the Vendor is solely within the discretion of the Village of Spring Lake. After the contract award has been announced, unsuccessful Vendors should not submit additional information for consideration by the Village of Spring Lake or have any subsequent contact with the Village of Spring Lake employees or officials, other than to receive debrief from an authorized individual.

6. Transportation Charges- Unless proposal clearly states otherwise, prices quoted will be considered to include all charges for transportation, packaging, crates, containers, etc., necessary to complete delivery on an F.O.B Destination basis.

7. Job Familiarization- Vendor is urged to make itself fully aware of all job and facility requirements. Vendor shall be responsible to question any discrepancies, errors, and/or omissions in the specification and totally familiarize itself with the full intent of this invitation of proposal. Failure to do so will not relieve Vendor of the responsibility to perform the full scope and quality of work expected by the Village of Spring Lake.

8. All submittals become the property of the Village of Spring Lake and will not be returned to the submitting form.
A JOINT RESOLUTION OF APPRECIATION FOR SGT. JASON KIK
UPON HIS RETIREMENT FROM THE OTTAWA COUNTY SHERIFF’S OFFICE

WHEREAS, Sgt. Jason Kik has announced that he will be retiring from the Sheriff’s Office on February 19, 2021. Sgt. Kik has served with the Sheriff’s Office for over 30 years. Sgt. Kik began his career in 1991 as a Reserve Deputy. In 1993 Sgt. Kik served as a part time deputy and moved to full time Deputy in 1994. In 2001 Sgt. Kik was promoted to Detective and in 2012 was promoted to Sergeant.

WHEREAS, Sgt. Kik has had the opportunity to serve in several different roles over the course of a great career. Sgt. Kik has always had a strong passion for his profession, his pride in his work for the agency, care for the Sheriff’s Office staff, citizens of Ottawa County and the many victims of crime that he has served in his various roles.

WHEREAS, Sgt. Kik has received numerous letters of thanks, commendation and appreciation for his work over the years. Sgt. Kik received the Deputy of the Year presented by the City of Coopersville and Officer of the year from the LAADSV, Lakeshore Alliance Against Domestic & Sexual Violence.

WHEREAS, in 2014 Sgt. Kik became the Sergeant for the Spring Lake/Ferrysburg law enforcement contract. Sgt. Kik played a vital role in the transition process, oversight and supervision of the contract. Sgt. Kik also became very involved in the community, participating in many events, Rotary Club, and was recognized for his involvement and accomplishment of the Spring Lake Art in the Park project by way of the CEPTED process. During the fund raising for this project Sgt. Kik had a short career (several hours) as a Barista at Jumpin Java to help support this project.

WHEREAS, Sgt Kik has also faithfully served in the Sheriff’s Office Honor Guard, a duty that he was proud of and took great pride and honor serving in.

WHEREAS, the Village of Spring Lake, the City of Ferrysburg and Spring Lake Township would like to thank Sgt. Kik for his dedicated service, commitment and professionalism he has displayed in his 30 years plus of service to the Sheriff’s Office and citizens of Ottawa County. We wish Sgt. Kik and his family the best in the future and his new pursuit of a new career.

ROLL CALL VOTE:
YES:
NO:
ABSENT:

RESOLUTION DECLARED ADOPTED.
The undersigned Clerks of the Village of Spring Lake, the City of Ferrysburg and Spring Lake Township hereby certifies that this Resolution was duly adopted by their respective jurisdictions, pursuant to proper notice and compliance with Act No. 267 of the Public Acts of 1976.

_________________________________              __________________________________
                           Marvin Hinga, Clerk, Village of Spring Lake                        Debbie Wierenga, Clerk, City of Ferrysburg

_________________________________                          __________________________
                           Carolyn Boersma, Clerk, Spring Lake Township                           
Background: The current mailroom copier has been in service for over ten years and was originally purchased from Copy Tech, Inc. The average life expectancy of a copier is about 5 years. The quality of copies and scanned documents have degraded significantly and calls for service have gone up. The current copier is experiencing frequent paper jams which wastes staff time trying to clear the jams. Spring Lake Schools and the City of Ferrysburg are using the proposed copier that staff is recommending. Lori Spelde has contacted both the City of Ferrysburg and Spring Lake Public School. They both speak highly of the machine and its dependability.

Mike Cotterall from Copy-Tech, Inc. has the governmental contract for Toshiba copiers.

Issues & Questions Specified: The Finance Committee will review the options of buying versus leasing prior to the Work Session.

Alternatives: Accept the poor performance of the current copier and hope it does not break down to the point where we have to replace the machine unexpectedly.

Financial Impact: The Village budgeted $9,000 for copier replacement in the current year. The purchase price of the copier is $7,834.

Recommendation: Approve recommendation from the Finance Committee.

Attachments: Toshiba 5015C Copier spec sheet. Spreadsheet comparing cost of purchase vs. lease. Copy-Tech e-mail regarding purchasing consortium e-mail.
## Village of Spring Lake
### Copier Purchase/Lease Comparison

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<tr>
<th></th>
<th>3- Year</th>
<th>5- Year</th>
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<tr>
<td><strong>Toshiba 5015AC Copier</strong></td>
<td></td>
<td></td>
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<tr>
<td>Purchase</td>
<td>7,834.00</td>
<td>7,840.44</td>
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<tr>
<td>Lease</td>
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<td>8,695.80</td>
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<td>Lease End Purchase</td>
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<td>700.00</td>
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<td><strong>Total Cost</strong></td>
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<td>8,740.44</td>
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- **Service Agreement Annual Cost**
  - (Based on 2019 Usage)
  - 1,499.25

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<th><strong>Current Copier Cost - 2019</strong></th>
<th>Maintenance</th>
<th>Toner</th>
<th>Total</th>
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<tr>
<td></td>
<td>1,220.00</td>
<td>810.00</td>
<td>2,030.00</td>
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TOSHIBA e-STUDIO 5015AC DIGITAL COLOR COPIER SYSTEM

Prepared for:

The Village of Spring Lake
Using Toshiba / National IPA Region 4 Pricing

TOSHIBA e-STUDIO 5015AC Digital System $7,834
50 Copies per Minute Black & 50 Copies per Minute Color

System Includes:
- Dual Scan Automatic Document Feeder
- Multi-Position Stapling Finisher with 2 and 3 Hole Punch
- 2 - 550 Sheet Paper Drawers
- 2,000 Sheet Large Capacity Paper Drawer for Letter Paper
- 100 Sheet Bypass Tray
- Fax Module

20 Second Warm Up Time
4.4/5.7 Second First Copy Time B&W/Color
Scan Speed: 73 Images Per Minute Color and B&W @ 300 dpi
1200x1200 DPI Color Print Resolution (PS Driver)
4 GB Memory w/ 320 GB HDD using Intel 1.33GHz Dual Core Processor

Standard Network Printing and Scanning using
Toshiba e-Bridge Technology
Scan to and Print from USB flash drive
Top-Access Remote Management Utility

SERVICE
All systems are covered by the TOSHIBA Quality Commitment Guaranty.
COPY-TECH’S all-inclusive service contract provides coverage on all parts, labor and supply items
(excluding paper & staples) and unlimited service calls.
Toshiba e-STUDIO 5015AC contract is .006 per copy for black.
Toshiba e-STUDIO 5015AC Contract is .035 per copy for color.
Hi Marv,

Below is the link to the National IPA.org. This is the cooperative buying group for government and non-profit agencies. Toshiba's bid win for the Houston Public Schools was brought to NIPA to partner with Toshiba in order to make the pricing available to any government or non-profit organization. There are no membership fees and no commitment to purchase anything.

https://www.omniapartners.com/publicsector/national-ipa-an-omnia-partner

(click on Who We Are then click About Us)

If you have any questions, please let me know.

Have a great weekend and be safe,
Mike

Mike Cotterall
COPY-TECH, INC.
PO Box 21
Spring Lake, MI 49456
616-837-1333
## Village of Spring Lake
### February 2021 Budget Amendments

<table>
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<tr>
<th>Adjustment</th>
<th>Account</th>
<th>Fund</th>
<th>Dept.</th>
<th>Account</th>
<th>Current</th>
<th>Proposed</th>
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<td>Adjust Clerk/Treasurer Budget</td>
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</table>
Maybe I missed it, but would really appreciate the increase in cost addressed in a newsletter. I am one person and my cost has increased over 100% over the last 2 years. Thanks!
February 1, 2021

Ms. Shelly Fraser
501 E. Savidge
Spring Lake MI 49456

Dear Ms. Fraser,

We received your correspondence regarding your water bill whereas you stated that your bill “has increased over 100% within the last 2 years.” We have included copies of the informational campaign that we launched in 2018, informing residents that due to necessary infrastructure improvements, bills would be increasing. We gave detailed explanations in these mailings, which were mailed to every house in the Village. The newsletters were placed on our website and numerous articles were published in the Grand Haven Tribune. Prior to COVID, we held community engagement meetings at the Spring Lake District Library that were standing room only.

Over the past 3 years, your elected officials have continuously wrestled with the idea of addressing the aging infrastructure. It was no longer an option to “kick the can down the road” as so many previous Councils have done. It is imperative to address our 100+ year old infrastructure prior to complete failure. Some of the costs on your water bill are state-mandated (lead service line replacement) and outside of our control. We encourage you to watch the educational videos we posted on our Spring Lake Village Facebook page and on YouTube. We have one that explains the increase and one that explains how to decipher your water bill.

If you wish to discuss your bill, I am happy to do so at your convenience.

Fondly,

Christine Burns
Village Manager

Enclosures
Jim,

We are very aware of the issues with the snow blowers. I personally drove around early yesterday morning to evaluate the sidewalk clearing effort. I was disappointed to find sidewalk where there was no attempt to clear or the clearing looked more like we were just driving around. It was not an issue with lowering the blower. Without going into detail there were several issues, including mechanical, that resulted in poor performance. We made significant mechanical changes and have had additional retraining to improve the operation. We all need to understand that the two blowers are five feet wide and much of the Village sidewalk is four feet wide which can and will result in several inches of snow left on sidewalks in certain areas. We have an operator out today to clear the sidewalks before the next storm.

Thanks for Your Comments,

Wally Delamater
Director, Spring Lake Public Works

Good Morning Mr. Marshall,

I have copied our DPW Director and Village Manager with your sidewalk concerns.

Thank you for bringing this to our attention.

Best Regards,

Maryann

Maryann Fonkert
Deputy Clerk, CMMC, Village of Spring Lake
From: Jim Marshall <no-reply@www.springlakevillage.org>
Sent: Tuesday, February 2, 2021 9:32 PM
To: Maryann Fonkert <Maryann@springlakevillage.org>; Lori Spelde <Lori@springlakevillage.org>
Subject: Website Contact Form "Village sidewalks"

Caution! This email is from an external address and contains a link. Use caution when following links as they could open malicious web sites.

Caution! This email is from an external address and contains a link. Use caution when following links as they could open malicious web sites.

From: Jim Marshall <jimmarshall0716@sbcglobal.net>
Subject: Village sidewalks

Message Body:
Hello-don’t know if anyone has brought this to your attention but whoever is clearing the snow of city sidewalks has to drop his snow blower a couple of more inches they’re leaving about 3 inches of snow between their tire tracks, it’s like wasting their effort. Hopefully you can pass this info to the proper people. Thank you

--
This e-mail was sent from a contact form on Village of Spring Lake (http://www.springlakevillage.org)
Mr. Marshall,

Thanks for the feedback! Check this out......

Our DPW crews are “test driving” a new piece of equipment for sidewalk snow removal (they love it BTW). It’s actually the right piece of equipment for the job they’re trying to do. Imagine that?

We’re not sure if we will be able to acquire this machine for this winter, but we should definitely have it before next winter. Stay tuned!

Be safe out there and have a great weekend!

Chris
Mr. Marshall's update.

Maryann
Maryann Fonkert  
Deputy Clerk, CMMC, Village of Spring Lake  
102 W. Savidge St., Spring Lake, MI 49456  P 616.842.1393  F 616.847.1393  maryann@springlakevillage.org

-----Original Message-----
From: Jim Marshall <no-reply@www.springlakevillage.org>
Sent: Friday, February 5, 2021 12:09 PM
To: Maryann Fonkert <Maryann@springlakevillage.org>; Lori Spelde <Lori@springlakevillage.org>
Subject: Website Contact Form "Sidewalk"

Caution! This email is from an external address and contains a link. Use caution when following links as they could open malicious web sites.
________________________________
Caution! This email is from an external address and contains a link. Use caution when following links as they could open malicious web sites.
________________________________

From: Jim Marshall <jimmmarshall0716@sbcglobal.net>
Subject: Sidewalk

Message Body:
Plowing on sidewalks is narrower but the snow is gone and that’s a good thing. Thank you

--
This e-mail was sent from a contact form on Village of Spring Lake (http://www.springlakevillage.org)
Hi,

I wonder if anything can, really, be done. We live about a block from Holmes & walk our children there in the mornings. There are maybe a half-dozen or so families that seem to use River St. or the school staff lot every morning for drop off, despite regular reminders from the school asking everyone dropping off to use the Hammond St. loop. It looks unsafe to me, especially on River. People have children step out on the traffic side, and they'll cross where they park rather than at a crosswalk. And, at this time of year, when there's snow and ice piled up obscuring sight lines, ice glazing surfaces, and the sun is beginning to rise at the same time of day getting in the eyes of drivers coming from the west, it seems especially unsafe. A couple of weeks ago we nearly got hit by someone coming out of the staff lot who clearly wasn't looking at the crosswalk we were in.

Thanks,
Shannon McMaster
227 Prospect
Hi Dale,

Staff checked the area and determined that the street light is out at Fleser and Lake and it has been reported to Consumers Energy. The Ottawa County Sheriff’s Office does a quarterly inventory of street light outages and we report them to Consumers Energy when we get the list. If the lights burn out in between, they may be out for several months. Here is a link to report outages to Consumers Energy:

https://www.consumersenergy.com/outages/street-light

You can report them and get a work order and the repair should be done within 5-7 days, which may be more timely than the quarterly review we do.

Thank you for bringing it to our attention.

Fondly,

Chris

Christine Burns
VILLAGE MANAGER, VILLAGE OF SPRING LAKE
102 W. Savidge St., Spring Lake, MI 49456
p 616.842.1393  f 616.847.1393
christine@springlakevillage.org
Just curious. Wondering why the sidewalks get snow blown about halfway down to the cement. When trying to go for a walk, that really doesn’t do us much good.
From: Christine Burns  
Sent: Wednesday, February 3, 2021 8:09 AM  
To: Michael Secory  
Subject: RE: Recent Email

Happy Wednesday Mike!

Funny you should say that about FB posts. I was just in a virtual conference last week that addressed how posts can quickly take a wrong turn. Studies have been done that show that if the first 3 comments are negative, that’s pretty much how the post will go. The positive people won’t weigh in for fear of what the keyboard warriors will do to them. We try to get to posts before they take a wrong turn, but that doesn’t always happen. Michelle Allard’s post went right over my head; I still cannot figure that one out (I must be a little slow this morning).

Honestly, if you were curious, there were other people out there wondering the same thing, so it worked out well! Maybe we should use you as a plant to post FB questions about things that inquiring minds want to know 😊?

Hope you have a great week!

Chris
Mr. Willison,

Our Zoning Administrator, Lukas Hill, has been on site to observe (listen) to the bubbler in question. He noted that, when you first contacted us and we reached out to BBW, they immediately addressed the situation by constructing an insulated enclosure around the bubbler. BBW has been bubbling those docks for as long as anyone can remember with no issues or complaints. The only difference, besides your recent relocation to Lake Pointe Condos in June, year is that BBW do not have boats stored in the parking lot between your unit and the bubbler.

I asked the OCSO to take a decibel read at the bubbler and outside the building. The reading was 71 decibels at the bubbler. The read (outside) at the corner (ground level) of your building was 51 decibels, which is the equivalent of a conversation.

<table>
<thead>
<tr>
<th>Noise Source</th>
<th>Decibel Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jet take-off (at 25 meters)</td>
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</tr>
<tr>
<td>Aircraft carrier deck</td>
<td>140 - 160</td>
</tr>
<tr>
<td>Military jet aircraft take-off from aircraft carrier with afterburner at 50 ft (136 dB).</td>
<td>130 - 140</td>
</tr>
<tr>
<td>Thunderclap, chain saw, Oxygen torch (121 dB).</td>
<td>120 - 130</td>
</tr>
<tr>
<td>Steel mill, auto horn at 1 meter. Turbo-fan aircraft at takeoff power at 200 ft (118 dB). Riveting machine (110 dB); live rock music (108 - 114 dB).</td>
<td>110 - 120</td>
</tr>
<tr>
<td>Jet take-off (at 305 meters), use of outboard motor, power lawn mower, motorcycle, farm tractor, jackhammer, garbage truck. Boeing 707 or DC-8 aircraft at one nautical mile (1980 ft) before landing (106 dB); jetflyover at 1000 feet (103 dB); Bell U-2A helicopter at 100 ft (100 dB).</td>
<td>100 - 110</td>
</tr>
<tr>
<td>Boeing 737 or DC-9 aircraft at one nautical mile (5080 ft) before landing (97 dB); power mower (96 dB); motorcycle at 25 ft (90 dB). Newspaper press (97 dB).</td>
<td>90 - 100</td>
</tr>
<tr>
<td>Garbage disposal, dishwasher, average factory, height train (at 15 meters). Car wash at 20 ft (89 dB); propeller plane flyover at 1000 ft (85 dB); diesel truck 40 mph at 50 ft (84 dB); diesel truck 45 mph at 100 ft (83 dB). Food blender (88 dB); mling machine (85 dB); garbage disposal (80 dB).</td>
<td>80 - 90</td>
</tr>
<tr>
<td>Passenger car at 65 mph at 25 ft (77 dB); freeway at 50 ft from pavement edge 10 a.m. (76 dB). Living room music (76 dB); radio or TV-audio, vacuum cleaner (70 dB).</td>
<td>70 - 80</td>
</tr>
<tr>
<td>Conversation in restaurant, office, background music, Air conditioning unit at 100 ft</td>
<td>60 - 70</td>
</tr>
<tr>
<td>Quiet suburb, conversation at home. Large electrical transformers at 100 ft</td>
<td>50 - 60</td>
</tr>
<tr>
<td>Library, bird calls (44 dB); lowest limit of urban ambient sound</td>
<td>40 - 50</td>
</tr>
<tr>
<td>Quiet rural area</td>
<td>30 - 40</td>
</tr>
<tr>
<td>Whisper, rustling leaves</td>
<td>20 - 30</td>
</tr>
<tr>
<td>Breathing</td>
<td>10 - 20</td>
</tr>
</tbody>
</table>

If you would like to allow a masked employee inside your unit to take a reading, we can arrange for that to happen. However, you have repeatedly indicated that you do not wish to register a formal complaint. At this time, we do not feel that the bubbler (which has been in this same location for a couple of decades) is creating a hardship or affecting the quality of life of residents near the marina. If you disagree with this determination, you are welcome to appeal your concerns to the Village Council or to the Zoning Board of Appeals.

Fondly,

Chris

Christine Burns
I am still waiting to hear your answer to the question that I have asked you several times. Specifically:

**Does the Village use any objective standards for measuring compliance with its noise ordinance; and if so, what are they?**

This is my last email to you about this question. If I do not receive a reply from you very soon, I will pursue other avenues for obtaining the information I have requested.

Sincerely,

Ken Willison

On Monday, January 18, 2021, 12:49:13 PM EST, Ken Willison <willison1@sbcglobal.net> wrote:

I am sending you this copy of my email to Justin Driver at Barrett's. *(See forwarded email below.)*

As you can see, we have reached a "temporary" solution. *Please don't mistake this temporary solution for a permanent one.* Only time will tell whether or not the pump noise will become an issue again next winter. For that reason ...

I am still waiting for your response to my question. Does the Village use any objective standards for measuring compliance with its noise ordinance; and if so, what are they?
Hello Justin,

Thank you again for taking the time to talk with me last week. I really appreciate the steps that BBW has taken so far to address the noise issue. After giving a lot of thought to what we talked about, I realize that you have done just about all that you can reasonably be expected to do to tone down the noise this winter. For that reason, I am not going to complain any more this season.

I do hope that some thought can be given to additional noise reduction measures before the air compressor is reinstalled next Fall. After researching the heck out of the subject, I believe that a large amount of the noise is related to how the pump is set up at the point of connection. During my research, I found the following very helpful link: How to Quiet an Air Compressor – 6 Noise Reduction Tips - AIR PSI

What struck me the most about this article was its Tip # 2 – Isolate the Compressor from Everything. This tip gave rise to several observations:

a. Placing the compressor on a sound deadening platform or pad instead of a wooden pallet might go a long way towards decreasing its vibration on the sidewalk.

b. Reconfiguring the extremely strained connection between the pump and the bubbler hose (so that the hose is not stretched to its maximum and tightly bent against he seawall) might eliminate a lot of the vibration caused by the pump.

c. Putting some sound deadening material between the seawall and the pump itself might help deaden some of the reflective noise from the pump.

These are all ideas that spring from reading this article. There are many more ideas in this article that may apply to our situation (including plans for a box) but I’ll leave reading them up to you.

In closing, I am unconvinced that parking stored boats between the pump and my bedroom window will be enough to adequately decrease the night-time noise next Fall. In addition to using the box that BBW built this year, I hope that something more will be done to address this issue before the pump is reinstalled next season. My research suggests that there is certainly more that can be done to decrease the vibrations of the pump at the time of its installation next Fall. Until then, I remain available to discuss these matters further at your convenience.

Thanks again,

Ken Willison

On Wednesday, January 13, 2021, 04:34:22 PM EST, Justin Driver <driver_justin@yahoo.com> wrote:
Hey Ken, just wanted to chat about your email about our aeration compressor out on the dock give me a call at Barrett's when you get a chance 616-842-1202

Thank you

Justin Driver
I am sending you this copy of my email to Justin Driver at Barrett's. *(See forwarded email below.)*

As you can see, we have reached a "temporary" solution. *Please don't mistake this temporary solution for a permanent one.* Only time will tell whether or not the pump noise will become an issue again next winter. For that reason ...

**I am still waiting for your response to my question.** Does the Village use any objective standards for measuring compliance with its noise ordinance; and if so, what are they?

----- Forwarded Message ----- 
From: Ken Willison <willison1@sbcglobal.net>  
To: Justin Driver <driver_justin@yahoo.com>  
Sent: Monday, January 18, 2021, 12:33:21 PM EST  
Subject: Re: Bubbler system

Hello Justin,

Thank you again for taking the time to talk with me last week. I really appreciate the steps that BBW has taken so far to address the noise issue. After giving a lot of thought to what we talked about, I realize that you have done just about all that you can reasonably be expected to do to tone down the noise *this winter.* For that reason, I am not going to complain any more this season.

I do hope that some thought can be given to additional noise reduction measures before the air compressor is re-installed next Fall. After researching the heck out of the subject, I believe that a large amount of the noise is related to how the pump is set up at the point of connection. During my research, I found the following very helpful link:  [How to Quiet an Air Compressor – 6 Noise Reduction Tips - AIR PSI](#)

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In closing, I am *unconvinced* that parking stored boats between the pump and my bedroom window will be enough to adequately decrease the night-time noise next Fall. In addition to using the box that BBW built this year, I hope that something more will be done to address this issue *before* the pump is reinstalled next season. My research suggests that there is certainly more that can be done to decrease the vibrations of the pump at the time of its installation next Fall. Until then, I remain available to discuss these matters further at your convenience.

Thanks again,

Ken Willison  
cell: 616-520-5902

On Wednesday, January 13, 2021, 04:34:22 PM EST, Justin Driver <driver_justin@yahoo.com> wrote:

Hey Ken, just wanted to chat about your email about our aeration compressor out on the dock give me a call at Barrett's when you get a chance 616-842-1202

Thank you

Justin Driver
I am still waiting to hear back from you with my question regarding how the Village enforces the noise ordinance without any objective decibel standards. That question is in bold print below.

For enforcement purposes, does the Village have any objective standards for measuring acceptable noise levels? If not, how does the Village determine compliance with its noise ordinance?

I am not sure why you have so far failed to answer this question, since I have asked it more than once. I await your reply. Thanks.
2020

ANNUAL REPORT

A yearly celebration of achievements in the Lower Grand River Watershed

LOWER GRAND RIVER ORGANIZATION OF WATERSHEDS

GVMC
WHAT IS LGROW?
The Lower Grand River Organization of Watersheds (LGROW) brings together local municipalities and community stakeholders in a unique format to address issues facing the Lower Grand River and its 31 subwatersheds.

MISSION
To understand, protect and improve the natural resources of the Lower Grand River Watershed for all to enjoy.

VISION
Connect water with life.

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Board of Directors

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Director of Environmental
Programs

Eileen Boekestein
Environmental Education
Coordinator

Courtney Cromley
Education and GIS Associate

Cara Decker
Stormwater Program
Coordinator

Rachel Frantz
Environmental Programs
Associate

Josh Arnold
GVSU Graduate Student
Assistant
A LETTER FROM THE CHAIR

Welcome 2021!

Well I think it’s safe to say that 2020 will not be remembered for stormwater. Despite political, social, and viral unrest, efforts to improve our Grand watershed continued. As this annual report indicates, some of these efforts were more obvious in their interaction with the community. Other efforts were less obvious and set the stage for longer term positive impacts.

Over the past year, our great LGROW team continued to find creative ways to engage the watershed community. Several organizations had cleanup events at various locations within the Grand River Watershed. Tree and native planting opportunities were well attended. I think all of us are looking forward to a 2021 when we can resume these activities normally!

As a LGROW Board, we met several times this summer and fall to revisit and update our mission, vision and values. While not as exciting as a river cleanup, this activity was important as it reflects both the principles of the member communities and LGROW staff and provides them direction as they seek funding or engage with other organizations. Please visit LGROW.org/our-mission-and-goals to learn more.

I am always amazed at the power of water. This past summer, our family was able to take a camping trip to Utah. From the Great Salt Lake to the Grand Canyon to slot canyons, the impact of water on the landscape is so vastly different than what we experience in Michigan. It made me grateful that we live in a community that is blessed with an abundance of water, with people that care about their impacts to water, and with an organization like LGROW who works tirelessly on our behalf.

Please enjoy the 2020 Annual Report and thank you to LGROW staff for another great year.

Aaron Vis
Assistant Director of Public Works
City of Wyoming
(616) 530-7264
avis@wyomingmi.gov
BY THE NUMBERS

**WEBSITE & SOCIAL MEDIA**

This year, the LGROW Facebook page surpassed 1,700 followers and reached over 100,000 people through posts. There were 13,097 visits to the website and 25,147 page views. Nearly 2,000 people are subscribed to the seasonal newsletter.

**GRANT FUNDING**

Applied for 10 grants, 6 received totaling $129,000, and $384,000 pending.

**ADOPT A DRAIN**

With the addition of the Village of Caledonia, we now have 15 communities involved in the LGROW Adopt-a-Drain program! A total of 891 drains have been adopted so far in the watershed! www.adoptadrain-lgrow.org
WATERSHED WINS

Completion of EPA GLRI Grant
LGROW was awarded a Great Lakes Restoration Initiative grant from the U.S. Environmental Protection Agency in 2015. Over the last 5 years, 43,300 square feet of practices were installed, with 38,399 native plants and 8 trees and 172 rain barrels constructed and distributed. The final project, led by the Plaster Creek Stewards, included the removal of invasive species and installation of a pits and mounds system to store stormwater and slow flow into Silver Creek, a tributary to Plaster Creek. LGROW staff planted 3,400 native plugs at the Calvin Avenue Basin.

Beginning of USDA Forest Service GLRI Grant
LGROW was awarded a USDA Forest Service Great Lakes Restoration Initiative grant in 2019 to plant trees and install green infrastructure on schools across the watershed. In 2020 LGROW planted 12 trees at Grandville East Elementary School and 20 trees and 4,000 native plants at the Kent Intermediate School District.
**Seed Collection**
LGROW staff collected seeds from 14 species of native plants. Nodding Wild Onion, Stiff Goldenrod, Bergamot, Wild Quinine, Mountain Mint, Prairie Dropseed, Rattlesnake Master, Thimbleweed, Black Eyed Susan, Yarrow, Butterfly Weed, Fox Sedge, Marsh Blazing Star, and Foxglove Beardtongue. 

**Rainscaping**
LGROW staff conducted 11 residential site assessments. The Rainscaping Program was expanded to include small businesses and 3 business site assessments were completed.

LGROW staff presented in 2 National Wildlife Federation Sacred Grounds Rainscaping virtual workshops with 235 attendees.

**Stream Cleanup**
Volunteers from LGROW, GVMC, the City of Grand Rapids, and the City of Walker removed 15 bags of trash from the Indian Mill Creek at Richmond Park during West Michigan Environmental Action Council’s Annual Grand River Mayor’s Cleanup.

**Grand River Rainscaping**
An LGROW Program
Mussel Surveys
Surveyed 300 mussels between Rush Creek and Cedar Creek.

Crayfish Monitoring
Surveyed 3 crayfish monitoring stations in the Rogue River and 1 in the Grand River.

Photo Monitoring
Installed 5 photo monitoring stations along the Grand River for community scientists to contribute to the photo monitoring of the Grand Rapids Whitewater (GRWW) Grand River Restoration project in downtown Grand Rapids.

Angler Counts
Conducted 56 angler counts along the Grand River in the Grand River Restoration project area and the Grand Rapids Public Museum trained 28 community scientists to continue the angler counts throughout the project period.

Water Quality Monitoring
Installed 2 new Mayfly river monitoring stations to monitor water temperature, electric conductivity and turbidity in real time. In partnership with Trout Unlimited’s Great Lakes Program and Stroud Water Research Center.
VIRTUAL OUTREACH

5 Earth week Craft Videos

17 Hands-on Science Demonstrations

8 Watershed Art Tutorials

9 Watershed Read-Aloud Stories

6 LGROW Seasonal Tip Videos Published
LGROW SPRING FORUM

Virtual

194
19
985

Registered
Forum Videos
Views

The 17th Annual Grand River S...

Thank You Sponsors

Making Waves
Gary & Linda De Kock
interfaceh2o
Hanes*GEO COMPONENTS
fishbeck
Prein & Newhof
vriesman & korhorn
West Michigan Sustainable Business Forum
WMEAC
LGROW STRATEGIC PLAN 2019 -2022

GVMC Environmental Program staff and LGROW Board of Directors updated LGROW’s Strategic Plan to integrate diversity, equity, and inclusion into our core values. See LGROW’s Guiding Principles full document at lgrow.org/our-mission-and-goals

Goal #1: Healthy Watersheds
Restore and protect impaired and threatened waterways
Advance natural connections
Promote sustainable agriculture and rural character

Goal #2: Engaged Community
Involve the public
Incorporate diversity, equity, and inclusion

Goal #3: Robust Organization
Recruit new members and develop watershed leaders
Secure sustainable revenue and strengthen board

A letter from the Director

Welcome 2021! I’m sure many of you feel the same way as I do about saying goodbye to 2020! But even in the face of all the challenges, we remain steadfast in fulfilling LGROW’s Mission to “Understand, protect and improve the natural resources of the Lower Grand River Watershed for all to enjoy.” Here’s a look at what we have planned for this new year: Complete the Lower Grand River Water Trail Development Plan and have the entire Grand River as a State Designated Water Trail. Through the use of Community Based Participatory Research, create recommendations to include in the Lower Grand River Watershed Resilience Plan that are feasible and targeted to the most vulnerable people and places. Implement Stormwater Management Plans for all 23 communities under new NPDES Municipal Separate Storm Sewer System (MS4) permits. Develop and adopt an Urban Waters Federal Partnership Workplan with project partners. Begin construction on returning the rapids to the Grand River in downtown Grand Rapids with the first phase of isolating and translocating mussels. Establish a “Blue Crew” of students and teachers trained in collecting and analyzing water quality data. Celebrate the Great Lakes Restoration Initiative Act of 2019 being signed into law to support on-the-ground restoration projects across the region. We could not do this work without our valued partners, talented staff, and dedicated LGROW Board members. Thanks to all of you and please stay safe and healthy in 2021!

Wendy Ogilvie
Director of Environmental Programs, GVMC
LGROW IN THE PRESS

Stay up to date with what LGROW is doing by following us on social media, visiting lgrow.org, and by watching and reading about us in the press.

WOOD TV:
*Online videos teach kids about Michigan watersheds*
May 2020

WZZM:
*Photo stations get public involved in restoration project*
July 2020

School News Network:
*KCTC and KTC Core students roll up their sleeves to help reduce water runoff at Kent ISDs*
November 2020

NOTABLE AWARDS

Grand Valley State University
*Graduate Dean’s Citation for Service to the Community or Field*
Josh Arnold, December 2020

For more information:

www.lgrow.org
(616) 776-7605
info@lgrow.org
@LGROW.org
@lgrow_org

LGROW is an agency of the Grand Valley Metro Council, which puts LGROW in a unique position to blend non-governmental organizations with the local governments in the watershed.
A staggering 35 years and 7 months of service with the City of Grand Haven and the water filtration plant.
I can’t believe what a wonderful experience it has been working for Grand Haven and to live in beautiful West Michigan.

Surprising where my career started and then landed. Beginning from my family owned Tool and Die business in Grand Haven, where I worked in Die repair maintenance and production (high school and college days) and then decided that my ambition and desire was more with science, specifically fisheries, wildlife, natural resources and oh! ya! water quality. I’m so thankful for my education and those patient educators that steered me into science through, biology, water quality and water treatment. During my career stretch, I had my hand in a couple of wildlife projects and worked at a few State parks, all were very short term, and then finally I was hired by the City of Grand Haven in 1985. Being able to land a job in my home town was remarkable and I felt so blessed.

The City allowed me to participate with some great organizations over the years. With 30+ years with the MI-Section AWWA, which was highlighted last September when I received the Raymond J. Faust Award. That was totally unexpected...

What a journey!!! Now I’m ready for another adventure ....my retirement. My last official day will be February 19th, but with all my accumulated time off, I will actually be leaving January 22nd. I’m not going far, both Jill and I will be staying in Grand Haven looking forward to traveling (soon post Covid vaccination) and working on the homestead. We will also be new grandparents later this summer, so we are very excited for our new family member.
It was great working with all of you over the years, even during difficult times, the time spent to provide service and safe drinking water to all of Northwest Ottawa County was very rewarding, and those stressful moments, which were important learning occasions, seem short-lived. I’ve been trying to summarize my tenure as this, transforming the way we maintained and operate a facility by ushering in the computer era, and almost getting away from paper record keeping and by welcoming new technology to safeguard our drinking water supply. That means trying our best to be prepared for the unexpected. To be honest, I will not miss being called on all hours of the day. Imagine that……. Although the hardest part will be missing and collaborating daily with so many great friends.

Thank you, be safe and take care ......my new email is joevs@charter.net

Joseph A. VanderStel
Water Facilities Manager
Northwest Ottawa Water Treatment Plant
City of Grand Haven
519 Washington Street
Grand Haven, MI 49417
Phone: 616-847-3487
Fax: 616-850-8738

“We Forget that the Water Cycle and the Life Cycle are One”
Jacques Yves Cousteau

This e-mail and any attachments may contain confidential and privileged information. If you are not the intended recipient, please notify the sender immediately by return e-mail, delete this e-mail and destroy any copies. Any dissemination or use of this information by a person other than the intended recipient is unauthorized and may be illegal.

**Please think of the environment before printing this email**
Kimberly Musk-Bonney
Christine Burns I want to Thank the village for doing our sidewalk this year! This is the first year ours have ever been done and we appreciate it! We live on Tolford and the neighborhood kids have to walk to/from school since we live so close. Having a safe walk the entire way to school has been absolutely awesome this year! We appreciate it so much! DPW guys rock this winter!! Keep up the great snow removal! Thank you!

Christine Burns
Kimberly Musk-Bonney we appreciate the love. Usually our DPW only hear the complaints. I'll be sure to pass along your appreciation. I know it means a lot to them!
Pursuant to SB 1008, the Village of Spring Lake will conduct its business virtually to mitigate the spread of COVID-19

1. **Call to Order**
   
   President Powers called the meeting to order at 7:04 p.m.

2. **Pledge of Allegiance**

3. **Roll Call**
   
   **Present:** Duer, Hanks, Miller, Petrus, Powers, TePastte, Van Strate.
   
   **Absent:** None

4. **Approval of the Agenda**
   
   Motion by TePastte, second from Hanks, to approve the agenda as presented.
   
   Yes: 7  No: 0

5. **Consent Agenda**
   
   A. Approved the payment of the bills (checks numbered 61518 to 61567 and electronic payments 171 to 175) in the amount of $446,876.41.
   
   B. Approved the minutes for the December 7, 2020 work session and the December 14, 2020 regular Council meeting.
   
   C. Approved the bid from Pitsch for an amount not to exceed $2,100 for sidewalk removal at 109 S. Jackson.
   
   D. Approved the low bid from Northern Pipeline Contractors for an amount not to exceed $98,640 for 9 water line abandonments on W. Savidge Street.
   
   E. Approved the low bid from Bultsma Construction for an amount not to exceed $63,543.79 for resurfacing of the Barber School & Clock Tower parking lots.
   
   F. Approved a proposal from Moore & Bruggink to provide engineering services to repair/replace a water main on West Savidge between Holiday Inn and Lake Pointe Condos for an amount not to exceed $22,500.
   
   G. Approved Resolution 2021-01, a resolution to purchase, acquire, and construct improvements to the water supply system and to publish notice of intent to issue revenue bonds.
   
   H. Approved Resolution 2021-02, a resolution for MDOT designating the authorized signer for the MDOT M-104 Parking Lane Paving Contract 20-5453.
   
   I. Approved budget amendments for the 2019/2020 fiscal year.
   
   J. Approved a planning contract with Grand Haven Township for 2021 with the hourly rates of $56.89 for Stacey Fedewa and $36.77 per hour for Cassandra Hoisington.
Motion by TePastte, second from Hanks, to approve the Consent Agenda as presented.

Yes: 7  No: 0

6. General Business

A. 2021 Waste Hauler Licensing

Subject: This is an annual housekeeping item to approve waste hauler licenses for Arrowaste, Kuerth and Republic.

Motion by TePastte, second from Hanks, to approve all three waste hauler licenses.

Yes: 7  No: 0

7. 7:10 p.m. Department Reports

A. Village Manager – Burns shared that she had sent out an email regarding Sgt. Kik’s retirement and there were options included if anyone would like to donate to his retirement gifts.

B. Assistant to the Manager

C. Clerk/Treasurer/Finance Director

D. DDA

E. OCSO

F. Fire/911 – Fire Chief John Stalzer was present and said that with Village and Township meetings being held on the same night he would try to attend a few Village meetings a year.

G. DPW

H. Zoning/Planning (none included)

I. Water

J. Sewer

K. Minutes from Various Board & Committees
   1. DDA (12/10/20)

8. Old Business and Reports by the Village Council: N/A

9. New Business and Reports by Village Council: N/A

10. Status Report: Village Attorney: N/A

11. Statement of Citizens: N/A

12. Adjournment

Motion by Van Strate, second from Hanks, Village Council adjourned the meeting at 7:15 p.m.

Yes: 7  No: 0

__________________________   __________________________
Mark Powers, President     Maryann Fonkert, Deputy Clerk
Pursuant to SB 1008, the Village of Spring Lake is conducting its business virtually to mitigate the spread of COVID-19.

President Powers called the meeting to order at 7:01 p.m.

1. **MERS Presentation (Mike Overley)** – MERS Regional Manager Mike Overley was present to discuss topics related to the retirement plans that the Village has with MERS and to discuss any MERS-related topics or questions. In addition, Mike discussed the 2019 Annual Actuarial Valuation report that reflects new economic assumptions passed by the MERS Board last year along with a preview of upcoming demographic assumption change impacts that will be reflected in contribution requirements in fiscal year 2022. Council was appreciative of this presentation and said Mr. Overley answered their questions.

2. **Demolition Bids – 109 S. Jackson Street (Wally Delamater)** – The proposed demolition, anticipated to begin this month, only removes the building. Property owned beyond the building boundary is owned by the Village. When the building is removed, the raised concrete curb and sidewalk around the building will remain. Pitsch is the contractor slated to remove the building. Pitsch was contacted and asked to provide a proposal to remove the raised concrete curb and sidewalk around the building.

   Burns explained that the property swap was still on the table, however, the appraisal had not come back yet. Burns said that Brandon Brown was still moving forward with his project whether there was a property swap or not, and demolition permits have been applied to remove the building. Burns explained that Pitsch would be doing the demolition and has been working with Delamater on utility connections, etc., and while they are on site, Delamater has been getting estimates to remove the concrete curb and sidewalk at the same time as demolition to save money. Council was in favor of putting this item on the Consent Agenda.

3. **Water Line Abandonment (Wally Delamater)** – MDOT is planning a resurfacing and repair project on Savidge from Fruitport Road to the Spring Lake bridge. This means new asphalt surface will be installed on Savidge, curb-to-curb. This road project was the catalyst for this project. MDOT is anticipating their project to begin July 19, 2021 with completion at the end of August 2021.

   For years, when a water service originating from a water main under Savidge was no longer needed, it was simply shut off at the property line (or curb stop). That portion of the service line under Savidge from the main to the property line was not shut off. A total of nine live service lines were located under Savidge; due to age and material they will never be put back into service.

   This goal was to locate as many abandoned service lines as possible and then have them disconnected prior to the resurfacing project. Hopefully, this will lessen the chances of a future failure.
Delamater explained that Norther Pipeline was the low bidder on this project, so he was asking for a nod of approval to move forward so they could keep on MDOT’s schedule for this Fiscal Year. Council approved adding this item to the Consent Agenda.

4. Parking Lot Resurfacing Bids (Wally Delamater) – The DDA budgeted to resurface and repair drainage issues in the both the Baber and Clock Tower parking lots. Moore and Bruggink (M&B), for a fee of $3,950.00, performed the design engineering. Council approved moving forward with the bid process 11-9-2020 after M&B provided the engineering estimate for Council. Three bids were received December 9, 2020 (enclosed). Bultsma Construction was low bid in the amount of $63,537.99. M&B provided Council with a bid recommendation and a project estimate that included a construction inspection fee and contingency. Total Project Estimate: $79,000.00

Proposed Project Schedule:
- Release for Bid: November 9, 2020
- Open Bids: December 9, 2020
- Award by Council: January 11, 2021
- Preconstruction Mtg: April 14, 2021
- Start Construction: After May 10, 2021 (two-week period)
- Completion Date: Before June 30, 2021

Delamater explained that bids had come in within budget for this DDA funded project, so he was asking for permission to move forward, especially on the Clock Tower parking lot where there was a large hole that made plowing difficult. Council approved adding this item to the Consent Agenda.

5. Water Main Repair (Wally Delamater) – November 9th Council agreed to move forward with the project. Although it was not clear how quickly we should move? The real determination may have to be made after the project is bid out. This will give us realistic costs to consider. A professional engineering/consulting firm will have to be hired to develop the design, initiate permit process and prepare contract/bid documents is to hire an Engineering/Consulting Firm.

M&B have provided a Design and Engineering Cost to further this project. The M&B proposal can be split into 2 phases. Approve the Design Phase and wait on the Construction phase until after the bids are received to determine continuation into the construction phase.

Delamater explained that, while they no longer had the urgency to get this project done and it was not inexpensive, he did not want to lose track of it. Council discussed that this was another project that had been kicked down the road for several years, but President Powers asked about putting this off for another year. Delamater explained that they could wait, however, the hydraulic analysis showed a need in that area where there was a larger demand for fire and domestic flows, but they did have time for more discussion. TePastte suggested that it be done now since there would be additional expenses coming up in a year or two, such as Mill Point Park if the water levels go down. Duer, Van Strate, Miller and Hanks agreed with TePastte. President Powers asked Hinga what he thought the split would be between the DDA and the General Fund. Hinga thought that would be a question for the DDA Director, but it was located completely within the DDA boundaries and this type of infrastructure plan was authorized by their plan and considered an approved expense for County Tax dollars that
were being captured. President Powers asked if they went ahead with the engineering portion now, were they obligated to follow through with the project. Delamater said they could start with the engineering portion and wait for the next fiscal year to do the project. Council agreed with getting started with the engineering design and they will discuss further after that was received.

6. Waste Hauling Licenses for 2021 – Each year, Council has to approve the licensing applications for waste haulers who wish to work in the Village.

Burns reported that, so far, she had only received an application from Republic and was hoping she would receive applications from Kuerth and Arrowaste in time for the actual Council meeting.

7. Budget Adjustments (Marv Hinga) – Hinga reported the following Budget Adjustments:

   a) Adjust Public Improvement Fund Budget for emergency stormwater main repairs.
   b) Adjust Police Retirement Budget for the supplemental payment made in December 2020.
   c) Adjust Retirement Contribution Budgets for the $50,000 supplemental payment made in December 2020.

Hinga said that the Finance Committee reviewed these adjustments prior to this meeting. TePasta said the Finance Committee supported the adjustments. Council also supported the adjustments to add to the Consent Agenda.

8. USDA Resolution (Marv Hinga) – In 2020 the Village Council authorized borrowing through the USDA up to $2.4 million for water improvements and up to $3.6 million for sewer improvements. The cost estimates from Moore & Bruggink have come in at $3.36 million for water system improvements and $3.03 million for sewer system improvements.

Hinga reported that the estimates were higher than expected on the water side so they would need to do another Notice of Intent to borrow more money. TePasta said the Finance Committee reluctantly agreed that this was something they should ask for but not necessarily spend the entire amount. Council agreed this item could be added to the Consent Agenda.

9. Parks Reopening – Council Member Mark Miller requested an update on plans to reopen the parks (specifically Mill Point Park) for the 2021 season. While precipitation is lower than normal for this time of year, water levels remain at unprecedented levels. It would be our goal to reopen Mill Point Park for 2021, but it still feels too early to make that call.

Burns shared water level graphs with Council that showed that water levels were down compared to this time last year, but the forecast indicated that water levels were still going to be at historic highs. Burns recommended that they plan on facilities being open with the understanding that the final decisions wouldn’t be made for at least a month or two. Burns said Tanglefoot docks could be brought in but opening Mill Point would need to wait to see if the parking lot and boardwalk were dry and safe. Miller said he was just trying to figure out what to do for the Wooden Boat Show, so he just wanted to start the conversation. Council agreed that, as much as they would all like to see Mill Point Park open, it was too soon to make that decision. Van Strate suggested looking into purchasing the vacant lot at School
St. and Exchange to use for parking. **Council** discussed the idea and was interested in looking into the possibility of purchasing that property at some point.

### 10. Communications
- **Complaints**
  - Sidewalk Snow Removal (Marshall)
  - Sidewalk Snow Removal (Rollins)
  - Sidewalk Snow Removal (Kochmanski)
  - Water Main Break (Hibler)
- **Compliment**
  - Sidewalk Snow Removal (Draft)
  - Sparkle (Turgeon)

- **Goal Setting Meeting** - President **Powers** suggested that, under the current COVID circumstances, they cancel the upcoming Goal Setting meeting. **Council** agreed.
- **Burns** reported that earlier in the day, **Hinga** had received a copy of a contract from MDOT to amend the resurfacing estimate for Savidge St. from Lake Ave. and the bridge that added the parking along the south side of Savidge that Council had talked about doing earlier, for a cost of $13,000. **Council** agreed this could be added to the Consent Agenda.
- **Burns** reported that **Johnson** had sent out the RFP’s for Tanglefoot and bids should be back for the February meeting.

### 11. Minutes
- Minutes of the December 7, 2020 Work Session and December 14, 2020 regular meeting were attached for review.

### 12. Public Comment
- Lee Schuitema, 408 W. Exchange, said he agreed with Van Strate regarding additional parking for Mill Point and that, regularly, people were parking down at the end of Cutler St. and walking into the park so having additional parking would make the park more usable.

  Erik Erhorn introduced himself as the new Crockery Township Supervisor and thanked Council for working with Crockery Township and looked forward to continuing to work together.

### 13. Adjournment
- There being no further business, Village Council adjourned the meeting at 8:22 p.m.

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Mark Powers, Village President                 Maryann Fonkert, Deputy Clerk