

Frank E. Harrison, MAI  
State Certified-General-Illinois

---

July 13, 2023

Post Office Box 684  
Woodstock, Illinois 60098-0684  
Telephone: (815) 338-3004  
Cell Phone: (815) 382-2877  
Fax: (815) 338-3387  
email: appraise@mc.net

Ms. Allison Matson  
Village Administrator  
Village of Wauconda  
101 N. Main Street  
Wauconda, IL 60084

In Re: Our File No. 11450-03  
**100 N. Main Street**

Dear Allison:

As requested, I have inspected the one- and two-story Village of Algonquin Activity Center building located at 100 N. Main Street, Wauconda, Illinois. This property was inspected for the purpose of developing a market value opinion of the fee simple interest of that property, subject to the Limiting Conditions and Assumptions at the end of this report, as of June 23, 2023, the date of inspection of the property.

### **Identification and Intended Use of the Appraisal**

#### *Ownership and Brief Current History*

The subject property is under the ownership of the Village of Wauconda, and has been under that ownership since 1903. The lower level is occupied by the Wauconda Chamber of Commerce. The upper level is an open community room. There have been no sales involving the subject property within the past three years and the subject property is not currently listed for sale.

#### *Legal Description*

The only legal description available to me was a hand-written legal description on a copy of the 1903-document by which title to the subject property was obtained by the Village of Wauconda. The document is a copy and the hand writing is so difficult to read that it is illegible in some places. For purposes of this assignment, I have assumed that the land narratively described and visually portrayed on the exhibits in this appraisal report is consistent with the subject property in this assignment.

## Definitions

*Market value*, as used in this report, is defined in the 5<sup>th</sup> Edition of *The Dictionary of Real Estate Appraisal* as 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, acting in what they consider their own best interest; 3) a reasonable time is allowed for exposure in the open market; 4) payment is made in cash or 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.

*Fee simple interest*, as used in this report, is defined in the 5<sup>th</sup> Edition of *The Dictionary of Real Estate Appraisal*, as absolute ownership, unencumbered by any other interest or estate, subject only to the limitations of eminent domain, escheat, police power, and taxation.

*Highest and best use*, as used in this report, is defined in the 5<sup>th</sup> Edition of *The Dictionary of Real Estate Appraisal* as the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

## Scope of Work

The scope of work in this assignment included the inspection of the subject property and its surrounding neighborhood, collection of factual information relative to the subject property, development of a highest and best use analysis of the subject property, accumulation of market data to allow development of the sales comparison approach to value, development of the sales comparison approach and reconciliation of its findings into a market value opinion for the subject property, and preparation of this appraisal report.

The subject property is improved with an older downtown commercial building. Because of the age of the building, I concluded that the cost approach was not appropriate to this assignment and it has not been developed in this appraisal. I have no rental history of the property. For this reason I concluded that the income capitalization approach is also not appropriate to this assignment and it also has not been developed in this appraisal.

The sales comparison approach is the only approach developed in this assignment. It was developed in its traditional manner, with the only limitations being limitations in available market data. The extent of the data collection process used in the sales comparison approach will be addressed subsequently in this report.

There is no personal property, business enterprise value, or going concern value associated with this assignment. There are no extraordinary assumptions and no hypothetical conditions incorporated into this assignment.

To the best of my knowledge, this appraisal and appraisal report conform to the valuation and report writing standards of the *Uniform Standards of Professional Appraisal Practice (USPAP)*. This appraisal report is intended to be a restricted use appraisal report, in that its use is restricted to the internal use of the Village of Wauconda to assist them in evaluating the potential acquisition of the subject property. It may not be used for any other purpose, and may not be used by any other user.

### **Neighborhood Overview**

The subject's neighborhood is the Wauconda central business district. It generally consists of properties on either side of Main Street, between Phil's Beach on the northwest and the intersection of Main Street and Liberty Street (Illinois Route 176) on the southeast. Zoning in the central business district is both CB (Central Business) on the southeast part of the neighborhood and CR (Commercial Recreation) in the northwest part of the site.

The CB component of the neighborhood is almost fully developed. Buildings in the CB component are a mixture of older one- and two-story structures, primarily reflecting retail uses but with a few office uses. Uses in the CR component of the neighborhood are also mostly commercial uses, but include some older, lakefront residential properties.

The subject property is centrally located in the southeast, CB component of the neighborhood.

Uses in the neighborhood are typical central business uses, including stores, shops, offices, restaurants, etc. There are also some special purpose uses in the neighborhood, such as the Village Hall of Wauconda on the northwest side of Main Street. There are also recreational uses including Phil's Beach on the north and Lindy's Landing, a marina fronting on Bangs Lake just northeast of the subject property.

The properties surrounding the subject property include the Lindy's Landing Marina on Bangs Lake adjacent to the northeast, the Wauconda Village Hall across Main Street to the west, a commercial building used as Wauconda Paint and Glass adjacent to the southeast, a commercial building occupied by the Tourette Association of America, Illinois Chapter adjacent to the northwest, and a commercial building occupied by the Academy of Ballet Wauconda across Main Street to the southwest.

The primary trend evident in the neighborhood is continuation of existing uses as improved. Occasionally an older building will be demolished, allowing re-development of the then-vacant site. Some recent examples of this involve demolition of older single-family residences. Although occupancies may change, I do not anticipate any changes in the highway commercial character of the neighborhood.

For the most part, zoning is consistent with use. Zoning in Wauconda is controlled by that municipality, whereas Lake County controls the zoning in the unincorporated areas. Water and sewer are available for development to properties within Wauconda, but not to properties in unincorporated Lake County.

Overall, the character of the immediate neighborhood of the subject property is that of a central business district. The district is stable and supply and demand are generally in balance. The only recognizable trend is continuation of existing uses. The character of the neighborhood should be maintained in the future.

### **Site Summary**

#### *Location*

Northeast side Main Street, across Main Street to the northeast of Bangs Street

#### *Frontage*

88 feet on northeast side of Main Street

#### *Depth*

132 feet – uniform depth – northeast/southwest

#### *Shape*

Rectangle

#### *Area Content*

11,616 square feet, more or less, according to appraiser calculations, assumed to be correct; an Aerial Photograph has been prepared as an exhibit at the end of this report, with the approximate boundaries of the subject property outlined in red

#### *Topography*

Near level; about at grade with Main Street; non-wooded; negligible elevation variation; well-drained, following natural contours of the land to storm water system

#### *Access*

Main Street; two-lane bituminous village street; part of grid pattern; fully improved with concrete curbs and gutters, sidewalks, storm sewers and street lights; runs in northwest/southeast direction; 66-foot right-of-way; 2019 IDOT traffic count – 6,750 vehicles per day

*Easements*

Utility easements assumed to exist in Main Street and on the subject property, as appropriate; no title report provided for analysis; for purposes of this assignment, I have assumed that there are no negative easements affecting the subject property

*Encroachments*

No encroachments noted during my inspection of the subject property; no plat of survey provided for analysis; for purposes of this assignment, I have assumed that there are no encroachments affecting the subject property

*Floodplain*

FEMA Community Panel #17097C0119K; effective 9/18/2013; Zone-X floodplain, which is not subject to flooding and which is a low risk flood area

*Soils*

100% well-drained, upland soils, mostly #531B (Markham Silt Loam)

*Wetlands*

None noted

*Utilities*

Electricity, natural gas, telephone, village water and village sewer

*Environmental Factors*

No negative environmental factors observed during inspection; for purposes of this assignment, I have assumed that there are no negative environmental factors affecting the subject property

*Zoning*

CB – Central Business – Wauconda

*Tax ID Number*

09-26-403-019

*2022 Taxes*

Zero – exempt

*Assessed Value*

No assessed value because the property is exempt from real estate taxation

**Improvement Summary**

Older; one- and two-story masonry commercial building; brick and block exterior walls; no basement; flat, built-up roof pitched for drainage through gutters and downspouts; glass block, slide-by and double-hung windows; main entrance on southwest side of building through plate glass entrance door; steel service doors on northwest and northeast sides of building

Ground floor contains offices of the Wauconda Chamber of Commerce, closets and storage areas, a mechanical equipment room, hallways, a janitor's closet, men's and women's washrooms, and an interior stairway and a passenger elevator to the second floor; second floor contains a hallway, a large community room, closets and storage areas, and break room; painted block and drywall walls and partitions, and drywall and suspended acoustical tile ceilings; wood trim and doors; carpet, tile and unfinished concrete floors

Forced warm air furnaces with central air conditioning in mechanical equipment room; space heaters in some areas; electrical service entrance with wiring in conduit and circuit breaker distribution; fluorescent lighting; sinks in mechanical equipment room and janitor's closet on ground floor and in break room on second floor; washrooms contain toilets, sinks and urinals, as appropriate; drinking fountains on both levels; ceiling fans in community room

Undisclosed age, but at least 120 years old, having been acquired by the Village of Wauconda in 1903; fair condition and functional utility; by scaling, the two-story area measures about 35 feet by 60 feet and contains 2,100 square feet on both levels, and the one-story area measures about 28 feet by 45 feet and contains 1,260 square feet; entire building contains 5,460 square feet of gross building area; the land-to-building ratio is 2.13-to-1; based on the subject property's age, condition and functional utility, as well as the fact that it contributes minimally above land value, I have concluded that the improvement is nearing the end of its economic life expectancy

Site improvements consist of gravel and asphalt paving, concrete walks, and minimal landscaping; no striped parking spaces.

**Highest and Best Use**

The highest and best use of the site portion of the subject property, as though vacant, would be to develop it with one of the uses allowed by current zoning, consistent with the character of the neighborhood.

For purposes of this assignment I have assumed that the improvements contribute to value, but only on an interim basis. The value of the land component of the subject property, as though vacant (\$232,000) and as determined by the site valuation, is significantly greater than the contributory value of the improvements (\$41,000).

The highest and best use of the subject property, as improved, is to continue its use as a commercial building until such time as a decision has been made relative to demolition or extensive rehabilitation and remodeling of the building improvement.

## **Site Valuation**

### *Overview*

Sales used in the site valuation section of this appraisal are vacant central business district sites in communities throughout western Lake County and eastern McHenry County. Because most central business districts have been fully built-up and developed for many years it is not surprising that there are very few comparable sales. Many of the sales that do exist were improved at the times of sale and the improvements were demolished after the sales.

I was able to identify one sale in Wauconda, although it is significantly smaller than the subject site. Two additional sales were identified in Huntley, where revitalization of Huntley's downtown area is occurring. One of the sales is a re-development sale in Lake Zurich. Each has some degree of comparability to the site portion of the subject property, as though vacant. All of the sales had the same highest and best use as the subject site, as though vacant. The sales occurred between December 2021 and July 2022. Differences between the sales and the subject site are addressed through qualitative analysis and the reconciliation process.

### *Value-Significant Characteristics*

The following are the major value-influencing characteristics of the subject site:

- The date of value is June 23, 2023.
- The subject site contains 11,616 square feet, it is zoned CB – Central Business in Wauconda, and is served by city water and sewer.
- The subject site has an interior configuration.
- The highest and best use of the site portion of the subject property, as though vacant, is to develop it commercially with a use, or uses, allowed by current zoning.

*Market Data*

***Site Sale #1***

Location : Southeast side Mill Street, about 90 feet northeast of Main Street, Wauconda, Illinois  
Sale Date : December 2021  
Sale Price : \$140,000  
Seller/Buyer : Robert Bowes to Richard Ganek  
Deed Data : Warranty Deed #7857181 (Lake County)  
Site Size : 3,968 square feet, more or less  
Zoning : CB – Central Business – Wauconda  
Water/Sewer : At site  
Unit Price : \$35.28 per square foot  
Comments : This property has an interior configuration. It was listed for \$195,000, had the price reduced to \$150,000, and sold for \$140,000 after 90 days on the market. There is no IDOT traffic count on Mill Street.  
Comparability : This sale is *inferior* to the subject site because of market conditions; it is *superior* to the subject site because of its size.

***Site Sale #2***

Location : Southwest side Old Rand Road, about 45 feet southeast of Main Street, Lake Zurich, Illinois  
Sale Date : March 2022  
Sale Price : \$225,000  
Seller/Buyer : Village of Lake Zurich to LZF Blooms, LLC  
Deed Data : Warranty Deed #7886743 (Lake County)  
Site Size : 15,396 square feet, more or less  
Zoning : B-2 – Central Business – Lake Zurich  
Water/Sewer : At site  
Unit Price : \$14.61 per square foot  
Comments : This property has an interior configuration. It was a re-development site sold by the Village of Lake Zurich. It sold after a reported 419 days on the market. The 2019 IDOT traffic count on Old Rand Road was 4,200 vehicles per day.  
Comparability : This sale is *inferior* to the subject site because of market conditions and its size.

**Site Sale #3**

Location : North side Coral Street, about 132 feet east of Illinois Route 47, Huntley, Illinois  
Sale Date : May 2022  
Sale Price : \$375,000  
Seller/Buyer : Village of Huntley to Coral Street Fire House, LLC  
Deed Data : Special Warranty Deed #2022P0021657 (McHenry County)  
Site Size : 11,634 square feet, more or less  
Zoning : B-2 – Highway Service District – Huntley  
Water/Sewer : At site  
Unit Price : \$32.23 per square foot  
Comments : This property has an interior configuration. The Village of Huntley purchased this property shortly before it sold it in this transaction for \$375,000. After the sale, the old fire station was demolished and the site is being re-developed. There is no IDOT traffic count on Coral Street.  
Comparability : This sale is *inferior* to the subject site because of market conditions and its required demolition.

**Site Sale #4**

Location : West side Woodstock Street, 113.6 feet north of Coral Street, Huntley, Illinois  
Sale Date : July 2022  
Sale Price : \$260,000  
Seller/Buyer : Doris A. Rasmussen, Trustee to Village of Huntley  
Deed Data : Trustee's Deed #2022P0023789 (McHenry County)  
Site Size : 8,514 square feet, more or less  
Zoning : B-2 – Highway Service District – Huntley  
Water/Sewer : Available  
Unit Price : \$30.54 per square foot  
Comments : This property has an interior configuration. It was improved with an old, two-story single-family residence at the time of sale that will be demolished in conjunction with Huntley's downtown re-development program.  
Comparability : This sale is *inferior* to the subject site because of market conditions and its required demolition; it is *superior* to the subject site because of its size.

**Unit Price**

Purchasers of vacant central business district sites typically use price per square foot of land area as the appropriate unit of comparison. It is derived by dividing the sale price by the square footage of the land. The range of *unadjusted* unit prices is \$14.61 to \$35.28 per square foot of land area.

### *Qualitative Analysis*

Qualitative analysis is a technique used to analyze differences between sale properties and a subject property. All of the sales are in central business district locations, all had commercial zoning in place at the time of sale, and all had water and sewer availability. Comparative factors relating to the sales addressed through qualitative analysis include (a) property rights, (b) sale conditions/financing, (c) required demolition, (d) market conditions, and (e) site size differences.

As far as I have been able to determine, all of the sales involved the apparent arm's length transfer of fee simple interest, using cash or cash equivalent financing, with no duress involved in any of the transactions. All of the sales are *inferior* to the subject site because they occurred more than a year prior to the date of value in this assignment. Site Sales #3 and #4 are *inferior* to the subject site because demolition was required after the sales.

There is an inverse relationship between unit prices and site sizes, in that as site sizes increase unit prices decrease. Site Sale #2 is larger than the subject site, and therefore is *inferior* to the subject site with respect to site size. Site Sales #1 and #4 are smaller than the subject site, and therefore are *superior* to the subject site with respect to site size. Site Sale #3 is *similar* in size to the subject site.

### *Conclusion*

The site valuation conclusion is based on analysis of Site Sales #1 through #4 on the preceding pages; all sales are vacant commercial development sites in central business districts in similar communities; I have reconciled the range of *unadjusted* unit prices within the range, at \$20.00 per square foot; site value calculated 11,616 square feet of land area, at \$20.00 per square foot, equals \$232,320, expressed in round numbers as \$232,000

## **Sales Comparison Approach**

### *Overview of the Approach*

The value of the subject property was developed by applying the sales comparison approach. In this approach, the appraiser develops a market value conclusion of the subject property by comparing it with similar properties that have sold. Each property is investigated and analyzed. Major value-influencing factors are identified, and adjustments are made to address the major differences in the major value-influencing factors. The resulting range of the unit prices is reconciled to the subject site.

### *Major Value-Influencing Characteristics*

The following are the major value-influencing characteristics of the subject property:

- The date of value is June 23, 2023.

- The site contains 11,616 square feet, is zoned commercially, and is served by water and sewer.
- The improvement is an older, one- and two-story masonry commercial building in fair condition for its age, containing 5,460 square feet of gross building area.
- The subject property has a land-to-building ratio of 2.13-to-1; parking spaces are adequate but not striped.
- The highest and best use of the subject property is to continue its use as a commercial building.

### *Market Data*

The following sales are those transactions that I felt were comparable to the subject property, as improved. One of the sales is in Wauconda and one is in Richmond. Both have similar central business district locations. Each of the sales has some degree of comparability to the subject property. The sales occurred in April 2021 and February 2022. The sales are presented in chronological order, starting with the oldest. At the end of this report, an Improved Property Sale Map has been prepared as an exhibit, indicating the location of the subject property and the two sales.

### ***Improved Sale #1***

Location	:	10308 Main Street, Richmond, Illinois; east side Main Street (U.S. Route 12), 44 feet south of Broadway Street
Sale Date	:	April 2021
Sale Price	:	\$230,000
Seller/Buyer	:	Village of Richmond to SH Capital, LLC
Deed Data	:	Special Warranty Deed #2021R0025317 (McHenry County)
Site Size	:	14,520 square feet, more or less
Zoning	:	CB – Central Business – Richmond
Water/Sewer	:	At site
Improvement	:	One-story masonry municipal building; full, 3,500 square foot English basement; constructed in 1900; average condition; 4,317 square feet of gross building area
Unit Price	:	\$53.28 per square foot of gross building area
Comments	:	This property is in Richmond's central business district. At the time of sale it was Richmond's Memorial Hall. This property was listed for sale for \$230,000, and sold for \$230,000 after 42 days on the market. The land-to-building ratio was 3.36-to-1. It has an interior configuration. The 2019 IDOT traffic count on Main Street was 12,500 vehicles per day.

Comparability : This sale is *inferior* to the subject property with respect to market conditions and the location of Richmond compared to Wauconda; it is *superior* to the subject property because of its larger land-to-building ratio and because of the condition of the improvement.

***Improved Sale #2***

Location : 106 N. Main Street, Wauconda, Illinois; northeast side Main Street, about 185 feet north of Murphy Street  
Sale Date : February 2022  
Sale Price : \$250,000  
Seller/Buyer : Benjamin and Kandi Vanegtern to Axel Property Partners, LLC  
Deed Data : Warranty Deed #7885896 (Lake County)  
Site Size : 4,488 square feet, more or less  
Zoning : CB – Central Business – Wauconda  
Water/Sewer : At site  
Improvement : Two-story frame and masonry mixed-use commercial/apartment building; basement; constructed in 1880; remodeled several times; average condition for its age; 4,333 square feet of gross building area  
Unit Price : \$57.70 per square foot of gross building area  
Comments : This property is adjacent to the north of the subject property. The ground floor is occupied by the Illinois Chapter of the Tourette Association of America; the second floor is occupied by an apartment. This property was listed for sale for \$274,900, and sold for \$250,000 after 501 days on the market. The land-to-building ratio was 1.04-to-1. It has an interior configuration. The 2019 IDOT traffic count on Main Street was 6,750 vehicles per day.  
Comparability : This sale is *inferior* to the subject property with respect to market conditions and its land-to-building ratio; it is *superior* to the subject property because of the condition and functional utility of the improvement.

***Unit of Comparison***

A qualitative analysis has been prepared in conjunction with my interpretation of the market data presented above and on the preceding pages. Purchasers of central business district properties in the subject's market area use sale price per square foot of gross building area as the appropriate unit of comparison. It is derived by dividing the sale price for each sale by the gross building area in the building on each property.

***Qualitative Analysis***

Qualitative analysis is a technique used to analyze differences between sale properties and a subject property when there is insufficient market data available to support quantitative adjustments. Points of qualitative analysis typically include property rights conveyed,

financing, conditions of sale, market conditions and location. All of the sales involved the apparent arm's length transfer of fee simple interest, using cash or cash-equivalent financing, without any duress involved on any of the parties. All were annexed at the time of sale, all had commercial zoning in place at the time of sale, and all were served by water and sewer.

Qualitative factors addressed through qualitative analysis included (a) market conditions, (b) location, (c) land-to-building ratios, (d) improvement condition, and (e) improvement functional utility. Each of the qualitative factors is analyzed below. A table summarizing the comparability of each sale follows the narrative analysis.

**Market Conditions** – Because both sales occurred several months prior to the date of sale, I concluded that both sales are *inferior* to the subject property with respect to market conditions.

**Location** – Both sale properties have central business district locations. However, Improved Sale #1 is in Richmond, a much smaller, more rural community. I concluded that the location of Improved Sale #1 is *inferior* to the location of the subject property. Improved Sale #2 is adjacent to the subject property.

**Land-to-Building Ratios** – The subject's land-to-building ratio is 2.13-to-1. Improved Sale #1 has a land-to-building ratio of 3.36-to-1, indicating a larger land area. I concluded that Improved Sale #1 is *superior* to the subject property with respect to this factor. Improved Sale #2 has a land-to-building ratio of 1.04-to-1, indicating a smaller land area. I concluded that Improved Sale #2 is *inferior* to the subject property with respect to this factor.

**Improvement Condition** – Although both building improvements are in the same age range as the improvement on the subject property, I concluded that the conditions of the two sales are *superior* to the condition of the improvement on the subject property.

**Functional Utility** – The improvement on the subject property is a municipal building. The improvement on Improved Sale #1 is *similar* to the improvement on the subject property. The functional utility improvement on Improved Sale #2 is *superior* to the functional utility of the improvement on the subject property because it is fully leased to tenants at market levels.

In the Qualitative Analysis Grid on the following page, the qualitative factors for each of the sales are summarized. This information was used in reconciling the value opinion conclusion for the subject property.

	Sale #1	Sale #2
<b>Unit Price</b>	\$53.28 psf	\$57.70 psf
<b>Market Conditions</b>	Inferior	Inferior
<b>Location</b>	Inferior	Similar
<b>Land-to-Building Ratios</b>	Superior	Inferior
<b>Improvement Condition</b>	Superior	Superior
<b>Functional Utility</b>	Similar	Superior

*Reconciliation and Conclusion*

The range of unit prices of the sales relied on in the valuation of the subject property is \$53.28 to \$57.70 per square foot of gross building area. I have reconciled the unit prices in this sales comparison approach slightly below the range, at \$50.00 per square foot of gross building areas, based primarily on the condition and functional utility of the improvement on the subject property. Based on the 5,460 square feet of gross building area in the building on the subject property, the resulting market value of the subject property is \$273,000.

**Final Reconciliation and Value Conclusion**

By reason of my analysis of the subject property and market data gathered during my investigation, tempered by my judgment and experience, I have formed the conclusion that market value of the fee simple interest of the subject property was, subject to the Limiting Conditions and Assumptions at the end of this report, measured in the amount of

**TWO HUNDRED SEVENTY-THREE THOUSAND DOLLARS-----(\$273,000).**

*Please note that the market value of the subject property developed by the sales comparison approach – \$273,000 – is allocated as \$232,000 to the land and \$41,000 to the building. This minimal building contribution to value supports my conclusion that continued use of the subject property, as presently improved, is nearing the end of its economic life expectancy. I anticipate that, as presently improved, the building will continue to represent the highest and best use, as improved, for no more than a few years.*

**Exposure Time**

Exposure time is defined as the estimated length of time the property would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Given my observations relative to this property, I have concluded that if the property had been listed at a reasonable price, had been professionally marketed, and had been given reasonable and sufficient exposure to the highway commercial market in the Wauconda

Ms. Allison Matson, File No. 11450-03, 100 N. Main Street, July 13, 2023, Page 15

area, it would have been on the market for at least a 12-month too 18-month period of time in order to have been sold at or near the appraised value.

Please let me know if I can be of further assistance in this matter.

Very truly yours,



Frank E. Harrison, MAI

#553.000005 (Illinois) Expires 9/30/23

FEH:kah

Attachments            Aerial Photograph, Photographs, Site Sale Map, Improved Property Sale  
Map, Limiting Conditions and Assumptions, Certification

**AERIAL PHOTOGRAPH**



**PHOTOGRAPHS**

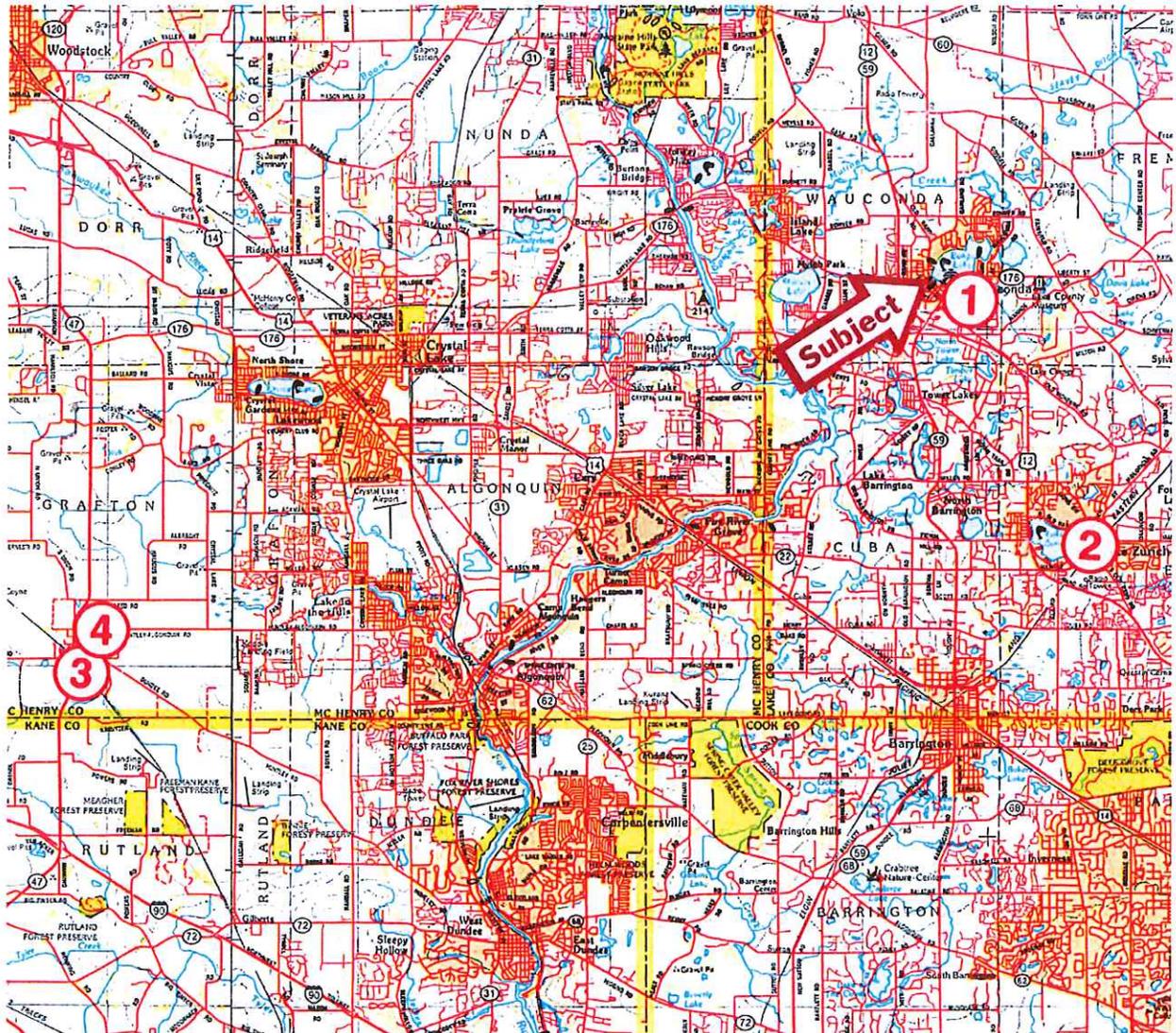


Front of Building Facing North

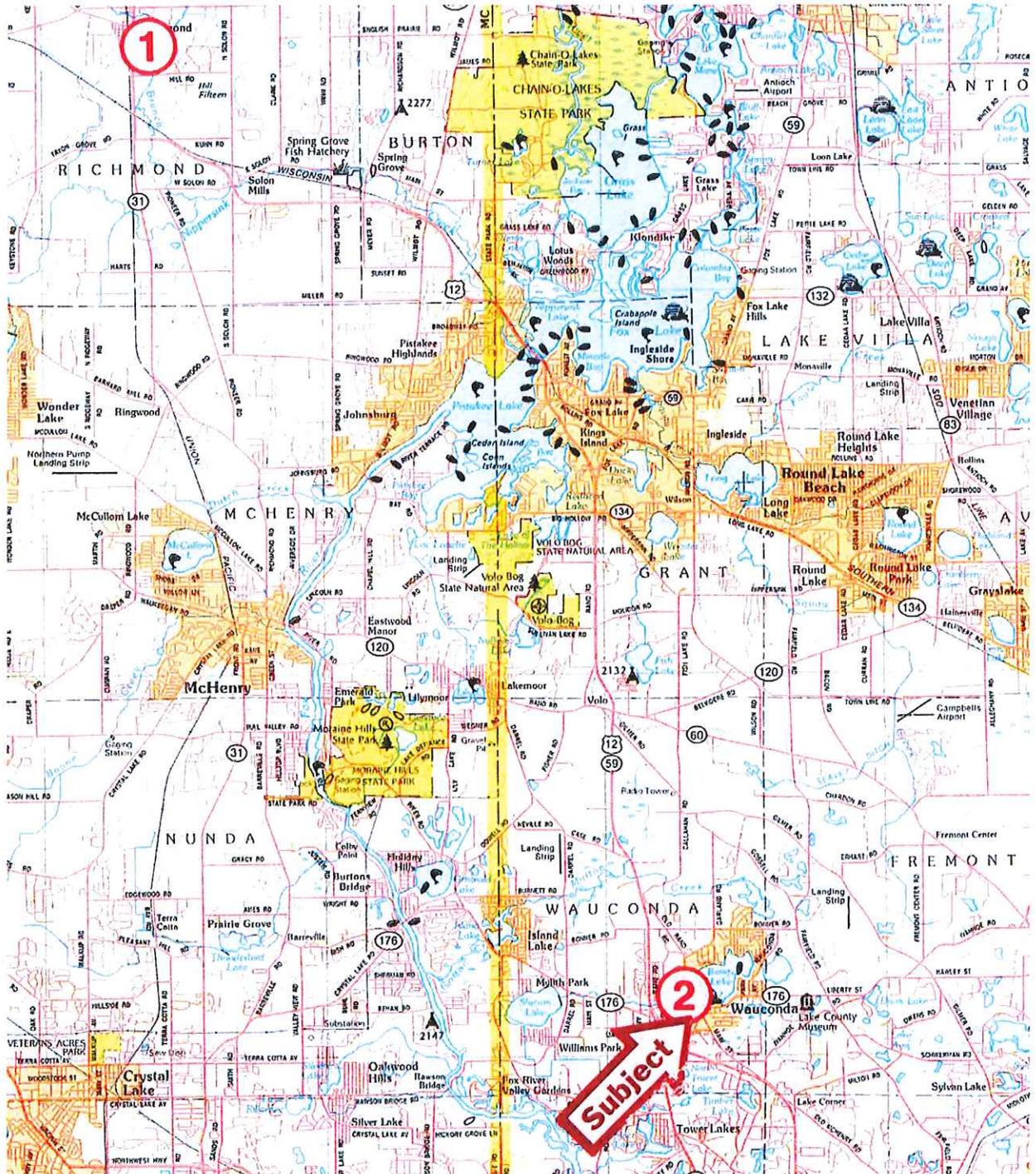


Rear of Building Facing West

### SITE SALE MAP



### IMPROVED PROPERTY SALE MAP



### LIMITING CONDITIONS AND ASSUMPTIONS

This appraisal is expressly subject to the following:

1. **Liability.** My liability is limited to the client only. There is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than client, the client shall make that party aware of all limiting conditions and assumptions of the assignment. I am in no way responsible for any costs incurred to discover or correct any deficiencies of any type present in the property - physical, financial, and/or legal. My liability extends only to the stated client, and not to subsequent parties or users of the report.
2. **Copies, Publication, Distribution, Use of Report.** Possession of this report does not carry with it the right of publication or reproduction, nor may an original or copy of the report be used for any purpose whatsoever by anyone except the client without the prior written consent of the appraiser and the client. Out-of-context quoting from and partial reprinting of this appraisal report are expressly prohibited. The omission or change of any part of this appraisal report without my written authorization invalidates the entire appraisal. This appraisal report must be considered and used only as a unit. No part is to be used without the whole report, and it becomes invalid if any part is separated from the whole. Please note that the report is copyrighted.
3. **Report Distribution.** No portion of this report (especially any conclusions of value, the identity of the appraiser or the Harrison firm, or any reference to the Appraisal Institute or to any of its designations), shall be distributed to the sales media, news media, or any other public means of communication without my prior written consent and approval.
4. **Confidentiality.** All conclusions and opinions as set forth in the report were prepared by the appraiser whose signature appears on the appraisal report, unless otherwise indicated. I may not divulge the material (evaluation) contents of the report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or a designee as specified in writing except as may be required by the Appraisal Institute as they may request in confidence for ethics enforcement, or by a court of law or body with the power of subpoena.
5. **Information Used.** I believe that information furnished by others is reliable, but I give no warranty for its accuracy.
6. **Testimony, Consulting, Completion of Contract for Appraisal Service.** The contract for appraisal, consulting or analytical service is fulfilled and the total fee is payable upon completion of the report, unless other arrangements have been made. I will appear and/or give testimony in court in connection with this appraisal on request if I receive adequate advance notice in order to make required preparations and scheduling arrangements. I will specify and make charges in connection with pretrial hearings, conferences, and court testimony in accordance with my usual practice. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.
7. **Exhibits.** I assume that all engineering studies are correct. The maps, sketches, photographs, and other illustrative materials in this report are included only to help the reader visualize the property.
8. **Legal and Title Considerations.** I assume no responsibility for the legal description provided or for matters pertaining to legal and title considerations. I assume that title to the property is good and marketable unless otherwise noted. I assume that the use of the land and improvements is confined within the boundaries of the property described and that there is no encroachment or trespass unless noted in the report.
9. **Liens and Encumbrances.** I appraised the property free and clear of any and all liens or encumbrances unless otherwise stated.
10. **Ownership and Management.** I assume responsible ownership and competent management.
11. **Hidden Conditions.** I have inspected as far as possible, by observation, the improvements. However, it was not possible to personally observe hidden structural components. I have not critically inspected mechanical components within the improvements and no representations are made as to these matters unless specifically stated and considered in the report. I assume that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. I assume no responsibility for such conditions or for obtaining the engineering studies that may be required to discover them.

**LIMITING CONDITIONS AND ASSUMPTIONS, cont'd.**

12. **Regulatory and Legal Compliance.** I assume that the property is in full compliance with all applicable federal, state, and local environmental and governmental regulations and laws unless the lack of compliance is stated, described, and considered in the report. I assume that all licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimated contained in this report is based.
13. **Component Values.** Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of use. The separate values allocated to the land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. Any value estimates provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate unless such proration or division of interests has been stated in the report.
14. **Dollar Values and Purchasing Power.** The market value estimated, and the costs used, are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the U.S. dollar as of the date of the value estimate.
15. **Inclusions.** Furnishings, fixtures and equipment (FF&E) or personal property or business operations except as specifically indicated and typically considered as a part of real estate, have been disregarded with only the real estate being considered in the value estimate, unless otherwise stated.
16. **Fee.** The fee for this appraisal is for the service rendered and not for the time spent on the physical report or the physical report itself.
17. **Authentic Copies.** The authentic copies of this report are signed in blue ink on the left side of the letter of transmittal and on the left side of the certification page. Any copy that does not have the above is unauthorized and may have been altered.
18. **Insulation and Toxic Materials.** In this appraisal assignment, unless otherwise stated in the report, I did not observe any potentially hazardous material used in the construction or maintenance of the building and/or the presence of toxic waste. I do not have any knowledge of the existence of such materials on or in the property. However, I am not qualified to detect such substances. The existence of any potentially hazardous waste material may have an effect on the value of the property. I urge the client to retain an expert in this field if the client believes it is necessary or appropriate. If such hazardous material is present, the value of the property may be adversely affected and re-appraisal at additional cost may be necessary.
19. **Subsequent Modifications.** I reserve the right to alter statements, analyses, conclusions, or any value estimates in the appraisal if there becomes known to us facts pertinent to the appraisal process which were unknown when the report was prepared.
20. **ADA.** The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

## CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have performed no 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.
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 engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
9. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
10. I have made a personal inspection of the property that is the subject of this report.
11. No one provided significant real property appraisal assistance to the person signing this certification.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

**CERTIFICATION**, cont'd.

13. As of the date of this report, I have completed the continuing education program of the Appraisal Institute.
14. I am currently a Certified General Real Estate Appraiser in the State of Illinois.



Frank E. Harrison, MAI  
#553.000005 (Illinois) Expires 9/30/23