

Tittabawassee River Value Assurance Program

The Value Assurance Program compensates qualifying property owners if they sell their property but receive less than fair market value.

Eligibility

To be eligible, you and your property must meet all of the following criteria:

- The property must have been identified by Dow as eligible for the Tittabawassee River Conservation Program.
- The property must have a signed and recorded Conservation Covenant in place before the property is sold.
- The property must be a one- or two-family residential property that meets legal occupancy requirements. Eligible properties include properties with a house or mobile home, rental homes, and duplexes. Contiguous vacant land is also included, if sold with the residential lot. Condominiums and apartment complexes¹ are not eligible.
- Sales must occur between May 18, 2015 and May 18, 2022.
- The eligible property must be listed with an approved real estate agent that is trained in the Value Assurance Program. A list of approved real estate agents is available on the Dow website (www.triverconservation.com) under the Value Assurance Program tab, or call us and we will provide the list to you.
- You must follow all requirements and procedures outlined in this brochure, including making reasonable efforts to obtain the maximum price for your property (see the definition of “reasonable efforts” below), and giving Dow the right of first refusal to purchase the property.

Each property is eligible for Value Assurance Program benefits one time. The property is not eligible for Program benefits if it is subsequently sold by the person who buys it from you.

- Was your property already listed for sale when you received this brochure?

If so, that’s okay, as long as the property is listed with a Program-approved real estate agent (if not, please call us for options) and you meet Program requirements going forward.

Program Administrator

The Value Assurance Program is being administered by **Alvarez & Marsal**, a global consulting firm with real estate specialists experienced in running value assurance programs nationwide.

¹ Any rental property containing three or more units.

Fair Market Value

For purposes of this Program, “fair market value” is what your property is worth at the time of sale, in comparison with similar properties that are not properties covered by the Tittabawassee River Conservation Program. To determine the value of your property, the Program Administrator will use established appraisal techniques, such as the sales comparison approach, historical appreciation rates, statistical modeling, and/or adjusted assessed values.

Reasonable Efforts

To receive benefits from the Value Assurance Program, you must make reasonable efforts to sell your property for maximum value. If, after making reasonable efforts, you believe the sale amount that you received is less than fair market value, you can present a claim to the Program Administrator. Reasonable efforts include:

- You must list the property with one of the real estate agents approved for the Program. These are agents fully licensed to sell residential property, and who have agreed to participate in the Value Assurance Program.
- You must make diligent efforts to comply with the reasonable suggestions of your real estate agent, including listing the property at the appropriate price, making reasonable improvements to your property not to exceed 3% of the list price, advertising your property, and showing your property.
- The transaction must be “arm’s length.” This means that if you sell your property to a related party, such as a friend or relative, for less than fair market value, you are not eligible for benefits.

Value Assurance Program Process

To be eligible for Value Assurance Program benefits, you must follow the following procedures.

Step 1 – Deciding to Sell Your Property

- If you would like to sell your property, contact one of the real estate agents approved to participate in the Value Assurance Program. See the list at www.triverconservation.com under the Value Assurance Program tab, or call or e-mail us and we will provide the list to you.
- You may choose any of the real estate agents on the list, but you must use one of these agents to professionally list and market your property in order to participate in the Value Assurance Program.
- To maintain eligibility for the Program, you must follow the approved real estate agent’s suggestions, and make reasonable efforts to sell your property.

Step 2 – Receiving a Written Offer

By using an approved real estate agent and making reasonable efforts to sell your property, you may receive more than one offer to purchase your property. You do not have to accept the first offer that you receive. However, when you receive a written offer on your property that you would like to accept, you must follow the procedure outlined below to be eligible for Value Assurance Program benefits.

As part of participating in the Value Assurance Program, **you agree to allow Dow the right of first refusal to purchase your property**. This means that when you receive a written offer that you would like to accept, Dow will be notified and has an opportunity to match that offer and buy your property before you sell it to anyone else. Your approved real estate agent will write Dow's right of first refusal into the conditions of your Buy and Sell Agreement so that potential buyers are aware of it.

Upon receiving a written offer that you would like to accept:

- Fill out and e-mail or fax (or have your approved real estate agent e-mail or fax) an Offer Form to the Program Administrator along with a copy of the Buy and Sell Agreement signed by the potential buyer. All Program forms are available at www.triverconservation.com under the Value Assurance Program tab.
- Upon receipt of your Offer Form and Buy and Sell Agreement, the Program Administrator will have seventy-two (72) hours to notify you if Dow would like to purchase your property.
- If Dow chooses to purchase your property, Dow will pay you the price of the offer that you received, and will honor the written Buy and Sell terms agreed upon by the potential purchaser and you. The Program Administrator will notify you of Dow's decision to purchase your property so that you may notify the other party that you are not going to accept their offer. Dow or its representative will contact your approved real estate agent to arrange the closing. You are still eligible to file a claim (Step 3), even when Dow chooses to purchase your property.
- If Dow chooses not to purchase your property, the notification you receive will indicate that decision. You may accept the written offer and proceed with selling your house to the other party.

Step 3 – After Closing

If you wish to make a claim for Program benefits, fill out and mail to the Program Administrator a **Claim Form**, a copy of the executed Buy and Sell Agreement, the closing statement provided to you by the closing attorney, and the recorded deed. Your approved real estate agent, who has been trained on the Value Assurance Program, can help you follow the steps and fill out the necessary paperwork. These documents must show the date of sale and sale price you received

for your property. All of the information required in the Claim Form, including your social security number, must be provided for your claim to be processed. Please submit the Claim Form and the other necessary documents as soon after closing as possible, but no later than thirty (30) days after closing.

Upon receipt of your Claim Form, the Program Administrator will have an appraisal performed to establish the fair market value of your property at the time of sale. (Your approved real estate agent will include in your Buy and Sell Agreement a provision granting access to the property after closing for purposes of conducting the appraisal.)

Step 4 – Determination of Program Benefits

The payment of your Value Assurance Program benefits will be determined by comparing the sale price you received to the fair market value of your property, as determined by the Program Administrator. There are two types of compensation that you are eligible to collect:

- **Value-Based Payment.** If you received less than fair market value from the sale of your property, Dow will pay you 100% of the difference. For example, if the sale price you received was \$90,000 and the fair market value of your property is \$100,000, you will be eligible to receive \$10,000. If the sale price you received is equal to or greater than the fair market value of your property, then you are not eligible for a value-based payment from the Program.
- **Broker Commission.** In addition, if you received at least 95% of the fair market value of your property, then Dow will pay your real estate broker's commission (up to a 6% commission). For example, if you received \$98,000 and the fair market value of your property is \$100,000, you will be eligible to receive \$2,000 plus your broker's commission. If you received \$105,000, you are not eligible for a value-based payment, but you are still eligible to have your broker's commission paid.

After your Program benefit has been determined, the Program Administrator will send you a letter detailing the payment for which you are eligible. **You will need to sign a Release Form to receive benefits under the Value Assurance Program.** If you are eligible and payment is due to you, a check will be mailed to you within thirty (30) days after we receive the Release Form from you.

If you do not agree that the fair market value assigned to your property by the Program Administrator is the fair market value of your property on the date you sold it, you can challenge the assigned fair market value. To do so:

- Notify the Program Administrator of your disagreement, in writing, within ten (10) business days of the postmark on the response letter. Then, submit to the Program Administrator an appraisal of your property, at your own cost, using one of the real estate appraisers approved for the Value Assurance Program. A list of approved appraisers is included under the Value Assurance Program tab at

www.triverconservation.com. You have thirty (30) calendar days from the postmark date of the response letter you originally received to submit the appraisal to the Program Administrator. The appraisal must be as of the date you sold your property.

- The Program Administrator will then review both estimates of fair market value and make a determination. This will be the final determination of fair market value.

Once a final determination of fair market value is made, you will be compensated according to the guidelines set forth above.

If You Do Not Receive an Offer

The Value Assurance Program is not an offer from Dow to purchase your property. The Program is designed to make sure you are compensated in the event you do decide to sell your property and the sale price you receive is less than fair market value. However, from time to time, a property owner may not receive an offer for their property even after listing it for sale. Dow makes no guarantee or assurance that you will receive an offer for your property and will not purchase your property if you do not receive an offer.

Value Assurance Program Forms

All Value Assurance Program forms are available at www.triverconservation.com under the Value Assurance Program tab. The real estate agents approved to participate in the Value Assurance Program can also supply the necessary forms to you.

For More Information, or to speak with a Dow representative, leave a message on our information line at (989) 638-6100 or visit us online at www.triverconservation.com