



Valbridge Chicago Metro
566 W. Lake Street
Suite 240
Chicago, IL 60661
312.429.0131
www.valbridge.com

November 6, 2022

Mr. David Dibo
Economic Development Director
City of Aurora
77S. Broadway
Aurora, IL 60505
630-256-3095
diboD@aurora.il.us

Re: Suburban Bank Property and adjoining parking lot
101 N. Lake Street
Aurora, IL

Tax Pins -
15-22-162-005
15-22-162-006
15-22-162-003

Dear Mr. Dibo:

We have been asked to prepare a preliminary valuation on the property captioned above. Note we are estimating the fair market value of the fee simple interests in the properties. The subject parcels consist of a 2-story bank building with basement and drive-up lanes plus adjoining parking lot. The total site area is 2.59 acres according to the Kane County Assessor. Interior and exterior inspections of the facilities were made on October 24, 2022, and the estimate noted herein is as of this date. Further, the property was not in operation as of this date, but certain areas looked as though they recently had been occupied.

In the aggregate, the properties consist of three tax parcels housing the bank building and associated parking lot areas. The structure is 19,000 square feet in size according to broker listing the property and is comprised of a two-story structure plus basement and drive-through lanes. It was constructed in 1980. Upon inspection, it was evident that the improved properties were functionally obsolete with the change in the consumer preference to do more banking on-line electronically. This occurrence is nationwide with many banks looking to dispose of their properties rather than spend money to keep open a facility here few customers visit. It additionally could be argued that the subject suffers from external obsolescence again emanating from changing consumer tastes. It should be noted, however, the facility was in good condition obviously being maintained over time.

We have additionally reviewed various demographics, comparable improved sale and vacant land sale data, offerings, and market trends for the area to formulate a preliminary estimate. Clearly the subjects are in the



path of development lying less than two blocks west of the Fox River (not at the river) in the downtown area. There is regular redevelopment ongoing in the area and as such the highest and best use of the existing property under continuing use is suspect. Given the analysis conducted, a review of sales and offerings in the area of sales of improved properties and vacant land similar to the subject improved, the existing uses are not the highest and best uses. Also contributing to this opinion is the possible costs of renovation resulting from a full interior inspection of the improved property. It is clearly the case that the superstructure still has some remaining useful, but the superstructure is suitable for an adaptive re-use. Therefore, I am of the opinion that the highest and best use for the subjects is for redevelopment to an alternate use. The future property could be several types suitable in the eyes of the City of Aurora officials, among them mixed use of commercial and residential.

Before going further, it is important to recognize that this letter is NOT an appraisal and shall not be construed as one. It is simply a commentary from my review of documents and sale/offer data found in the marketplace together with information provided to us for review. Further, this commentary is preliminary in nature and is subject to review and further analysis that might alter any conclusionary comments contained herein. If a full appraisal were to be conducted, a solid estimate a value could be made once the proper research and analysis were conducted with a thorough discussion of the highest and best use that best meets the criteria of possible, probable, feasible and maximally productive use.

All noted, it is considered that all parcels, as aggregated, have value supported by sales and offering data, demographics, and comprehensive planning by the City of Aurora (the parcel is within a TIF District). The comparables in our array of data range from \$20 - \$22 per square foot of land area for parcels of similar size with similar utility recognizing that either demolition must occur in an area of existing urban development, or a portion of the existing structure can be re-used thereby contributing something to value. All said, the highest and best use of the land is a mixed-use option consistent comments above and with commercial zoning and comprehensive planning of the City whereas the highest and best use of the improved property is for an adaptive commercial use OTHER than the existing use.

Therefore, the undersigned is of the opinion that a fee simple value for the land alone is \$2,250,000 - \$2,500,000 for the aggregate of all three parcels and is supportable. Contributory value of the building improvements, understanding that the structures will need total interior and façade renovation for an adaptive commercial re-use is another \$400,000 - \$550,000. Therefore, in the aggregate scenario, a total value in the range between \$2,650,000 and \$3,000,000 is not unreasonable. This, although preliminary as a conclusion, is an estimate based upon interior and exterior inspections, area demographics, comprehensive plans from the City, sales and offering data from the market, and the cost of major remodeling (interior and exterior) of the existing structures as of October 24, 2022. Supporting information together with a certificate of value forming the basis of this estimate is retained in our files.

Extraordinary Assumptions:

- ☐ Valbridge Property Advisors | Chicago Metro assumes that infrastructure, zoning and development permissions are granted in-line with the development assumptions.
- ☐ Valbridge Property Advisors | Chicago Metro assumes that resource and infrastructure constraints at the site, if any, will be solved and allow for the development of the subject property. These include environment, soil conditions, and the like.

If you have additional needs in this matter, please contact me.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Gary K. DeClark', written in a cursive style.

Gary K. DeClark, CRE, MAI, FRICS, R/W-AC
Senior Managing Director and Principal

TERMS AND CONDITIONS OF CONSULTING ASSIGNMENT

1. These Terms and Conditions, when attached to any agreement for services between Client and Consultant ("Agreement"), shall be deemed a part of such Agreement as though set forth in full therein.
 2. Consultant shall exercise independent judgment and complete the assignment called for by the Agreement ("Assignment") in accordance with sound consultation practice and the Code of Professional Ethics and Standards of Professional Conduct of the Consultation Institute.
 3. All statements of fact in the consultation report which are used as the basis of Consultant's analyses, opinions, and conclusions will be true and correct to the best of Consultant's knowledge and belief. Consultant may rely upon the accuracy of information and material furnished to Consultant by Client.
 4. Consultant shall have no responsibility for legal matters, questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The consultation report will not constitute a survey of the property appraised.
 5. Any party who is not the client or intended user identified in the consultation or engagement letter is not entitled to rely upon the contents of the consultation without express written consent of Valbridge and Client. Distribution of the report is at the sole discretion of the client. We assume no responsibility for unauthorized use of the consultation by a third-party.
 6. Client shall, in a timely manner, provide Consultant with such materials with respect to the Assignment as are requested by Consultant and in the possession or under the control of Client. Client shall provide Consultant with sufficient access to the real property to be appraised, and hereby grants permission for entry, at reasonable times during business hours. A delay in receipt of information may delay completion of the assignment.
 7. Each of the parties will indemnify and hold the other party harmless from and against any liability, cost or expense (including attorney fees) arising out of any claim or legal proceedings brought by a third party where such claim or legal proceedings is based on the negligent act or omission, or misconduct of the party against whom indemnification is sought.
 8. Unless expressly specified in the Agreement, the fee quoted does not include the attendance or giving of testimony by Consultant at any court, regulatory, or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, Client shall compensate Consultant for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Consultant's then current hourly rate plus reimbursement of expenses.
-

9. In the event Client requests additional consultation or work beyond the scope of this assignment or following completion of the initial assignment or in the event that the consultant is deposed or called as a witness to testify at a trial or other proceeding, Client shall pay an additional charge for this work, at the Consultant's standard hourly rate, whether or not the completed consultation report has been delivered to Client at the time of the request. Often the Consultant will be called upon as a witness to testify about the consultation report or the Consultant's conclusions or methodology. Any additional work for this purpose will be charged at Consultant's standard hourly rate.
 10. Client agrees that the consultation report shall not be quoted or referred to in any financial statement of Client or in any documents filed with any governmental agency, if it is anticipated that such statement or documents will be relied upon by a member of the public in making an investment in property that is the subject of the consultation, without the prior written consent of Consultant. Neither all nor any part of the content of the consultation report including, without limitation, the conclusions as to value, the identity of Consultant, references to the Consultation Institute or references to the MAI or SRA designations shall be disseminated to the public through advertising or other mass media without the prior written consent of Consultant.
 11. The data gathered in the course of the Assignment (except data furnished by Client) shall remain the property of the Consultant. The consultation report prepared pursuant to the Agreement shall remain the property of Client. With respect to data provided by Client, Consultant shall not violate the confidential nature of the consultant-client relationship by improperly disclosing any confidential information furnished to Consultant. Notwithstanding the foregoing, Consultant is authorized by Client to disclose all or any portion of the consultation report and the related consultation data to appropriate representatives of the Consultation Institute if such disclosure is required to enable Consultant to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
 12. The fee for this consultation is not contingent upon the valuation of the property, the funding of any loan, or the outcome of litigation. Should the assignment be terminated prior to completion, Client agrees to pay for time and costs incurred prior to our receipt of written notice of cancellation.
 13. In the event Client fails to make payment when due and payable, then from that date until payment in full is received, the amount due and payable shall bear interest at the rate of 18% per annum. If collection of any past due amounts is sent to a lawyer, regardless of whether a lawsuit is filed, the Client is responsible for all costs of collection, including attorneys' fees.
 14. Valbridge Property Advisors reserves the right to approve or disapprove (the approval not to be unreasonably withheld), in writing and in advance of any filing with the SEC or other governmental agency, all uses of Valbridge Property Advisors name or references to the services provided hereunder by Valbridge Property Advisors provided however that such approval shall not be necessary in the event the consultation report, the consultants name, or the services provided hereunder are required to be disclosed as part of any SEC or other governmental filing.
-

15. We will not make a specific compliance survey and analysis of the property to determine if it is in conformity with the various requirements of the Americans with Disabilities Act (“ADA”) which became effective January 26, 1992. It is possible that a compliance survey of the property, together with an 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 could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we will not consider possible non-compliance with the requirements of ADA in estimating the value of the property.
 16. The consultation does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. Nor does it certify that tenants have complied with all requirements necessary to obtain use and occupancy permits. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
 17. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Valbridge Property Advisors | Chicago Metro. Valbridge Property Advisors, Inc. has not been engaged to provide this report, does not provide valuation services, and has taken no part in the preparation of this report.
 18. If any claim is filed against any of Valbridge Property Advisors, Inc. a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.
 19. This report and any associated work files are subject to evaluation by Valbridge Property Advisors, Inc. for quality control purposes. If Client is unwilling to waive confidentiality for this purpose, client must inform Valbridge Property Advisors | Chicago Metro upon acceptance of this assignment.
 20. All disputes shall be settled by binding arbitration in accordance with then then-existing commercial arbitration rules of the American Arbitration Association (the “AAA”).
 21. This document contains the entire agreement of the parties. No other agreement, statement or promise made on or before the effective date of this agreement will be binding on the parties. This agreement may only be modified by subsequent written agreement of the parties.
-