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SUMMARY

Subject: 2 Smith
Frankfort, Illinois 60423

PIN No: 19-09-21-410-014, 015, 016, 017 & 024

Client(s): Mr. Jeffery W Cook, AICP
Assistant Village Administrator
Village of Frankfort
425 W Nebraska
Frankfort, IL 60423
Ordered by: Mr. Jeffery W Cook

Other Intended Users: None

Existing Use: Light Industrial – Previously a Cabinet Shop

Lot Size: ≈23,250 (per County records, no survey provided)

Opinion of Market Value(s): $140,000.00

Date of Valuation: October 25, 2019
Date of Inspection: October 25, 2019
Date of Report: November 4, 2019
Client/Intended User(s): The report is prepared for the exclusive use of the client.

Intended Use: This report is to assist the client in determining the market value for internal assessment purposes.

Format: Appraisal Report

Type of Opinion: Market Value

Interest Valued: Fee Simple Title, subject to existing leases, if any, and subject to the assumptions and limiting conditions contained herein.

Documents Provided: We were provided with the following documents during the course of this assignment.

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sales Contract</td>
</tr>
<tr>
<td>2</td>
<td>Listing Agreement</td>
</tr>
<tr>
<td>3</td>
<td>Survey</td>
</tr>
<tr>
<td>4</td>
<td>Leases for current tenants</td>
</tr>
<tr>
<td>5</td>
<td>Income and Expense for the current and previous three years</td>
</tr>
<tr>
<td>6</td>
<td>Rent Roll</td>
</tr>
<tr>
<td>7</td>
<td>Real Estate Tax Bills</td>
</tr>
<tr>
<td>8</td>
<td>Other – See Below</td>
</tr>
<tr>
<td>x</td>
<td>None of the Above</td>
</tr>
</tbody>
</table>

Personal Property: No consideration was given to any personal property.
Approaches Used in the Valuation

The valuation approaches utilized in the analysis of real estate typically examine available market data from three viewpoints: a Cost Analysis, an Income Analysis and/or via a Direct Comparison (market approach) of the property’s physical characteristics. The property itself and the market participants typically set the parameters as to which analysis is most pertinent or meaningful. More information relating to the scope of work can be found further on in the report.

<table>
<thead>
<tr>
<th>Analysis</th>
<th>Not Meaningful</th>
<th>Meaningful</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

The subject site has a building of very poor quality located on it. The building does not contribute to the overall value of the site. Only a Direct Comparison analysis is appropriate.

Special Notes, Extraordinary Assumptions and Hypothetical Conditions

This section is devoted to issues that deserve special note and/or may impact the value of the subject property. These are items that are not typical of the market in general. All or any of the more standard limiting conditions would likely impact our valuation conclusions as well. These are property specific and are particularly noted.

None
Previous Sales: The public records show the site to have been sold on December 26, 2014.

Property Description

CITY: Frankfort  
COUNTY: Will  
STATE: Illinois

Location: The subject is on the southwest corner of Elwood and Oak in what would generally be considered historic downtown Frankfort, however, it is not in the main shopping district, it is one block to the north. Because of its location it has an unusual grouping of neighboring properties: to the east is a small neighborhood shopping center, to the north is a new townhome (three) development and to the west is a condominium complex as well as a preschool and a single family home. Old Plank Rd Trail marks the southern boundary.

Lot Size:  
19-09-21-410-014 — 40 feet by 145 feet, 5,800 SF  
19-09-21-410-015 — 20 feet by 150 feet, 3,000 SF  
19-09-21-410-016 — 28 feet by 150 feet, 4,200 SF  
19-09-21-410-017 — 19.10 feet by 150 feet, 2,865 SF
19-09-21-410-024 — Irregular 8,550 SF (via scaling)
Total = 24,415 SF — *It is strongly advised a survey be obtained*

**Alley(s):** None

**Streets:** Asphalt paved

**Curbs/Sidewalks:** Concrete

**Utilities:** All present

**Zoning:** H-1 Historic District.
Permitted uses in the H-1 Zoning District are limited to:

<table>
<thead>
<tr>
<th>Dwelling Units above the first floor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residence of the proprietor of a commercial use</td>
</tr>
<tr>
<td>Health Clinic/Office</td>
</tr>
<tr>
<td>Indoor Business Sales and Service and Indoor retail sales of goods, under 5,000 square feet</td>
</tr>
<tr>
<td>Office and Professional Service</td>
</tr>
</tbody>
</table>

While the permitted uses are significantly restrictive, other uses are allowed by attaining a Special Use Permit (see addenda).

In addition to other zoning stipulations, properties with this zoning go before the “1890 Theme Committee.”

The ordinance goes on to say “In addition to the powers and duties set forth in the Village of Frankfort’s Historic Preservation Ordinance, the Committee is hereby vested with the power and the duty to review applications for building permits, site plans, fences, or permits to erect signs in the H-R and H-1 zoning districts to determine the compatibility of the requested action with the Village of Frankfort Historic Preservation Design Guidelines, the Village of Frankfort’s Historic Preservation Ordinance and any supplemental provisions as approved by the Village Board, and to make recommendations to the Village Board for final action thereon, and such other powers and duties as may from time to time hereafter be delegated to it by Ordinance, by the Village Board. The Committee shall adopt its own rules and procedures, not in conflict with this Ordinance or with applicable Illinois Statutes.
Building permits must be approved by the Theme Committee as to appropriateness of exterior architectural features

**Topography:**

Basically flat

**Easements:**

None other than typical utility types were noted.

**Building:**

There is an older building on the site. It contains 6,805 SF.

The building was constructed in stages and is part concrete block and part metal.

The building contains two private offices, a display area and a large cabinet “manufacturing” area. There are two restrooms – one in the office area and one in the manufacturing area.

The building is mostly unfinished open space used for the making of cabinets, is in fair condition via exterior inspection, but does not contribute to the overall value.
**Highest and Best Use:** Highest and Best Use is defined by the Appraisal Terminology and Handbook, published by the Appraisal Institute, as "the most profitable likely use to which a property can be put." The opinion of such use may be based on the highest and most profitable continuous use to which the property is adapted and needed, or likely to be in demand, in the reasonably near future.

If elements affecting value depend upon events or a combination of occurrences which, while possible, are not shown to be reasonable or probable, they should be excluded from consideration. Also, if the intended use is dependent upon an uncertain act of a third person, the intention should not be considered.

The criteria for ascertaining the Highest and Best Use of a property are:

1. The use must be physically possible.
2. The use must be legally permissible.
3. The use must be financially feasible.
4. The use must be maximally productive.

It should be noted the highest and best use of a property can be transient, that is, highest and best uses of properties can change over time and what is the highest and best use today may not be the highest and best use tomorrow.

**Physically possible** - The site contains a total of 24,415 SF. It is large enough to support any number of smaller uses.

**Legally permissible** – The H-1 zoning is very restrictive effectively allowing for smaller retail use and contains stringent design standards. It is primarily directed at maintaining the “old town” flavor that permeates the neighborhood

**Financially Feasible** – The building is presently being utilized for storage and parking. The ultimate use to which the property may be put is difficult to ascertain. However, given the zoning, the most likely financially feasible and maximally productive use would be of a commercial nature taking advantage of the view amenity and with some residential units on a second floor to offset ownership overhead. The existing building is not financially feasible to retain.
To develop an opinion of the present market value, I have looked at sales of other properties in the area. Some of the sales considered and a summary analysis follows. The data provided is not offered as independent evidence of the value of the subject property, but rather as some of the transactions we have taken into consideration in developing an opinion of value.

There have been very few sales of vacant land within the H-1 district. This is to be expected inasmuch as the district is effectively completely built up.

The limited sales found include:

12 Smith Street. This property sold for $175,000.00 on September 15, 2015. It was subsequently rezoned allowing for development with three townhomes. The site contained 14,702 suggesting a price of $11.90 per square foot. Typically sales like this are only consummated after the property has already been rezoned or the purchase has attained assurances that it will be. The price also suggests then that the land sold for a price of $58,333.00 per dwelling unit.

219 N White. This property sold back in April 2004 (before the recession) for $160,000.00, or $7.42 per square foot. It was ultimately developed with a two story mixed use building with offices on the first floor and rental units on the second.

28 Kansas. This property sold for $290,000.00 in July 2013. It included a small building that was razed and was ultimately developed into a two story building which houses Fat Rosie’s on the first floor and office space on the second.

216-30 N White. This property sold in September 2014 for $180,000.00 or, $5.00 per square foot. It has been for sale since that purchase (which was a distressed sale). The original sale included three lots (36,000 SF). One is for sale at this moment (90 by 150) for $155,000.00 or $11.48/SF. Previously (spring, summer 2019) all three lots were for sale at $445,000.00, or $12.36/SF.

There have been a couple of other sales of vacant land very nearby the historic district. 139 N White sold for $135,000.00 ($5.34/SF) in September 2014. There is a new house on that site now. Also, 99 White sold that same month for $103,000.00 ($5.91/SF). It is still vacant.
In addition to considering these sales I considered general demand for property in the historic downtown area. There have been several sales, For example, 109 Ash sold in January of this year for $185,000.00. This is a relatively small building (880 SF) and it is currently being renovated into office space. Also, the building at 127 Kansas was recently sold (September of this year) for $170,000. It appears as though it will be maintained as a home after remodeling.

What this tells me is that there is demand for space in the historic district. And I believe that demand will continue into the foreseeable future. However, the demand is relatively light.

The subject’s zoning suggests the Village is trying to expand the business district. It appears to me as though the subject’s location is such that it can fit into that plan.

The site is very attractive with views, if developed properly, facing Old Plank Trail. If it is developed with a second floor, the second floor would have a very attractive view of the trail area and a small park like property behind it. The site (located on a corner) benefits from the public parking lot located diagonally to the southeast and the “quasi-public” lot directly across the street to the east. That lot is owned by the local chamber of commerce.

The site is also well positioned to benefit from the Frankfort Fall Fest which generally attracts about 250,000 visitors.
On the negative side, retail and even office users are generally influenced by location recognition and traffic. The subject lacks both of these characteristics. Elwood Street is not a street name that is generally recognized except by locals. It is, only about two blocks long. The only other non-residential use on the street is the strip center just to the east. That center was developed in 1987 and was not developed to take advantage of the park and trail because they had not been developed at that time. While I have not studied that building, it is my general recollection that it has had difficulty maintaining full occupancy. In addition, there is virtually no vehicular traffic on Elwood. Even White Street has only an average daily vehicle count of 5,600.

Finally, The Historic District zoning is very strict. Not only does it limit development opportunities, but controls the building plans by requiring compliance with the Historic Design Guidelines.

Coupling all of these factors, I have concluded there is effectively no change in the market value since I looked at the parking lot area of this property last. The building does not appear to add value to the site as a whole and would likely be razed by a purchaser who would then redevelop the entire site. The value is estimated to be $140,000.00 or about $5.75 per square foot.

**Market Value**

**ONE HUNDRED FORTY THOUSAND DOLLARS**

**$140,000.00**

It should be noted that I also considered other properties that are now for sale in the general area. They are shown on the following page. Since they have not been sold, they were given less consideration.
Properties Presently For Sale Considered

<table>
<thead>
<tr>
<th>Property Address</th>
<th>City</th>
<th>For Sale Price</th>
<th>Price Per SF Land</th>
<th>Days On Market</th>
<th>Listing Broker Company</th>
<th>Zoning</th>
</tr>
</thead>
<tbody>
<tr>
<td>11-19 N White</td>
<td>Frankfort</td>
<td>$300,000.00</td>
<td>$15.31</td>
<td>1006</td>
<td>Village of Frankfort</td>
<td></td>
</tr>
<tr>
<td>Behind Dancing Marlin S La Grange Rd</td>
<td>Frankfort</td>
<td>$250,000.00</td>
<td>$12.21</td>
<td>254</td>
<td>LM Commercial Real Estate</td>
<td>B-4</td>
</tr>
<tr>
<td>20555 S La Grange Rd</td>
<td>Frankfort</td>
<td>$795,000.00</td>
<td>$32.02</td>
<td>313</td>
<td>LM Commercial Real Estate</td>
<td>B-2, community business</td>
</tr>
<tr>
<td>20550-1 S La Grange Rd</td>
<td>Frankfort</td>
<td>$175,000.00</td>
<td>$6.09</td>
<td>68</td>
<td>Keller Williams Preferred Realty</td>
<td>B-4</td>
</tr>
<tr>
<td>21035 S La Grange Rd</td>
<td>Frankfort</td>
<td>$99,000.00</td>
<td>$2.91</td>
<td>328</td>
<td>The Murphy Real Estate Group</td>
<td></td>
</tr>
<tr>
<td>21300 S LaGrange Rd</td>
<td>Frankfort</td>
<td>$199,900.00</td>
<td>$5.28</td>
<td>980</td>
<td>RE/MAX 1st Service Commercial Division</td>
<td>B4</td>
</tr>
<tr>
<td>20665 LaGrange</td>
<td>Frankfort</td>
<td>$499,900.00</td>
<td>$11.48</td>
<td>78</td>
<td>eXp Realty</td>
<td>Commercial</td>
</tr>
<tr>
<td>10 N White St</td>
<td>Frankfort</td>
<td>$475,000.00</td>
<td>$8.39</td>
<td>1078</td>
<td>Village of Frankfort</td>
<td></td>
</tr>
<tr>
<td>9301 W Lincoln Hwy</td>
<td>Frankfort</td>
<td>$1,295,000.00</td>
<td>$11.90</td>
<td>3471</td>
<td>Network Real Estate Group, Ltd.</td>
<td></td>
</tr>
<tr>
<td>7910 W Lincoln Hwy</td>
<td>Frankfort</td>
<td>$225,000.00</td>
<td>$1.86</td>
<td>441</td>
<td>Coldwell Banker Commercial NRT</td>
<td>C-2</td>
</tr>
<tr>
<td>20400 S La Grange Rd</td>
<td>Frankfort</td>
<td>$1,200,000.00</td>
<td>$4.71</td>
<td>712</td>
<td>Avison Young</td>
<td>C</td>
</tr>
<tr>
<td>20400 S LaGrange Rd</td>
<td>Frankfort</td>
<td>$1,200,000.00</td>
<td>$4.65</td>
<td>390</td>
<td>Avison Young</td>
<td>B-2 PUD Community Business</td>
</tr>
<tr>
<td>8531 Lincoln Hwy</td>
<td>Frankfort</td>
<td>$554,000.00</td>
<td>$1.59</td>
<td>526</td>
<td>Century 21 Affiliated</td>
<td></td>
</tr>
<tr>
<td>8779 W Laraway Rd</td>
<td>Frankfort</td>
<td>$741,609.00</td>
<td>$1.50</td>
<td>970</td>
<td>Brian Coleman &amp; Associates</td>
<td>B4</td>
</tr>
<tr>
<td>NEQ Of Route 30 &amp; Lagrange Rd (E of Mariano)</td>
<td>Frankfort</td>
<td>$6,000,000.00</td>
<td>$7.19</td>
<td>383</td>
<td>CBRE</td>
<td>B2-Community Busi. Dist.</td>
</tr>
<tr>
<td>Lincoln Hwy</td>
<td>Frankfort</td>
<td>$1,618,371.00</td>
<td>$0.68</td>
<td>1553</td>
<td>Martin, Goodrich &amp; Waddell Inc.</td>
<td></td>
</tr>
<tr>
<td>NE Corner Of Laraway Rd And Pfieffer Rd</td>
<td>Frankfort</td>
<td>$2,161,500.00</td>
<td>$0.38</td>
<td>13</td>
<td>Goodwin &amp; Associates Real Estate L.L.C.</td>
<td></td>
</tr>
</tbody>
</table>

Average: $7.54
**Definition of Market Value***

The most probable price which 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 of a specified date and the passing of title from seller to buyer under conditions whereby: 1. Buyer and seller are typically motivated; 2. Both parties are well informed or well advised, and each acting in what they consider their own best interests; 3. A reasonable time is allowed for exposure in the open market**; 4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 5. 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.

*From 12 CFR 323, Revised as of January 1, 1997 TITLE 12--BANKS AND BANKING, CHAPTER III--FEDERAL DEPOSIT INSURANCE CORPORATION, PART 323--APPRAISALS

**A reasonable time is estimated to be about 12 months. There is no statistical data available to support (or contend) this estimate. It is made on the basis of our observations of the market

Historically, exposure time for a property like the subject has been about a year. In fact, the NCREIF (National Council of Real Estate Investment Fiduciaries) has long held that one year is appropriate:

The National Council of Real Estate Investment Fiduciaries published a “Clarification Statement of Market Value” in 1991. The statement includes the following:

“The market value of a property represents the best estimate of a transaction price in the current market.” It continues: "As further clarification, NCREIF believes that it is reasonable under current market conditions, to assume up to one year to sell a property. Conversely, a marketing period of three years would typically not be appropriate under the market value definition. Further, market value does not assume a “liquidation sale” (forced sale) which would place undue emphasis on time and cash.”

To the best I can tell, this statement is still in effect – The REIS (Real Estate Information Standards) Glossary (dated 2006) states .... “The REIS standards were created by joint agreement between NCREIF, PREA (Pension Real Estate Association) and NAREIM (National Associate of Real Estate Investment Managers).”
The American Institute of Certified Public Accountants (AICPA) says:

Definitive Decision to Sell... The point in time when all of the criteria are met for an asset to be considered held for sale under SFAS 144. The criteria are as follows:

a) Management, having the authority to approve the action, commits to a plan to sell the asset,
b) The asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets,
c) An active program to locate a buyer and other actions required to complete the plan to sell the asset have been initiated,
d) The sale of the asset is probable and transfer of the asset is expected to qualify for recognition as a completed sale within one year,
e) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value, and
f) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The Office of the Comptroller of the Currency in its OREO section 219 of the Comptrollers Handbooks reads, “Fair value is the cash price that might reasonably be anticipated in a current sale under all conditions requisite to a fair sale. A fair sale means that buyer and seller are each acting prudently, knowledgeably, and under no necessity to buy or sell, i.e., other than in a forced or liquidation sale. A current sale is one occurring within 12 months.”

It is our opinion, therefore, that for a seller to be considered typically motivated means that they have absolutely decided to dispose of the property.

Finally, a reasonable exposure/marketing time should not exceed approximately one year.

The intent of this discussion is to set forth clearly my interpretation of the definition of Market Value.
Scope of Work: We have inspected and cataloged the salient attributes of the subject property based on our instructions. The property itself and the market participants typically set the parameters as to which one or more analysis is most pertinent or meaningful.

We considered the three standard methodologies for estimating value: a cost analysis, an income analysis and a direct comparison analysis (market approach).

Cost Analysis: A cost approach is a method of estimating the Market Value of a property based upon estimating its replacement cost and adjusting for accrued depreciation. Consideration is given to internal and external obsolescence factors. A cost analysis is most meaningful when the property is newer. It is also important when the property is relatively unique. When dealing with older properties a cost analysis is less relevant – particularly when there is significant functional or economic obsolescence. For special use properties it is often the only available methodology.

Income Analysis: An income analysis is a method of estimating the Market Value of a property based upon its income producing capabilities over its estimated remaining economic life, with consideration given to current investment requirements. An income analysis is most meaningful when the property is an investment type. Properties like shopping centers, larger apartment complexes and others purchased explicitly for their income producing capabilities generally lead to a satisfying income analysis. However, there are many small properties that are rented where purchasers look at the income producing capabilities of the property. These “mom and pop” investments are typically not conducive to a satisfying Income Approach. They are primarily purchased by unsophisticated investors. Also, a wide divergence of lessor/lessee arrangements makes it difficult to extract or determine overall capitalization rates. Furthermore, rentals are inconsistent, particularly since management is usually non-professional, and the lease origination, or basis, often includes lessor/lessee redecorating or concessions. Expenses are subject to a wide variance. In many of these “mom and pop” investments: the owner absorbs general management expenses - owners will often go out and shovel the snow, fix small plumbing problems, etc. Finally, there are small properties that are purchased with two or three income producing units...often times they are purchased by “users” who consider the income from the other unit(s) as a way of offsetting occupancy expenses while providing the owner with space to expand in the future.
**Direct Comparison Analysis:** A direct comparison analysis is a method of estimating the Market Value of a property based upon market activity, offers and sales of similar properties in the area. Certain considerations are given to differences such as location, size, age etc., since no two properties are ever the same. The direct comparison analysis derives an estimate of value based upon the price per square foot of the building or other physical characteristics, with appropriate adjustments for normal facets of comparison. In effect, it "builds in" the economic rentals in its analysis, since there is a direct relationship between the market rental value and market value, per square foot. This is far more satisfying than an attempt to utilize "clouded" rate extractions with estimated net incomes, for capitalization purposes and/or gross rental multipliers for properties that contain a wide variety of landlord/tenant arrangements…it is also the most common methodology market participants recognize.

**Research:** Our investigations included research of public records through the use of commercial sources of data such as printed comparable data services, computerized databases, etc.

Search parameters such as dates of sales, leases, locations, sizes, types of properties and distances from the subject started with relatively narrow constraints and were expanded until we either retrieved data sufficient (in our opinion) to estimate market value, or until we concluded that we have reasonably exhausted the available pool of data. Researched sales data were viewed and, if found to be appropriate, efforts were made to verify the data with persons directly involved in the transactions such as buyers, seller, brokers, or agents. At our discretion some data may be used without personal verification if, in our opinion, the data appears to be correct. In addition, we have considered any appropriate listings or properties found through observation during our data collection process. We are reporting only the data deemed to be pertinent to the valuation problem.

It is the client’s responsibility to supply the appraiser with a title report. If a title report is not available, appraiser will rely on a visual inspection and identify any readily apparent easements or restrictions.

We have analyzed the data found and have reached conclusions regarding the market value, as defined in the report, of the subject property as of the date of value using appropriate valuation approach(es) identified above;
We have completed the appraisal report in compliance with our interpretation of the Uniform Standards of Professional Appraisal Practice as promulgated by The Appraisal Foundation and the Supplemental Standards of Professional Appraisal Practice and Code of Professional Ethics of the Appraisal Institute.

We are not responsible for ascertaining the existence of any toxic waste or other contamination present on or off the site. We have, however, reported any indications of toxic waste or contaminants that might have affected value — if they were readily apparent during our investigations. We caution the user of this report that we are not experts in such matters and that we could have overlooked contamination that might be readily apparent to others.

This report includes the information we have deemed to be relevant to the report given the specific report format utilized. Data and analyses not included in the report may be retained in our files. Information necessary to complete this assignment was obtained from an inspection of the property, documents provided by either the client and/or the occupant of the property, the local Multiple Listing Service, public tax records and proprietary information either owned by the Gorman Group Ltd., or purchased from outside sources.

Based upon our education, license levels and experience, we are qualified and competent to complete this assignment without further education.

This report is FIRREA compliant.
Assumptions and Limiting Conditions

- It is assumed that the construction and use of the appraised property, if improved, complies with all public authorities having jurisdiction, including but not limited to the National Environmental Protection Act and any other applicable federal, state, municipal, and local environmental impact or energy laws or regulations.

- The Americans with Disabilities Act (ADA) became effective January 26, 1992. 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 we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

- It is assumed that the title to this property is good and marketable. No title search has been made, nor have we attempted to determine ownership of the property. The value opinion is given without regard to any questions of title, boundaries or encroachments. It is assumed that all assessments are paid. We assume the property to be free and clear of liens and encumbrances except as noted.

- The legal description, if included herein, should be verified by legal counsel before being relied upon or used in any conveyance or other document.

- We are not familiar with any engineering studies made to determine the bearing capacity of the land. Improvements in the area appear to be structurally sound. It is therefore assumed that soil and subsoil conditions are stable unless specifically outlined in this report.

- Any exhibits in the report are intended to assist the reader in visualizing the property and its surroundings. The drawings are not intended as surveys and no responsibility is assumed for their
cartographic accuracy. Drawings are not intended to be exact in size, scale or detail.

- Areas and dimensions of the property may or may not have been physically measured. If data is furnished by the principal or from plot plans or surveys furnished by the principal, or from public records, we assume it to be reasonably accurate. In the absence of current surveys, land and/or building areas may be based upon representations made by the owner’s agents, the client, public records, or via scaling from aerial photographs. No attempt has been made to render an opinion or determine the status of easements that may exist. No responsibility is assumed for discrepancies which may become evident from a licensed survey of the property.

- Our value opinion involves only the real estate and all normal building equipment if any improvements are involved. No consideration was given to personal property, (or special equipment), unless stated.

- It is assumed that the property is subject to lawful, competent and informed ownership and management unless noted.

- Information in this report concerning market data was obtained from buyers, sellers, brokers, attorneys, trade publications or public records. To the extent possible, this information was examined for accuracy and is believed to be reliable. Dimensions, areas or data obtained from others is believed correct; however, no guarantee is made in that the appraiser did not personally measure same.

- Any information, in whatever form, furnished by others is believed to be reliable; however, no responsibility is assumed for accuracy.

- The physical condition of any improvements described herein was based on visual inspection only. Electrical, heating, cooling, plumbing, sewer and/or septic system, mechanical equipment and water supply were not specifically tested, but were assumed to be in good working order and adequate, unless otherwise specified. No liability is assumed for the soundness of structural members, since no engineering tests were made of same. The roof(s) of structures described herein are assumed to be in good repair unless otherwise noted. The existence of potentially hazardous
material used in the construction or maintenance of the building, such as urea formaldehyde foam insulation and/or asbestos insulation, which may or may not be present on the property, has not been considered. In addition, no deposits of toxic wastes, unless specifically mentioned herein, have been considered. The appraiser is not qualified to detect such substances and suggests the client seek an expert opinion, if desired.

- It is specifically noted that the appraiser(s) have not conducted tests to determine the presence of, or absence of Radon. We are not qualified to detect the presence of Radon gas, which requires special tests and therefore must suggest that if the buyer is suspect as to the presence of Radon or any other potentially hazardous substances, he or she should take steps to have proper testing done by qualified firms who have the equipment and expertise to determine the presence of this substance in the property.

- If the client has any concern regarding the structural, mechanical or protective components of the improvements described herein, or the adequacy or quality of sewer, water, or other utilities, it is suggested that independent contractors or experts in these disciplines be retained by said client, before relying upon this appraisal.

- Separate allocations between land and improvements, if applicable, represent our judgment only under the existing utilization of the property. A re-evaluation should be made if the improvements are removed or substantially altered, and the land utilized for another purpose.

- All information and comments concerning the location, neighborhood trends, construction quality and costs, loss in value from whatever cause, condition, rents, or any other data for the property appraised herein, represent the estimates and opinions of the appraiser formed after an examination and study of the property.

- Any valuation analysis of an income stream has been predicated upon financing conditions as specified herein, which we have reason to believe are currently available for this property. Financing terms and conditions other than those indicated may alter the final value conclusions.
• Expenses shown in the Income Approach, if used, are estimates only, and are based on past operating history if available, and are stabilized as generally typical over a reasonable time period. If we were not provided any income or expense information, we have estimated them based upon our experience in the market.

• The appraiser is not required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been made previously thereto. If the appraiser(s) is subpoenaed pursuant to court order, the client will be required to compensate said appraiser(s) for his time at his regular hourly rates, plus expenses.

• All opinions, as to values stated, are presented as the appraiser’s considered opinion based on the information set forth in the report and his experience. We assume no responsibility for changes in market conditions or for the inability of the client or any other party to achieve their desired results based upon the appraised value. Further, some of the assumptions made can be subject to variation depending upon evolving events. We realize some assumptions may never occur and unanticipated events or circumstances may occur. Therefore, actual results achieved during the projection period may vary from those in our report.

• Appraisals made subject to satisfactory completion of construction, repairs, alterations, remodeling or rehabilitation, are contingent upon completion of such work in a timely manner using good quality materials and workmanship and in substantial conformity to plans or descriptions or attachments made hereto.

• It is agreed that the liability of the appraiser/consultant to the client is limited to the amount of the fee paid as liquidated damages. The appraiser/consultant responsibility/liability is limited to the client, and use of this appraisal by any other party is prohibited. Further, there is no accountability, obligation, or liability to any third party.

• A signatory of this appraisal is a State Licensed (Certified) appraiser. State and Federal Privacy Laws control the use and distribution of each appraisal report to protect any confidential information that might be contained therein. Therefore, except as herein provided, the party for whom this appraisal report was prepared may not distribute copies of this appraisal report. Nor
shall selected portions of this appraisal report be given to third parties without prior written consent of the signatories of this appraisal report.

- Neither all nor any part of this appraisal report shall be disseminated without the prior written consent of the signatories of this appraisal report.

- Acceptance of and payment for the report constitutes acceptance of all the provisions contained herein.
CERTIFICATE OF APPRAISAL

I certify that, to the best of my knowledge and belief:

1. This appraisal report has been prepared for the exclusive benefit of the client. It may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report, without the preparer’s written consent, does so at his own risk.

2. The statements of fact contained in this report are true and correct.

3. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.

4. I have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.

5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

6. 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 attainment of a stipulated result, or the occurrence of a subsequent event.

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

8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of:

   USPAP  Uniform Standards of Professional Appraisal Practice, and
   SPP-AI  Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute; and, except as noted in the Scope of Appraisal

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

10. Robert C. Gorman has made a personal inspection of the property that is the subject of this report.
11. No one provided significant professional assistance to the person(s) signing this report.

12. I do not authorize the out-of-context quoting from or partial reprinting of this appraisal report. Further, neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser nor the name of the firm with which he is connected, nor any reference to the Appraisal Institute) shall be reproduced, published, or disseminated to the public through advertising media, public relations media, news media, or another public means of communication, without the prior written consent of the appraiser signing this report.

13. The Appraisal Institute conducts a continuing education program for its designated members. As of the date of this report, Robert Gorman has completed the requirements of the continuing education program of the Appraisal Institute.

14. I have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

The Gorman Group Ltd., an Illinois Corporation

by:

Robert C. Gorman, MAI
President
Illinois Certified General Appraiser
License Number 553.000002
Expires September 30, 2021
ADDENDA
Special Uses Permitted
Qualifications of Appraiser
Uses allows by Special Use Permit

Bed and breakfast inn
Hotel and/or motel
Long-term care facility, assisted living facility or independent living facility
Indoor civic, cultural, religious and institutional
Indoor recreation and entertainment
Outdoor recreation and entertainment (public and private) under 1 acre
Bakery
Convenience store
Day care center or nursery
Dry cleaning central plant serving not more than one retail outlet
Indoor business sales and service, between 10,000 and 100,000 square feet
Indoor business sales and service, between 5,000 and 10,000 square feet
Indoor retail sales of goods, between 10,000 and 100,000 square feet
Indoor retail sales of goods, between 5,000 and 10,000 square feet
Accessory liquor sales
Restaurant, carry-out
Restaurant, full service
Restaurant, full service, with liquor sales
Restaurant / Tavern
Tavern
Undertaking establishment or funeral parlor
Radio and television studios, stations
Research facilities
Telecommunication stations and transmission devices
Utility facilities
Public garages
Transit and transportation facilities
Off-street parking facility on a separate zoning lot from the associated use
Outdoor seating associated with a permitted restaurant
Planned unit development
Professional Qualifications
Robert C. Gorman, MAI

National
Appraisal Foundation, State Regulatory Advisory Board, 10-year past member

State of Illinois
State of Illinois Real Estate Appraiser Licensing Board, Former Chairman, Multiple Terms
Certified General Appraiser # 2
Registered Real Estate Broker, State of Illinois

Other States
Indiana - Registered Real Estate Appraiser/Broker, Certified General Appraiser # CG 69201470
Wisconsin - Certified General Appraiser and Licensed Appraiser # 281
Michigan - State Certified General Appraiser # 1201003260
Florida – State Certified General Appraiser # RZ 263

Appraisal Institute
Member- MAI 6966
Legislative Committee (local), Chairman 1986 - 1995
Local Chapter, Director - 1991-1993
Government Relations (national) 1990 - 1994
Legislative Task Force (national) 1986 - 1990

Royal Institution of Chartered Surveyors
Member- MRICS 1294941

Associations/Organizations
National Golf Foundation
Illinois Association of Certified Real Estate Appraisers, Director
Illinois Association of Real Estate Educators, Founding Member
Illinois Association of Realtors, Chairman
Indiana Association of Realtors

Professional Education
Robert Gorman has met all of the continuing education requirements for the states in which he is licensed.

Classifications of Real Estate Appraised (Partial List)
- Golf Courses
- Car Washes (contemporary)
- Office Buildings
- Manufacturing Facilities
- Partial Interests
- Restaurants
- Commercial Buildings
- Medical Centers
Qualifications of Robert C. Gorman, MAI

Warehouses
Mobile Home Parks
Industrial Condominiums
Easements
Adult Congregate Living Facilities
Vacant Land

Offices
Condominiums
Subdivisions
Shopping Centers
Historic Properties
Service Stations
Financial Institutions

Special or Interesting Projects

Airport Lands – Solar Array, ME
Roaring Fork Golf Course, CO
Hazardous Waste Treatment Facilities - Siting Study
Lake Calumet Airport - Neighborhood Analysis
Crescent Dune - Michigan City, IN
Globally Rare Land, MI
Ronald Reagan's Childhood Home, IL
Car Museum, LaPorte, IN
Car Washes, Coon Rapids, WI
Private Airport, Hinckley, MN

Airport FBO, NM
Wastewater Treatment Facility, SD
“Sin Strip” - Calumet City, IL
Frankfort Airport, IL
Ringling Hotel, Sarasota, FL (historic)
50,000 SF Restaurant, IL
Wright/Dunbar Museum, Dayton, OH
Potomac Airport, Berkley Springs (included an island), WV
Olympia Fields County Club, IL

Clients (Partial List)

U.S. Army Corps of Engineers
U. S. Dept. of Interior
U.S. National Park Service
U.S. Dept. of Commerce
State of Illinois – General Assembly
Southern Illinois Airport Authority
Amtrak
The Nature Conservancy
Izaak Walton League
Habitat for Humanity

Forest County Potawatomi Community
Northern Illinois Gas Company
NIPSCO
U. S. Silica
Times-Mirror Corporation
Safety–Kleen Corporation
SPSS, Inc.
Patrick Engineering

State of Illinois – Central Management
Federal Deposit Insurance Corp. (FDIC)
Small Business Administration (SBA)
Office of Special Trustee for American Indians/Department of Interior
Resolution Trust Corporation (RTC)
University of San Francisco
Calumet River Basin Authority
Shirley Heinze Foundation
Homewood-Flossmoor Park District

City of Gary
Village of Tinley Park
Village of Frankfort
Village of Libertyville
Village of Dolton
Village of Oak Park
City of Calumet City
Village of Glenwood
Village of Berwyn
City of Benton Harbor, MI

City of Aurora
Village of Oak Lawn
Village of Homewood
Village of Richton Park
Village of Riverdale
Village of Midlothian
City of Blue Island
City of Harvey
Village of Homewood
City of Elgin
Qualifications of
Robert C. Gorman, MAI

City of Oak Forest
Thornton Township
School District 154, Thornton
School District 122, Oak Lawn
School District 140, Tinley Park
CUSD 220, Oregon IL
School District 157 C, Frankfort, IL
School District 92, Lockport, IL

Royal Bank of Scotland
Northern Trust
Charter One
Bank of America
BankFinancial
First Financial Bank
Pinnacle Bank
CNB Bank & Trust
First Personal Bank
Centrue Bank
LincolnWay Community Bank
Marquette Bank
First Bank of Manhattan

Village of Matteson
Prairie State College
School District 149, Calumet City
South Suburban College
School District 33C, Homer Twn, IL
School District 161, Frankfort, IL
School District 151, South Holland

Other clients include Attorneys, Developers and Corporations

Books
Fundamentals of Real Estate Appraisal, Technical Editor

Instructor (former)
Real Estate Appraisal
Real Estate Sales and Brokerage
Advanced Principles of Real Estate

Real Estate Contracts and Conveyances
Basic Real Estate Transactions

Expert Witness

Circuit Court of Cook County, Chancery Division
U.S. District Court, Northern District of Indiana
U.S. District Court for the Northern District of Illinois, Eastern Division
U.S. Bankruptcy Court Northern Illinois District of Illinois, Eastern Division

The Appraisal Institute conducts a voluntary program of continuing education of its designated members. Robert C. Gorman has completed the continuing education program.

More information about Robert C. Gorman can be found on the corporate website
www.GormanGrp.com