



MEMBERS:
Dennis Bjorkquist, Chairperson
B. Allan O'Shea, Vice-Chairperson
Colleen Kenny, Secretary

CORRECTED/AMENDED SPECIAL MEETING MINUTES

(SEE APRIL 19, 2010 MINUTES FOR ACTION ON CORRECTION)

Monday, March 15, 2010
5:00 P.M.

Manistee County Courthouse & Government Center
415 Third Street, Manistee, Michigan

Members Present: Dennis Bjorkquist, Allan O'Shea, and Colleen Kenny

Others Present: Thomas Kaminski, Administrative Support; Jeri Lyn Prielipp, Recording Secretary, Shaun M. Johnson, Dykema Gossett, PLLC (appearing via telephone/conference call) and audience members representing the public and the media.

The meeting was called to order at 5:00 P.M. Roll call was taken and all members reported present.

The Chairman requested approval of the meeting Agenda.

There was a motion by Ms. Kenny, supported by Mr. O'Shea to approve the Monday, March 15, 2010, Special Meeting Agenda, as presented. Motion carried.

The Chairman requested approval of the February 8, 2010 Organizational Meeting minutes:

There was a motion by Ms. Kenny, supported by Mr. O'Shea to approve the Monday, February 8, 2010, Organizational Meeting minutes, as presented. Motion carried.

The Chairman requested approval of the February 8, 2010 Special Meeting minutes:

There was a motion by Mr. O'Shea, supported by Ms. Kenny to approve the Monday, February 8, 2010, Special Meeting minutes, as presented. Motion carried.

There was no public comment.

The Chairman next requested the Board's consideration to approve payments to Dykema Gossett PLLC for legal services provided to the Revenue Sharing Board during the month of January 2010.

There was a motion by Mr. O'Shea, supported by Ms. Kenny to approve payment of invoice #1320699 dated February 8, 2010 in the amount of \$7,252.35 to Dykema Gossett, PLLC for legal services provided to the Board in January 2010.

A roll call vote was taken:

Yeas: 3 (Bjorkquist; O'Shea; and Kenny)

Nays: 0

Absent: None

Motion carried.

The Board next considered waiving a potential conflict related to Dykema Gossett PLLC's possible representation of the Little River Band in matters unrelated to Dykema Gossett PLLC's representation of the Manistee Local Revenue Sharing Board. Mr. Johnson explained that Dykema Gossett PLLC helped the Tribe draft ordinances to

comply with Federal Law pertaining to registering sex offenders; issues that are completely unrelated to the work he has done for the Revenue Sharing Board. The Tribal Council recently passed a resolution waiving the conflict of interest, and none of the Board members saw any problem with Dykema Gossett PLLC working in both capacities and agreed to waive the appearance of a conflict.

There was a motion by Mr. O’Shea, supported by Ms. Kenny adopting the following resolution:

RESOLUTION

WHEREAS, both Dykema Gossett, PLLC and the Manistee Local Revenue Sharing Board believe that the scope of the representation of both the Manistee Local Revenue Sharing Board and the Little River Band are fully unrelated and that there will be no adverse effect on the client relationship.

NOW, THEREFORE, BE IT RESOLVED that the Manistee Local Revenue Sharing Board hereby waives the appearance of a conflict between Dykema Gossett, PLLC and the Manistee Local Revenue Sharing Board and the Little River Band.

Motion carried.

The Board then reviewed the bids submitted to the Board in response to the requests for proposals seeking an independent firm to apply the newly adopted “Class III Gaming Facility” definition and perform the appraisal functions previously performed by the Manistee County Equalization Department (APPENDIX A). Mr. Johnson explained that he assisted the Board in soliciting proposals (RFP) from contract assessors. The RFP asked for bids on the scope of work based on three separate phases: Phase I: to review the prior year’s appraisals to ensure that the correct multipliers and ECF’s (economic condition factor) were used; Phase II: determine the true cash and taxable values of the casino under the new definition; and Phase III: yearly appraisal services. The Board received responses from Frischman/Heinowski, Stout Risius Ross (SRR) and Countywide Appraisal, a firm owned by Onekama Township Supervisor, David Meister. The difference in bids were:

Countywide Appraisal	Phase I = \$6,600	Phase II = \$3,000
Frischman/Heinowski	Phase I = \$7,500	Phase II = \$24,000
SRR	Phase I = \$15,500-\$19,000	Phase II = \$12,500-\$15,000

Mr. Johnson confirmed for the Chairman that these firms were all under the understanding that they may not have to perform Phase III, which Mr. Johnson recommended be done on an annual basis.

Ms. Kenny indicated that she liked the proposal from Frischman/Heinowski the best. She felt the firm laid out in better detail the scope of work that they are willing to perform, that they have the experience best suited for the job and she prefers to hire someone outside of the County that has no prior knowledge of the history.

Mr. O’Shea stated that he never anticipated that the bids would come in beyond the scope of what he had anticipated, and is opposed to spending \$20,000 in taxpayer and casino money for an appraisal. He argued that Countywide Appraisal, who submitted the lowest bid, is a local firm certified by the State of Michigan and is qualified to do the job.

Chairman Bjorkquist indicated that he was also taken aback by the amount of the fee schedules, but he agreed with Ms. Kenny that the Board should hire an independent firm to perform the appraisal. The Chairman also expressed apprehension with using the same group of people who performed the initial appraisal, specifically Ginny Martz, former employee of the Manistee County Equalization Department, who now works for Countywide Appraisal.

Mr. Meister responded that although Ms. Martz worked with the County and did the measuring of the buildings and the calculations for all the buildings, what was not done and was not in her control was being able to apply the effective ages, the depreciation factors and the local ECF. He explained that his firm bid on the correct use of those ECF factors, the correct use of the county multiplier for the years, and depreciation value.

Mr. Kaminski announced that the County Board of Commissioners agreed to reduce the \$50,000 fee that the Revenue Sharing Board pays for services performed by the County Controller/ Administrator's Office, the Equalization Department and the County Treasurer, by the amount of the appraisal. However, he was anticipating a lower fee than two of the three proposals.

Following these discussions,

There was a motion by Ms. Kenny, supported by Mr. Bjorkquist that Manistee Local Revenue Sharing Board hire the firm of Frischman/Heinowski Appraisal and Consulting, LLC, to conduct Phase I (to review the prior year's appraisals to ensure that the correct multipliers and ECF's were used), at a cost not to exceed \$7,500; and conduct Phase II (to determine the true cash and taxable values of the casino under the new definition), at a cost not to exceed \$24,000.

A roll call vote was taken:

Yeas: 2 (Bjorkquist; Kenny)

Nays: 1 (O'Shea)

Motion failed (pursuant to Compact and bylaws which require a unanimous vote to distribute any compact revenues).

Mr. Johnson will provide Mr. Kaminski with the engagement letter to be signed by Chairman Bjorkquist.

The Chairman announced that the next meeting of the Manistee Local Revenue Sharing Board, which is the Cycle I 2010 Verbal Presentation meeting, is scheduled for Monday, April 12, 2010, at 5:00 P.M. at the Manistee County Road Commission building in Bear Lake, Michigan.

There being no further business to come before the Revenue Sharing Board and with no other concerns from Board members, the meeting was adjourned at 5:20 P.M.

Respectfully submitted,

Colleen Kenny, Secretary

[jp c:\office\revenue_sharing\3_15_10_Organiza_Minutes2]

County Wide Appraisal Service, Inc.
P.O. Box 176
Onkama, MI 49675

March 11, 2010

Shaun M. Johnson
Dykema Gossett PLLC
Capital View
201 Townsend St, Suite 900
Lansing, MI 48933

Re: "Proposal for Appraisal Services for Manistee Local Revenue Sharing Board"

Dear Mr. Johnson,

We are responding to your request for proposals for certain appraisal services.

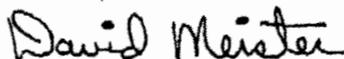
Bid

Scope of Work

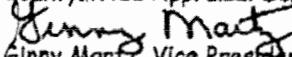
1. The audit of the Equalization Department's prior calculation:
120 hours @ \$55.00 per hour (\$30.00 + \$25.00) = \$6,600.00,
with access to the prior appraisals.
Mileage @ \$.50 per mile.
2. Determination of the Taxable, True Cash and State Equalized Values as newly defined (including personal property located in the "Class III Gaming Facility") for tax year 2010: \$3,000.00.
3. Yearly determination of the Taxable Value of the "Class III Gaming Facility" (including the personal property located in the "Class III Gaming Facility") for tax year 2010: \$2,000.00. This would include updating the 2010 appraisal and personal property. It does not include any new construction. That would be a per hour basis or a re-bid.

We look forward to hearing from you.

Sincerely,



David Meister, President, CMAE 1
County Wide Appraisal Service, Inc.



Ginny Martz, Vice President, CMAE 3
County Wide Appraisal Service, Inc.

County Wide Appraisal Service, Inc,
References

Bear Lake Township, Assessor: 2009 Assessed Value \$111,780,040.
Vern Best, Bear Lake Township Supervisor
P.O. Box 320
Bear Lake, MI 49614
Phone: 231-864-2686

Dickson Township, Assessor: 2009 Assessed Value \$54,596,640.
Sharon Buning, Dickson Township Supervisor
3200 Highbridge Rd.
Brethren, MI 49619
Phone: 231-477-5494

Norman Township Assessor: 2009 Assessed Value \$75,020,800.
Kevin Schuessler, Norman Township Supervisor
421 Tippy Dam Rd.
Wellston, MI 49689
Phone: 231-848-4175

Onekama Township Assessor: 2009 Assessed Value \$222,175,750
Helen Mathieu, Onekama Township Clerk
10581 Northwood Hwy.
Onekama, MI 49675
Phone: 231-889-3308

Peggy Falk, Retired Equalization Director
160 Piney Rd.
Manistee, MI 49660
Phone: 231-723-8913

Ginny Martz, CMAE 3

Employed with Manistee County Equalization from June 1981 through June 2009

Position held when retired was Appraiser/Assistant to Equalization Director

Former position was Appraiser.

Appraisal qualifications include all types of real property, which included unique and complex properties. Other appraisals include, but not limited to: Industrial Manufacturing, Warehouses, etc and all types of Commercial (gas stations, stores, service centers, office structures, etc), Residential, Agricultural, vacant land, water front properties.

David Meister, CMAE 1

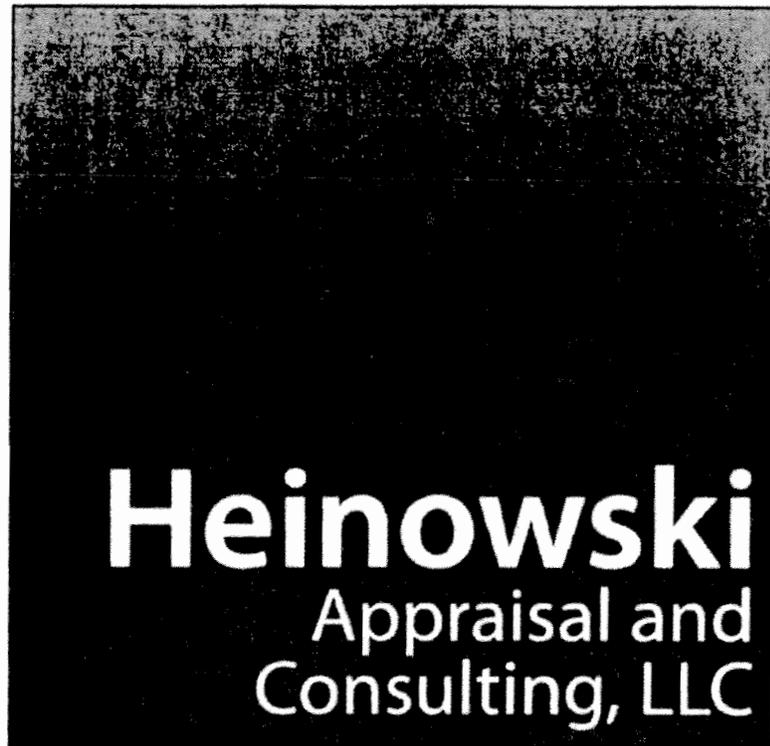
Employed with Manistee Appraisal Service, Ray Kiefer, President, from 1994 through approximately 2000. (Onkama, Bear Lake and Maple Grove Townships) President of County Wide Appraisal Service, Inc. from 2000 to current. We are currently contracted for assessing services for the following townships all located in Manistee County:

Bear Lake Township

Dickson Township

Norman Township

Onkama Township



**Partnering to provide Professional Appraisal and
Consulting Services for the**

Manistee Local Revenue Sharing Board

March 8, 2010

Manistee Local Revenue Sharing Board
c/o Mr. Shaun M. Johnson
Associate Attorney, Regulated Industries Department
Dykema
Capitol View
201 Townsend Street, Suite 900
Lansing, MI 48933
(517) 374-9159

E-mail: sjohnson@dykema.com

Subject: Valuation of the Class III Gaming Facility
Little River Casino Resort
2700 Orchard Highway
Manistee, Michigan

Honorable Board,

Heinowski Appraisal and Consulting, LLC together with **Frischman Appraisal & Consulting, LLC** are jointly responding to the "Scope of Work" document set forth by the Manistee Local Revenue Sharing Board (Board). This "Scope of Work" document calls for an independent / outside firm to perform the appraisal functions that were once performed by the Manistee County Equalization Department.

The property to be appraised consists of a "Class III Gaming Facility" north of the City of Manistee, in Manistee County, Michigan. This property is also known as the Little River Casino Resort located at 2700 Orchard Highway, Manistee, Michigan.

The "class III gaming facility" for the Little River Casino Resort located in Manistee, Michigan, is currently defined for the 2010 tax year as:

Class III gaming facility shall mean the entirety of the single structure in which the Band offers Class III gaming. For purposes of this definition, different components of the structure need not share a single foundation or contiguous walls and may be connected by doorways or walkways.

Valuation under this definition must also include personal property located in the "Class III Gaming Facility." This definition represents a change from that in effect from tax year 2000 through 2009 which was defined as:

Class III gaming facility shall include: the building(s) which house the Band's gaming operations; any appurtenances; and any contiguous or non-contiguous parcel(s), whether owned by the Band or held in trust for the Band by the federal government, which can reasonably be considered a part of or amenity to the Band's casino operations.

Proposed Scope of Services

Heinowski Appraisal and Consulting, LLC, together with **Frischman Appraisal & Consulting, LLC** propose to perform real estate consulting and appraisal services for the above cited property. Specifically, the appraisal shall provide opinion(s) of the true cash value of the real property on an "as is" basis as of December 31, 2009 for tax year 2010. Any Real Property appraisal performed will comply, at minimum, with the Appraisal Institute and current Uniform Standards of Professional Appraisal Practice (USPAP) requirements and with guidelines as set forth by the State Tax Commission, Department of Treasury, State of Michigan.

Additionally, for the reported personal property, the true cash, assessed and taxable values as of December 31, 2009 for the 2010 tax year will be calculated by the use of original cost (to be provided by via the Board) and the appropriate State Tax Commission depreciation multipliers.

The purpose of the consulting portion of this agreement is to provide relevant information to assist the Board on all phases or task as set forth by the board at its pleasure. The consulting portions of this assignment will be based on a per diem basis.

The intended use of the appraisal portion of this agreement will be to provide a valuation disclosure exhibit(s), to serve as evidence in the establishment the true cash, assessed and taxable value(s) as of the appropriate tax day for tax year 2010. The intended users of the appraisal will include the Manistee Local Revenue Sharing Board, along with its representatives and legal counsel.

This joint response is being offered in order to provide the best of class service to the Board. Mr. David M. Heinowski, MAI, has been a consultant to the City of Detroit for a number of years with respect to the valuation of the three casinos that are currently on Detroit's' ad valorum tax roll. This work covered both the construction period and the valuation of the completed structures. Ms. Sharon L. Frischman holds the Certified Michigan Assessment Evaluator IV, the highest certification level for assessors in the State of Michigan. This combination of experience and expertise will provide for the proper determination of true cash, taxable and assessed values for the above cited "class III gaming Facility." Resumes of both Mr. Heinowski and Ms. Frischman are enclosed herein for your review.

Each of the three tasks or assignments for which the Board is requesting services shall be discussed on an individual basis and a bid for each will be presented. The bids for services are good for 45 days of date submitted, after which it is null and void. Upon signing, the

pricing as stated herein remains as stated for the life of the agreement. Amendments or additional tasks may be made to this agreement subject to a mutually agreed upon price for the additional services.

Enclosed you will find the following:

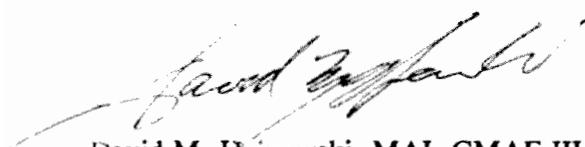
Attachment A	Copy of Original "Scope of Work"
Attachment B	Task Two discussion and bid
Attachment C	Task Three discussion and bid
Attachment D	Task One discussion and bid
Attachment E	STC memo of May 13, 2009 regarding "Assessment of Indian Gaming Facilities"
Attachment F	Resume of David M. Heinowski, MAI, CMAE III
Attachment G	Resume of Sharon L. Frischman, CMAE IV

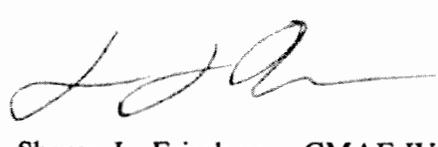
If any questions arise upon review of this presentation and bid by **Heinowski Appraisal and Consulting, LLC** and **Frischman Appraisal & Consulting, LLC**, or if the Board request any additional information, please do not hesitate to contact either of the undersign.

Thank you for the opportunity to provided profession appraisal and consulting services.

Respectfully submitted,
Heinowski Appraisal and Consulting, LLC

Frischman Appraisal & Consulting, LLC


David M. Heinowski, MAI, CMAE III
Owner/Single Member
734/455-1830


Sharon L. Frischman, CMAE IV
Owner/Single Member
734/834-6139

Date *3/8/2010*

Date *3-8-10*

Attachments

Contact Information

David M. Heinowski, MAI
550 Forest Avenue, Suite 16
Plymouth, Michigan 48170

Office: 734/455-1830
Fax: 734/455-1883

david@heinowski.com

Sharon L. Frischman, CMAE IV
550 Forest Avenue, Suite 14-6
Plymouth, Michigan 48170

Office: 734/838-6139
Fax: 734/786-2123

frischmanappraisal@yahoo.com

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Attachment A

Copy of Original Scope of Work

SCOPE OF WORK FOR MANISTEE LOCAL REVENUE SHARING BOARD

BACKGROUND

The Manistee Local Revenue Sharing Board (the "Board") exists because of the 1997 Tribal-State Compact between the Little River Band of Ottawa Indians and the State of Michigan, which provides for the conduct of Tribal Class III Gaming by the Little River Band (the "Compact"). Because the Little River Band's Class III Gaming Facility is located on land held in trust by the Federal Government, it is not subject to local property taxes. The Compact, therefore, requires that the Little River Band make annual payments to the Board equal to 2% of the net win derived from all Class III electronic games of chance. These 2% payments are meant to provide financial resources to those political subdivisions in the area that actually experience increased operating costs associated with the operation of the Little River Band's Class III Gaming Facility.

The Compact first requires the Board to distribute 1/8 of the 2% payments to "local public safety organizations." The Compact then requires the Board to distribute the remaining funds so that each eligible local unit of government "receive[s] no less than an amount equivalent to its share of ad valorem property taxes that would otherwise be attributed to the Class III Gaming Facility if that site were subject to such taxation." Obviously, because Michigan property taxes are calculated on an ad valorem basis, the amount due to each eligible local unit of government necessarily depends on the Gaming Facility's value. For this reason, the Board has a duty to accurately determine the Gaming Facility's value in the same manner as it would be determined if the Gaming Facility were subject to Michigan property taxes. As explained below, the Board is looking for assistance with this task.

Since 2000, the Board has contracted with the Manistee County Equalization Department to calculate the Class III Gaming Facility's true cash, taxable, and state equalized values as if the Gaming Facility were subject to Michigan property taxes. The valuation method varied from typical methods, however, because the Compact requires that the board distribute the 2% payments as if **only** the "Class III Gaming Facility" is subject to property taxes. And because the Compact does not define "Class III Gaming Facility," the Board has broad discretion in defining the term.

From 2000 until 2009, the valuation by the Equalization Department was made using the following definition of "Class III Gaming Facility":

Class III gaming facility shall include: the building(s) which house the Band's gaming operations; any appurtenances; and any contiguous or non-contiguous parcel(s), whether owned by the Band or held in trust for the Band by the federal government, which can reasonably be considered a part of or amenity to the Band's casino operations.

For various reasons, the Board recently changed the definition of Class III Gaming Facility to a more narrow definition:

Class III gaming facility shall mean the entirety of the single structure in which the Band offers Class III gaming. For purposes of this definition, different components of the structure need not share a single foundation or contiguous walls and may be connected by doorways or walkways.

Valuation under this definition must also include personal property located in the "Class III Gaming Facility."

For various reasons, the Board is no longer contracting with the Equalization Department. It is now looking for an independent firm to apply the newly adopted "Class III Gaming Facility" definition and perform the appraisal functions that were once performed by the Department.

SCOPE OFWORK

The Board would like to retain an outside firm to perform three tasks:

1. Audit the Equalization Department's prior calculations, beginning with 2000. The engagement will not require a new appraisal of the Class III Gaming Facility for each year in question. Instead, the engagement would require firm to review the Equalization Department's calculations to confirm that the proper depreciation, County Multipliers, and ECF factors were applied in each year.
2. Determine the taxable, true cash, and state equalized Values of the "Class III Gaming Facility" as newly defined (including personal property located in the "Class III Gaming Facility") for tax year 2010, as if the "Class III Gaming Facility" were subject to Michigan property taxes.
3. Yearly determine the taxable value of the "Class III Gaming Facility" (including personal property located in the "Class III Gaming Facility") as if the "Class III Gaming Facility" were subject to Michigan property taxes. The Board would like separate bids for each of the above tasks.

The Board would like separate bids for each of the above tasks.

Attachment B

Task Two Discussion and Bid

Determine the taxable, true cash, and state equalized Values of the "Class III Gaming Facility" as newly defined (including personal property located in the "Class III Gaming Facility") for tax year 2010, as if the "Class III Gaming Facility" were subject to Michigan property taxes.

Task 2

Heinowski Appraisal and Consulting, LLC in partnership with **Frischman Appraisal & Consulting, LLC** propose to provide professional appraisal and consulting services as described above to be divided into the following steps and payment schedules:

Jointly **Heinowski Appraisal and Frischman Appraisal** proposes to perform the Real Property appraisal for \$24,000.00 plus reasonable out of pocket expenses. This total includes a single valuation date, December 31, 2009, for the 2010 tax year. A breakdown of the fees is as follows

1. **Retainer.** Step One: A retainer of one half of the total fee, of \$12,000, will be required at the execution of this agreement and prior to the start of work.
2. **Phase One (1) of the Real Property Appraisal.** Step Two. This Phase of the real property appraisal assignment will include a complete appraisal report in a summary format (as itemized below). Upon completion of this step, half of the overall appraisal fee, \$12,000.00 is due and payable

Any out of pocket expense greater than \$250.00 must be approved by the client or its representative prior to the expenditure being made in order for reimbursement to be sought.

The payments shall become due and payable within 30 days of invoice and will be invoiced upon completion. Any late payment without prior consent will incur a 10% late fee based on the total agreement price plus an interest charge of 1.0% per month

Please note that this proposal covers a single valuation date including the "as-is" true cash value determination as of December 31, 2009 for the 2010 tax years which will be documented in a complete appraisal in a summary format.

The appraisal report will be consistent with USPAP SR 2-2(b) and outlined as follows.

Letter of Transmittal

Introduction

- Summary of Salient Facts and Conclusions
- Identification of the Subject Property
- Property Rights being Appraised
- Scope of work
- Statement of Competency
- Identification and Definition of Interest being Appraised
- Purpose of Function of the Appraisal
- Date of Report and Date(s) of Valuation
- Sales History of the Property
- Statement of Assumptions and Limiting Conditions

Area and Neighborhood Analysis

- Area Description
- Neighborhood Descriptions
- Adjoining Property Uses

Property Description and Legal Information

- Site Description (with site plan if available)
- Improvement Descriptions (and floor plans if available)
- Real Estate Assessment and Property Tax
- Zoning

Market Analysis

- Market Overview
- Competitive Supply
- Market Demand
- Balance of Supply and Demand
- Market Position of Subject
- Highest and Best use of Subject as if Vacant
- Highest and Best Use of Subject as Improved

Valuation

- Valuation Methodology
- Cost Approach to Value, (if applicable)
- Income Capitalization Approach to Value
- Sales Comparison Approach to Value
- Reconciliation of Approaches and Valuation Conclusion
- Certificate of Appraisal

Proposed Additional Fee Structure

Heinowski Appraisal and Consulting, LLC together with Frischman Appraisal & Consulting, LLC proposes to perform additional services including the determination of true cash, assessed, and taxable values of the personal property utilizing original cost and the appropriate STC Multipliers and/or related directly to the above real property appraisal may be performed at a separate per diem rate of \$200.00 per hour for Mr. Heinowski and at a separate per diem rate of \$150.00 per hour for Ms. Frischman for any post appraisal time or services.

A per diem rate of \$250.00 per hour for either Mr. Heinowski or Ms. Frischman will be charged for any testimony, hearings or attendance to post appraisal meetings relating to testimony or pending testimony, including preparation time.

Required Appraisal Items and Information Request

- Name and phone number of local contact person
- Building plans and specification
- Site survey/site plan
- Copies of any and all existing appraisals
- Design specifications for any renovated space
- Any baseline environmental report or other environmental information
- Any material in your possession that could be of help or should be considered in opinion value
- Property record cards (both current and historic if available)
- Personal property asset listing (if any) including original installed cost and date of acquisition along with any prior submitted personal property statement.

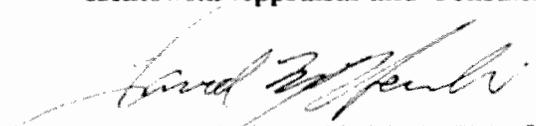
This bid for appraisal services is good for 30 days of date submitted, after which it is null and void. Upon signing, the pricing as stated herein for this specific task remains as stated for the life of the agreement.

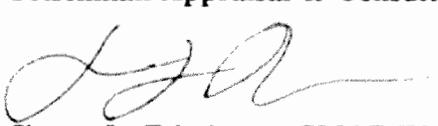
Please sign below if you are in agreement with the terms and condition of this proposal.

Work on this assignment will commence only upon execution of this agreement and receipt of the required retainer.

Respectfully submitted,
Heinowski Appraisal and Consulting, LLC

Frischman Appraisal & Consulting, LLC


David M. Heinowski, MAI, CMAE III
Owner/Single Member


Sharon L. Frischman, CMAE IV
Owner/Single Member

Date

3/8/2010

Date

3-8-10

MANISTEE LOCAL REVENUE SHARING BOARD

Date

NAME

Title

Attachment C

Task Three Discussion and Bid

Yearly determine the taxable value of the "Class III Gaming Facility" (including personal property located in the "Class III Gaming Facility") as if the "Class III Gaming Facility" were subject to Michigan property taxes.

Task Three

Heinowski Appraisal and Consulting, LLC together with **Frischman Appraisal & Consulting, LLC** proposes to perform additional services related directly to the annual determination of taxable value at a the per diem rate of \$200.00 per hour for Mr. Heinowski and at a separate per diem rate of \$150.00 per hour for Ms. Frischman for any post appraisal time or services.

This portion of the agreement or task will be capped at a total of \$5,000.00 per annum. This cap is not to be exceeded unless prior written agreement is reached between **Heinowski Appraisal and Consulting, LLC, Frischman Appraisal & Consulting, LLC** and the **MANISTEE LOCAL REVENUE SHARING BOARD**.

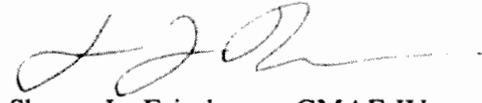
A separate per diem rate of \$250.00 per hour for either Mr. Heinowski or Ms. Frischman will be charged in addition to the above for any testimony, hearings or attendance to post appraisal meetings relating to testimony or pending testimony, including preparation time.

This portion of the task does NOT include an annual appraisal of the real property facility or an annual update to the appraisal as outlined in task two as previously presented herein.

Respectfully submitted,
Heinowski Appraisal and Consulting, LLC

Frischman Appraisal & Consulting, LLC


David M. Heinowski, MAI, CMAE III
Owner/Single Member


Sharon L. Frischman, CMAE IV
Owner/Single Member

Date 3/8/2010

Date 3-8-10

MANISTEE LOCAL REVENUE SHARING BOARD

Date

NAME

Title

Attachment D

Task One Discussion and Bid

Audit the Equalization Department's prior calculations, beginning with 2000. The engagement will not require a new appraisal of the Class III Gaming Facility for each year in question. Instead, the engagement would require firm to review the Equalization Department's calculations to confirm that the proper depreciation, County Multipliers, and ECF factors were applied in each year.

Task 1

Heinowski Appraisal and Consulting, LLC together with **Frischman Appraisal & Consulting, LLC** proposes to perform an audit or review of previous work prepared by the Manistee County Equalization Department with independent confirmation of proper appraisal methodology, including but not limited to replacement/reproduction cost new and depreciation allowances as they pertain to the Little River Casino Resort located at 2700 Orchard Highway, Manistee, Michigan. These additional services shall be completed on a per diem rate of \$200.00 per hour for Mr. Heinowski and at a separate per diem rate of \$150.00 per hour for Ms. Frischman.

This portion of the agreement or task will be capped at a total of \$7,500.00 per annum. This cap is not to be exceeded unless prior written agreement is reached between **Heinowski Appraisal and Consulting, LLC, Frischman Appraisal & Consulting, LLC and the MANISTEE LOCAL REVENUE SHARING BOARD.**

A separate per diem rate of \$250.00 per hour for either Mr. Heinowski or Ms. Frischman will be charged in addition to the above for any testimony, hearings or attendance to post appraisal meetings relating to testimony or pending testimony, including preparation time.

This portion of the task does NOT include an annual appraisal of the real property facility.

Respectfully submitted,
Heinowski Appraisal and Consulting, LLC

Frischman Appraisal & Consulting, LLC


David M. Heinowski, MAI, CMAE III
Owner/Single Member


Sharon L. Frischman, CMAE IV
Owner/Single Member

Date *3/8/2010*

Date *3-8-10*

MANISTEE LOCAL REVENUE SHARING BOARD

Date

NAME

Title

Attachment E

**STC Memo of May 13, 2009 regarding
“Assessment of Indian Gaming Facilities”**



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

ROBERT J. KLEINE
STATE TREASURER

DATE: May 13, 2009
TO: Assessors and Equalization Directors
FROM: State Tax Commission
SUBJECT: Assessment of Indian Gaming Facilities

The purpose of this memorandum is to provide guidance to assessors to assist in valuation of Indian Gaming Facilities. Specific provisions in the Tribal/State Class III Gaming Compacts and the related Stipulation for Entry of Consent Judgment (1993 Compacts) require the Tribes to disburse 2% of net win at each casino derived from all class III electronic games of chance, to local units of state government or local revenue sharing boards. The Class III Gaming Compacts and related Stipulation for Entry of Consent Judgment require that each local unit of government shall receive no less than the amount equivalent to its share of ad valorem property taxes that would otherwise be attributed to the Class III Gaming facility if that site were subject to such taxation. It is important that each of these properties have an appropriate assessment.

The Commission offers the following guidance to assessors in the valuation of these facilities:

1. Assessors with Indian Gaming Facilities in their local unit should contact Mr. David Hicks with the Michigan Gaming Control Board at 517-241-1659 so that arrangements can be made to gain access to the facility.
2. Assessments of these facilities can be done by the local assessor, the County or by contract with a properly certified assessor.
3. Assessors are reminded that these facilities are to be valued in the same manner as other facilities and assessors must use the State Tax Commission manual in their valuation.
4. In order to ensure that the local units of government are receiving the proper amount, assessors should account for these properties on a current true cash value basis to maintain an accurate property value.
5. The Compacts and Stipulation for Entry of Consent Judgment require an ad valorem assessment of the real property that comprises the "class III gaming facility", including the building and the land on which the building is situated. Class III Gaming Facilities are minimally defined for assessment purposes as the "integrated class III gaming facility" e.g. the various components that exist as a single structure ("under one roof"). This definition is not necessarily binding on a Tribe or Local Revenue Sharing Board, but is intended only as guidance to assist assessors in the proper assessment of a Class III Gaming Facility under the terms of a Compact or Stipulation.

Attachment F

**Resume of
David M. Heinowski, MAI, CMAE III**

Qualifications of:

David M. Heinowski, MAI

EDUCATION

Michigan State University, Bachelor of Arts, 1977

Real Estate Principles

Basic Valuation Procedures

Capitalization Theory and Techniques, Parts A & B

Case Studies in Real Estate Valuation

Report Writing and Valuation Analysis

National USPAP Update, Courses 400 & 410

7 - Hour USPAP Update, 2006, 2008

Business Practices and Ethics, Course 420

Advanced Income, Course 510

Highest and Best Use and Market Analysis, Course 520

Advanced Sales Comparison and Cost Approaches, Course 530

Separating Real and Personal Property from Intangible Business Assets

General Applications, Course 320

PROFESSIONAL CAREER

Heinowski Appraisal and Consulting, LLC, 3/2005 to Present

Colliers International, Director 2001 - 2/2005

Head of both the Appraisal and Tax Departments

Colliers International, Senior Appraiser, 1999 - 2001

Arthur Andersen, Manager SALT, 1997 - 1999

Masco Corporation, Manager - Property Taxes, 1985 - 1997

Comerica Bank, Commercial / Industrial Appraiser, 1984 - 1985

Wayne Johnson and Associates, Director of Appraisals and

Consulting Services, 1983 - 1984

Assessing Positions in Various Michigan Jurisdictions, 1973 - 1983

PROFESSIONAL AFFILIATIONS AND CERTIFICATIONS

Designated Member of Appraisal Institute (MAI)

Associate Member of the International Association of Assessing Officers

Certified General Real Estate Appraiser (Michigan)

Real Estate - Broker (Michigan), d/b/a David M. Heinowski

Certified Level III Michigan Assessor

AREAS OF SPECIALIZATION

Appraisal and analysis of industrial, commercial, retail, office and special purpose improved property along with all types of vacant land.

TYPES OF ASSIGNMENTS

Ad Valorem Tax Appeals	Estate Appraisals
Family Court Appraisals	Bankruptcy Court Appraisals
Finance Appraisals	Highest and Best Use Analysis
Property Tax Consulting	Buy / Sell Analysis

TYPES OF PROPERTIES

Industrial Manufacturing Facilities	Warehouses
Special Use Properties	Hydroelectric Dams
Office Buildings - All Classes	Residential Apartments
Strip Shopping Centers	Neighborhood Shopping Centers
Regional Shopping Centers	Regional Malls
Super Regional Malls	Super Regional Mall Anchors
Regional Mall Anchors	Hospitality- Restaurants & Hotels
Hotels	Schools
Automotive Test Tracks	Vacant Land
Banks	

APPRAISAL AND CONSULTING CLIENTS

(Partial List of past and present clients)

AAA Michigan/Wisconsin	AMC Theaters
Aeroquip-Vickers	Bank of America Corporation
Baxter	Calsonic North America
Charter One Bank, FSB	Chase Bank (formerly Bank One)
Citizens Bank	Comerica Bank
Consumers Energy Company	DaimlerChrysler
Dearborn, City of	Detroit, City of
DDRC	Drexel Heritage Furnishings, Inc.
DuPont Performance Coatings	Eaton Corporation
Farmington Hills, City of	Food Bank of Oakland County
Ford Land	Furnishings International
Gale Industries	GE Capital
General Chemical	Grandville, City of
IAAO	International Transmission Co.
JCPenney Company, Inc.	Kimco
Lansing, City of	Magna
Masco Corporation	MascoTech, Inc.
Meritor	Merillat
Metaldyne	Michigan Consolidated Gas Co.
MSX International	Omni Properties
Prentiss Properties	Republic Services, Inc.
Ryba Properties	Tosco Marketing Company
Toys "R" Us	Trimas Corporation
UPS	Wacker Silicon

Attachment G

**Resume of
Sharon L. Frischman, CMAE IV**

Qualifications of:

Sharon L Frischman
Frischman Appraisal & Consulting, LLC
43311 Joy Road, #413
Canton, MI 48187

Education

High School Diploma, J.W. Sexton High School, Lansing, MI
Associate's Degree, Assessment Administration, Lansing Community College
Bachelor's Degree, Business Leadership, Baker College, Owosso, MI
Numerous seminars and courses relating to assessing and appraising.

Certifications

Level Four Certified Assessor, Michigan State Assessors Board
Certified General Appraiser, Board of Real Estate Appraisers
Michigan Department of Commerce
Certified Personal Property Examiner, Michigan State Tax Commission

Employment

Owner, Frischman Appraisal & Consulting
May, 2007 to Present

Assessing Director, Charter Township of Ypsilanti
January 2001 to November 2002, December 2003 to September, 2009

Department Manager, Sales Section, Wayne County
November 2002 to November 2003

Assessor, City of Owosso
April 1994 to January 2001

Horton & Son Appraisal
Commercial & Industrial Appraisal Assignments, 1999 to 2001

Assessor, City of Mason
June 1986 to April 1994

Contract Assessor, City of Pottersville
January 1986 to June 1986

Data Collector, Manatron Appraisal Services
January 1985 to January 1986

Data Collector, Meridian Township
July 1984 to November 1984

Offices and Memberships

Executive Board Member representing District III
Michigan Assessor's Association, 2007 - 2009

Executive Board Member
Southeast Chapter Michigan Assessor's Association, 2005 - 2008

Member
International Assessor's Association

Member
Great Lakes Chapter of the Appraisal Institute

Teaching Experience

Forms Used in Assessing 2001
Michigan Assessor's Association Short Course

Mass Appraisal (developed and wrote course) 2005, 2007, 2008
Michigan Assessor's Association Short Course

Level One Assessing, preparation for certification 2007
Henry Ford Community College

Other

Official representative from Michigan Assessor's Association to the
State Tax Commission Advisory Board 2007 thru 2009.

March 10, 2010

Manistee Local Revenue Sharing Board
c/o Shaun M. Johnson, Esq.
Dykema Gossett PLLC
Capitol View
201 Townsend Street, Suite 900
Lansing, MI 48933

Re: Appraisals for the Manistee Local Revenue Sharing Board

Dear Mr. Johnson:

On behalf of Stout Risius Ross, Inc. ("SRR"), I am pleased to propose the arrangement under which we will provide certain services to Dykema Gossett PLLC on behalf of the Manistee Local Revenue Sharing Board in connection with the above referenced matter.

Objectives and Scope

We understand the engagement objectives and scope to consist of the valuations listed below for the Manistee Local Revenue Sharing Board (the "Client").

Appraisal #1:

Our review of the preceding ten years' valuations would include both real and personal property. Our deliverable would consist of a review report that details our findings for each of the years. No inspection would be included.

Appraisal #2:

We would prepare an appraisal report in self-contained format that presents our opinion of the true cash value of the fee simple estate in the real and personal property of the subject for the 2010 Tax Year (December 31, 2009 valuation date). Our scope of work would include inspections by both our real and personal property appraisers.

Appraisal #3:

Our annual updates of the true cash value going forward are dependent on no material changes to the real or personal property. We would like to reserve the right to bid on future years where the real or personal property has been materially changed at those times. Our deliverable would consist of a review report that details our findings for each of the years. This quote is only valid for the next five years. No inspection is included in the quote if we are awarded Appraisal #2.

Method and Timing of Reporting

At the conclusion of our analysis, we will submit an appraisal that meets the requirements of the Uniform Standards of Professional Appraisal Practice, which will include a determination of the value of the real estate for Appraisals 2 and 3, a description of the methodologies used in arriving at our conclusion of value, and supporting schedules showing details of our calculations and analyses.

Manistee Local Revenue Sharing Board
c/o Shaun M. Johnson, Esq.
March 11, 2010
Page 2

We are prepared to begin our work immediately. We anticipate providing you with our report within four to six weeks from our date of receipt of the letter of the requested retainer, all requested data and signed engagement letter. This timeframe requires extensive cooperation from the Company and its representatives.

Your Responsibilities

In order for us to maximize the value of our work and to keep the project on schedule, it is important for us to be provided with information we request from you promptly. Additionally, if you are or become aware of other relevant information necessary to the proper completion of this engagement, you agree to provide us with this information.

Specifically, you acknowledge that the successful delivery of our services, and the fees charged, are dependent on (i) your timely and effective completion of your responsibilities, (ii) the accuracy and completeness of the assumptions and information provided to us, and (iii) timely decisions and required approvals by you and/or your representatives.

Fees and Expenses

Our fees for the services described in this letter will be as follows:

Appraisal #1:

Our total fee for Appraisal 1 is \$15,500 - \$19,000 plus out-of-pocket expenses.

Appraisal #2:

If we apply a calculator cost method for the real property, our fee for Appraisal 2 is \$12,500. If we apply the segregated cost method our fee for Appraisal 2 is \$15,000 plus out-of-pocket expenses.

Appraisal #3:

Our total fee for Appraisal 3 is \$4,000 - \$5,000 per year plus out-of-pocket expenses.

These fee estimates include the time required to issue the report and analysis. Any subsequent work, including but not limited to, consultations with your advisors, testimony or preparation for testimony, etc., will be billed at our standard hourly rates.

Hourly Rates (Detailed Schedule and Optional Blended Rate & Budget)

Our fees for the services described in this letter will be based upon actual time and materials at our standard rates, plus out-of-pocket expenses. Our current hourly rates are as follows, and may be subject to adjustment as our prevailing rates change from time to time:

Managing Director	\$325 - \$600
Director	\$225 - \$375
Manager	\$185 - \$275
Senior Analyst	\$150 - \$250
Analyst	\$100 - \$175
Analyst/Research Assistant	\$75



Manistee Local Revenue Sharing Board
c/o Shaun M. Johnson, Esq.
March 11, 2010
Page 3

Retainer

As is standard practice for an engagement of this type, we require a retainer in the amount of 50% of the proposed fee before commencing work. The retainer may be applied to any invoice at our discretion or to our final invoice at the conclusion of the engagement. Any unused portion of the retainer will be promptly refunded to you at the end of our engagement. This retainer is not intended to be an estimate for the total cost of work to be performed.

Wire Transfer

Any payments required hereunder may be paid by check or wire transfer. Below are our fund transfer instructions:

Stout Risius Ross, Inc.
Fifth Third Bank
Wire ABA Number 042000314
ACH ABA Number 072405455
Account Number 7911786619

Professional Terms

The attached Professional Terms apply to this engagement. Please sign below and return the enclosed copy of this letter to us. Please note that the terms of this offer will expire 30 days from the date of the letter.

* * * * *



Manistee Local Revenue Sharing Board
c/o Shaun M. Johnson, Esq.
March 11, 2010
Page 4

We appreciate the opportunity to be of service to you and look forward to working with you on this important project.

Very truly yours,

STOUT RISIUS ROSS, INC.

By: Ken A Kern
Kevin A. Kern, MAI
Director

Attachments: Professional Terms

Acknowledged and Accepted:

MANISTEE LOCAL REVENUE SHARING BOARD

Signed: _____

Name: _____

Title: _____

Date: _____

STOUT RISIUS ROSS, INC. PROFESSIONAL TERMS

1. Our Services We will provide the services as described in our engagement letter, as may be modified from time to time by mutual consent.

2. Independent Contractor We are an independent contractor and not your employee, agent, joint venturer or partner, and will determine the method, details and means of performing our services. We assume full and sole responsibility for the payment of all compensation and expenses of our employees and for all of their state and federal income tax, unemployment insurance, Social Security, disability insurance and other applicable employee withholdings.

3. Fees and Expenses Our fees, out-of-pocket expenses, and payment terms are set out in our engagement letter. Those fees do not include taxes. You will be responsible for and pay all applicable sales, use, excise, value added and other taxes associated with the provision or receipt of the services, excluding taxes on our income generally.

4. Confidentiality With respect to any information supplied in connection with this engagement and designated by any party as confidential, or which the other party(s) should reasonably believe is confidential based on its subject matter or the circumstances of its disclosure, the other party(s) agree to protect the confidential information in a reasonable and appropriate manner, and use confidential information only to perform its obligations under this engagement and for no other purpose. This will not apply to information which is: (i) publicly known, (ii) already known to the recipient, (iii) disclosed by a third party without restriction, (iv) independently developed, or (v) disclosed pursuant to legal requirement or order. We may also mention the name of the Company and/or use the company logo and provide a general description of the engagement in our printed or electronic materials, or in our marketing presentations to others.

We are not to be characterized as an "expert" for purposes of securities law and we are not to be referred to, either by name or inference, in any public (e.g., S-1) or nonpublic security filing or private placement. (Any such disclosure document is defined herein as a "Filing".) Moreover, we are not obligated to provide, nor will we provide, any consent to be named in any such Filing either during the performance of our services or after the conclusion of our engagement.

5. Use of Financial & Other Information / GAAS In the course of our engagement, we will use financial and other information, including prospective financial information, obtained from you, the Company, and/or your representatives, and other public and private sources. The scope of our work will not enable us to accept responsibility for the accuracy and completeness of such information, and it is understood that we will have no duty of independent investigation or verification of such information. While our work may involve analysis of various records, our engagement does not include an examination in accordance

with generally accepted auditing standards known as "GAAS." Furthermore, we will take no responsibility for the achievability of any expected, forecasted, projected, or hypothetical results anticipated or assumed by the management of the Company, whether relied upon by us or not.

6. Our Work Product and Your License Upon full payment of all amounts due us in connection with this engagement, the work product prepared by us for you in connection with our services will become your property, except as set forth below. Our work papers will not constitute work product and will remain our sole and exclusive property. We will retain sole and exclusive ownership of all right, title and interest in our proprietary information which will not constitute work product, including such information as existed prior to the delivery of our services and, to the extent such information is of general application, anything which we may discover, create or develop during our provision of services for you. To the extent our deliverables to you contain our proprietary information, we grant you a non-exclusive, non-assignable, royalty-free license to use the proprietary information provided by us in the work product and the subject of the engagement and for no other or further use without our express, prior written consent.

7. Our Warranty We warrant that our services will be performed with reasonable care in a diligent and competent manner. Our sole obligation will be to correct any non-conformance with this warranty, provided that you give us written notice within 60 days after the services are performed or, if applicable, deliverables are delivered. The notice will specify and detail the non-conformance and, if you and we agree that a non-conformance exists, we will have a reasonable amount of time, based on its severity and complexity, to correct the non-conformance.

We do not warrant and are not responsible for any third party products or services. Your sole and exclusive rights and remedies with respect to any third party products or services are against the third party vendor and not against us.

THIS WARRANTY IS OUR ONLY WARRANTY CONCERNING THE SERVICES AND ANY DELIVERABLE, AND IS MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE.

8. Liability and Indemnification (a) You will indemnify us, our owners, employees, contractors and agents against all costs, fees, expenses, damages and liabilities (including reasonable attorneys' fees and costs) associated with any third party claim, relating to or arising as a result of the services or our engagement except to the extent caused by the gross negligent or willful acts or omissions of our employees, contractors or agents in performing the services.

(b) Neither of us will be liable for any delays or failures in performance due to circumstances beyond our reasonable control.

(c) Our total liability relating to this engagement will in no event exceed an amount equal to the fees we receive for the portion of the engagement giving rise to liability, and will not include any special, consequential, incidental or exemplary damages or loss (nor any lost profits, savings or business opportunity).

(d) Any action against either of us by the other in connection with this engagement must be brought within 18 months after the cause of action arises.

9. Response to Subpoena In the event we are required to respond to a subpoena (e.g., producing documents in our possession, providing testimony, cooperating with your legal counsel, etc.) related to this engagement (regardless of whether such subpoena is served during or subsequent to the completion of our work), we will invoice you at our standard hourly rates applicable at the time such services are rendered. We will also invoice you for our related out-of-pocket expenses, including, but not limited to, copying charges, courier fees, travel expenses and attorney fees.

10. Non-Solicitation During the term of this engagement, and for a period of one year following its expiration or termination, you will not actively solicit, employ or otherwise engage any of our employees (including former employees) who were involved directly in the engagement.

11. Termination (a) Any party may terminate our engagement at any time upon 10 days written notice.

(b) Stout Risius Ross, Inc. may suspend or terminate this engagement immediately and without notice in the event of non-payment of amounts due us.

(c) You will pay us for all services rendered, expenses incurred or commitments made by us to the effective date of termination, and will reimburse us for all reasonable costs associated with any termination.

12. Our Financial Interest / Compensation None of our employees who will work on this engagement have any known financial interest in the Company or the outcome of our analysis, and our compensation is neither based upon nor contingent upon the conclusions we reach. We do not warrant or predict results or final developments in this matter.

13. Staffing While we will attempt to comply with your requests for specific individuals, we retain the right to assign and reassign our personnel, as appropriate, to perform the services.

14. General (a) These Professional Terms, together with the engagement letter, including all its attachments, constitute the entire understanding and agreement between us with respect to the services and deliverables described in the engagement letter, supersede all prior oral and written communications between us, and may be amended, modified or changed only in writing when signed by all parties. If there is a conflict between these Professional Terms and the terms of the engagement letter, these Professional Terms will govern.

(b) No term of this agreement will be deemed waived, and no breach of this agreement excused, unless the waiver or consent is in writing signed by the party granting such waiver or consent.

(c) The terms of this agreement which by their nature are to survive this agreement will survive its expiration or termination.

(d) We will retain files related to this engagement in accordance with our document retention policy.

(e) We each acknowledge that we may correspond or convey documentation via Internet e-mail and that none of the parties has control over the performance, reliability, availability, or security of Internet e-mail. Therefore, none of the parties will be liable for any loss, damage, expense, harm or inconvenience resulting from the loss, delay, interception, corruption, or alteration of any Internet e-mail due to any reason beyond our reasonable control.

(f) All of our respective rights and duties and all controversies and claims in connection with this engagement will be determined in accordance with the laws of the State of Michigan.

* * * * *



Marc G. Nassif, MAI, LEED AP

Manager

248.432.1284

mnassif@srr.com

Education

B.A.

Albion College

*Economics & Management,
History*

Professional Designations

MAI

LEED Accredited
Professional

Marc G. Nassif is a Manager in the real estate practice within the **Valuation & Financial Opinions Group at Stout Risius Ross, Inc.** His concentration is in real estate valuation and advisory services. Mr. Nassif is responsible for management, client liaison, business development, and appraisal production. He is also named as an expert witness on multiple litigation assignments. He has been at SRR since May 2003, and was previously employed by National City Bank where he worked with the Investment Real Estate loan group.

Mr. Nassif's experience encompasses a wide range of commercial real estate engagements for local and national clients for a variety of purposes, including asset valuation for pension funds, financing, estate taxation, proposed developments, ad valorem taxation, purchase price allocation, fresh start accounting, property insurance placement, and litigation. He has appraised numerous property types, including office, industrial, retail, vacant land, residential, automobile dealerships, and special purpose facilities such as parking garages. Mr. Nassif has completed assignments throughout the United States and Europe, and has experience managing large portfolio assignments. Mr. Nassif has also completed feasibility analyses, market analyses, market rental rate determinations, and impact studies. His experience ranges from high-density CBD developments to low-density agricultural land uses.

He is licensed as a certified general real estate appraiser in California, Michigan, New Jersey, Virginia, and Washington. Additionally, Mr. Nassif is a member of the Appraisal Institute, the Urban Land Institute, and the Detroit Economic Club. Mr. Nassif is a LEED Accredited Professional through the U. S. Green Building Council. The LEED AP designation is focused on environmentally conscious design and development of "green" buildings. The designation requires an understanding of the principles, techniques, and intentions of a certified building.



Marc G. Nassif, MAI, LEED AP

Manager
248.432.1284
mnassif@srr.com

Education

B.A.
Albion College
*Economics & Management,
History*

Professional Designations

MAI

LEED Accredited
Professional

Publications:

"Real Estate Tax Issues on Income Producing Properties," *The SRR Journal*, Spring 2006

Speeches and Seminars:

"Green Building: Trends, Valuation, and Litigation," presented at the Akron Bar Association, February 11, 2009



David K. Goesling

Managing Director
312.752.3308
dgoesling@srr.com

Education

University of Illinois
Mechanical Engineering

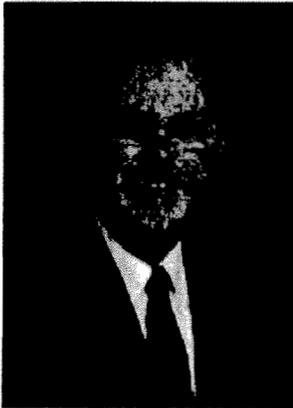
Illinois Institute of
Technology
Mechanical Engineering

David K. Goesling is a Managing Director in the **Valuation & Financial Opinions Group** at **Stout Risius Ross, Inc.** He is the practice leader of the Machinery & Equipment Group. With more than 25 years of experience, Mr. Goesling has performed valuations for financial reporting, federal income tax reporting, asset based lending, property tax disputes, condemnation, leasing, insurance, litigation and bankruptcy purposes. He has performed tangible asset valuations internationally, including Ireland, China, Sweden, Germany, Mexico, Canada, Switzerland, Malaysia, Bahrain and Italy. In addition, he has provided expert witness testimony regarding appraisal matters in Delaware, Illinois, Michigan, Texas and Colorado and has successfully defended his valuations before the Internal Revenue Services and other third parties.

Mr. Goesling has provided valuation services to clients in numerous industries, including manufacturing (automotive, electronics, steel production, metalworking, chemicals, textiles), communications (voice and data, television, print), mining, energy, transportation (rail, marine, and trucking) and retail.

Prior to joining **Stout Risius Ross, Inc.**, Mr. Goesling was President and owner of Sigma Appraisals, Inc. in Palatine, Illinois. Preceding the formation of Sigma Appraisal, Inc., Mr. Goesling was Director of Corporate Services at Dovebid Valuation Services, Inc., Senior Manager of Valuation Services at KPMG, LLP, Senior Vice President at Valuation Counselors, Inc. and Vice President of Machinery and Equipment Appraisal at Merrill Lynch Business Brokerage & Valuation.

Mr. Goesling is a member of the Equipment Leasing Association.



David K. Goesling

Managing Director
312.752.3308
dgoesling@srr.com

Education

University of Illinois
Mechanical Engineering

Illinois Institute of
Technology
Mechanical Engineering

Testimony Experience:

In the Matter of the Assessment of Certain Real and Business Personal Property Owned by Automotive Components Holdings, LLC for Tax Year 2006, State of Oklahoma, District Court of Tulsa County, 2008

Complete Communications Services, Inc., Debtor, United States Bankruptcy Court, Western District of Texas, Austin Division, 2007

Ecesis, LLC and John Smith v. Hinshaw Roofing & Sheet Metal Co., Inc. Environmental Assurance Co., Inc., INOK Investments, LLC, Tippecanoe County Superior Court, Indiana, 2005

Orion Refining Corporation, United States Bankruptcy Court for the District of Delaware, 2004

LaSalle Bank National Association, etc. v. Capco America Securitization Corporation and Capital Company of America, LLC, United States District Court for the Southern District of New York, 2003

Foremost Farms USA, v. Foremost Associates, United States District Court for the Western District of Wisconsin, 1997

Great Lakes Division of National Steel Corporation, Petitioner v. City of Ecorse, City of River Rouge and County of Wayne, Respondents, Michigan Tax Tribunal, 1996

Quincy Broadcasting, American Arbitration Association in Denver, Colorado, 1996

Physician's practice, Circuit Court of Cook County, Illinois, 1992

Merrill Lynch Private Resources v. Gray Supply, United States District Court for the Northern District of Illinois, 1990

Charles Nickels, et al v. Cedar Point, Inc. et al, Common Pleas Court, Erie County, Ohio, 1985

Publications:

"The Property Insurance Seesaw – The Importance of Accurate Values," *The SRR Journal*, Fall 2007





Kevin A. Kernen, MAI

Kevin A. Kernen is a Director in the real estate practice within the **Valuation & Financial Opinions Group** at **Stout Risius Ross, Inc.** He is responsible for management of the real estate practice, client liaison, business development, and the internal systems and operations for the group. His concentration is in commercial real estate valuation and advisory services, where he has over 10 years of national and international appraisal, review, and management experience.

Mr. Kernen's experience encompasses a wide range of commercial real estate engagements for local and national clients for a variety of purposes including financing, estate and gift taxation, proposed developments, litigation, marital dissolution, ad valorem taxation, purchase price allocation, goodwill impairment, and property insurance placement. Mr. Kernen has appraised numerous property types, including office, industrial, retail, hotel, health care, vacant land, residential, and many special purpose facilities such as golf courses, country clubs, bowling centers, movie theaters, parking garages, and resorts. Mr. Kernen has also completed market analyses and market rental rate determinations. He is licensed as a certified general real estate appraiser in California, Colorado, Connecticut, Georgia, Indiana, Kentucky, Massachusetts, Michigan, New York, Ohio, Pennsylvania, Washington, D.C. and West Virginia.

In addition to real estate valuation and consulting, Mr. Kernen also has experience in business valuation for a variety of purposes including financing, estate and gift taxation, Subchapter C to Subchapter S conversions, and shareholder disputes.

Mr. Kernen is a designated member of the Appraisal Institute. He is a member of the Urban Land Institute and the Detroit Economic Club. He is also a member of CoreNet Global and is on the Education Committee.

Director

248.432.1264

kkernen@srr.com

Education

B.A.

Michigan State University

Finance

Professional Designations

MAI



Kevin A. Kern, MAI

Director
248.432.1264
kkern@srr.com

Education

B.A.
Michigan State University
Finance

Professional Designations

MAI

Publications:

"Litigation Property Tax Appeal of Large Manufacturing Plants – A Cash Flow Management Tool," *The SRR Journal*, Spring 2004

Speeches and Seminars:

"Understanding Current Underwriting and the Availability of Credit," Panelist, ICSC 2010 Michigan Continuing Education Program, January 28, 2010

Types of Properties Appraised:

Residential, Single-family, multi-family, cooperatives, and government subsidized housing

Office, Professional, medical, and bank branches

Industrial, Single- and multi-tenant, industrial, mini-storage, foundries, and pharmaceutical manufacturing facilities

Retail, Free-standing buildings, shopping centers, restaurants, and automobile dealerships

Hotel, Resort properties

Health Care, Hospitals, acute care, nursing homes, assisted living facilities, and independent care facilities

Vacant Land, Single sites, agricultural properties, and residential subdivisions

Special Purpose, Bowling centers, movie theaters, golf courses, resorts, parking garages, and country clubs

Appraisal Institute Education and Course Work:

Appraising Distressed Commercial R.E.: Here We Go Again, December 2009

7-Hour National USPAP Update Course, June 2009

What Commercial Clients Would Like Appraisers to Know, April 2009



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Education

B.A.
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Professional Designations

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Appraisal Institute Education and Course Work:

Appraising Distressed Commercial R.E.: Here We Go Again, November 2008

Online Business Practices and Ethics, June 2008

Michigan Laws & Rules, June 2008

Online Cool Tools: New Technology for Real Estate Appraisers, May 2008

7-Hour National USPAP Update Course, September 2007

Evaluating Commercial Construction, July 2007

Online Introduction to International Valuation Standards, January 2007

Uniform Appraisal Standards for Federal Land Acquisitions, October 2006

Scope of Work: Expanding Your Range of Services, April 2005

7-Hour National USPAP Update Course, March 2005

Michigan Laws & Rules, March 2005

Real Estate Finance Statistics and Valuation Modeling, May 2004

Report Writing and Valuation Analysis, August 2002

Standards of Professional Practice, Part A (USPAP) and Part B, May 2002

Advanced Applications, February 2002

Highest & Best Use and Market Analysis, May 2001

Advances Sales Comparison and Cost Approaches, October 2000

Advanced Income Capitalization, May 2000

Basic Income Capitalization, January 2000

Appraisal Procedures, May 1999

Other Appraisal Courses:

Fair Housing, May 2001

Real Estate Law, January 2001

15-Hour Uniform Standards of Professional Appraisal Practice, June 1999



Jeffrey G. Pelegrin, MAI, FRICS

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Education

M.S.

University of Wisconsin
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*Real Estate Appraisal and
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*Real Estate and Urban
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Professional Designations

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Jeffrey G. Pelegrin is a Managing Director and the Chief Standards Officer for the real estate practice within the **Valuation & Financial Opinions Group** of **Stout Risius Ross, Inc.** He is responsible for management of the real estate practice, client liaison, business development, marketing, defining and enforcing appraisal standards, and overall quality control for the group. His concentration is in commercial real estate valuation and advisory services, where he has over 25 years of national and international appraisal, review, and management experience. He specializes in large scale office and retail properties, and portfolio appraisal management.

Mr. Pelegrin has a broad range of experience in the valuation and analysis of all types of commercial real estate including but not limited to suburban and CBD office buildings, office parks, freestanding retail buildings, neighborhood and community shopping centers, suburban and CBD regional malls, lifestyle centers, industrial buildings and industrial parks, high profile mixed-use properties such as 900 North Michigan Avenue in Chicago, hotels and motels, condominium and apartment properties, land, land developments, and special-use properties. Valuations, feasibility studies, and market studies have been prepared on proposed, partially completed, renovated, and existing structures. These assignments have been performed on behalf of institutional investors and lenders, commercial banks, law firms, individual investors and other clients. Multiple-asset valuation and due-diligence assignments have been completed on behalf of investment banking firms, banks, corporations, and courts. Assignments have included a wide variety of property types across the United States, Europe, and Asia, and have involved single assets ranging in value from \$300,000 to over \$700 million.

Prior to joining **Stout Risius Ross, Inc.**, Mr. Pelegrin was Principal and Managing Director for Integra Realty Resources - Chicago. While there he provided appraisal services on high profile properties, marketing, staff management, and appraisal oversight and review in the Midwest Region, and throughout the United States. He also managed numerous large portfolio assignments of up to 1,500 properties. Portfolios appraised ranged in total value from \$2 million to \$6.5 billion.

Mr. Pelegrin was also Vice President at Citibank in Chicago during the 1990's, where he managed the due diligence process for the Midwestern portion of the bank's commercial real estate loan portfolio, while also participating on a national and international level. At the bank, Mr. Pelegrin gained invaluable and timely experience in the factors affecting commercial real estate values during a significant downturn and subsequent recovery in the financial markets. Prior to Citibank, Mr. Pelegrin was a Senior Appraiser with American Appraisal Associates for six years.

Mr. Pelegrin has been a designated member of the Appraisal Institute (MAI) for over 16 years, is a Fellow of the Royal Institution of Chartered Surveyors (FRICS), and is a member of NCREIF, the Chicago Real Estate Council, and the University of Wisconsin Real Estate Alumni. He is licensed as a certified general real estate appraiser in Georgia, Illinois, Iowa, Kansas, Michigan, Minnesota, Nevada, and Wisconsin. He has been sought out for various public speaking engagements, has provided litigation support in State Courts and Federal Bankruptcy Court, and has testified in front of various State, County, Township, and Municipal Courts and Boards.



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Education

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Testimony Experience:

Diana Barr-Crecos v. Gregory Crecos. State of Illinois Circuit Court, Cook County, Illinois, 2009.

Michael and Michelle Kelsey v. Chase Township Planning Committee, Pulaski, Wisconsin, 2006.

James and Christine Richter v. Chase Township Planning Committee, Pulaski, Wisconsin, 2006.

Lowe's Companies and Gendell Realty Partners v. Village of Gurnee Plan Commission, Gurnee, Illinois, 2006.

Sprint Corporation v. Warren County Zoning Board, Warrenton, Missouri, 2004.

Speeches and Seminars:

"The Art and Science of Appraisal Review," presented at a Capri Capital Conference, Chicago, Illinois, 2008.

"The State of the Multi-Family Market," presented at the Real Estate Trends and Investment Criteria Conference, Kansas City, Missouri, 2006, 2007, and 2008

"The State of the National Real Estate Market," participated in a panel discussion in New York, New York, 2006

"The State of the Industrial Market," presented at the Real Estate Trends and Investment Criteria Conference, Kansas City, Missouri, 2005

SRR REAL ESTATE GROUP - CASINO APPRAISAL EXPERIENCE

Relevant Properties Appraised	Location
Motor City Casino	Detroit, Michigan
Portions of Greektown Casino	Detroit, Michigan
Isle of Capri Casinos, Inc.	Blackhawk & Cripple Creek, Colorado
Anchor Gaming	Las Vegas, Nevada
Proposed Casino Site	Vicksburg, Mississippi