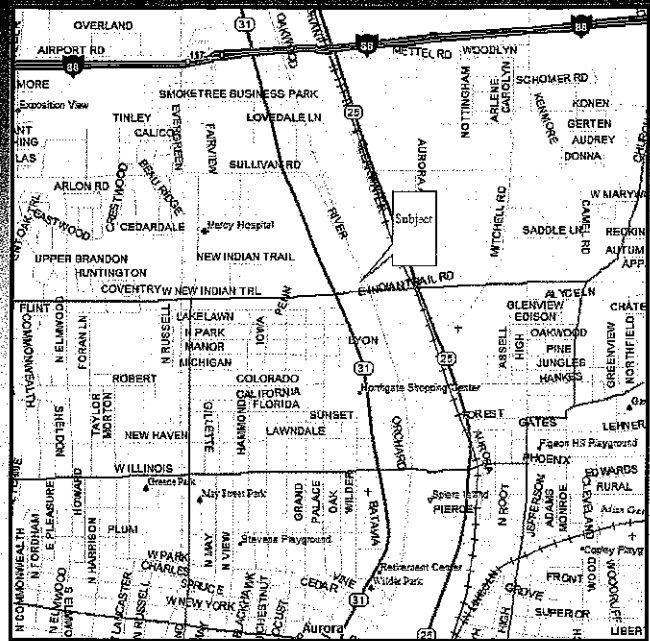


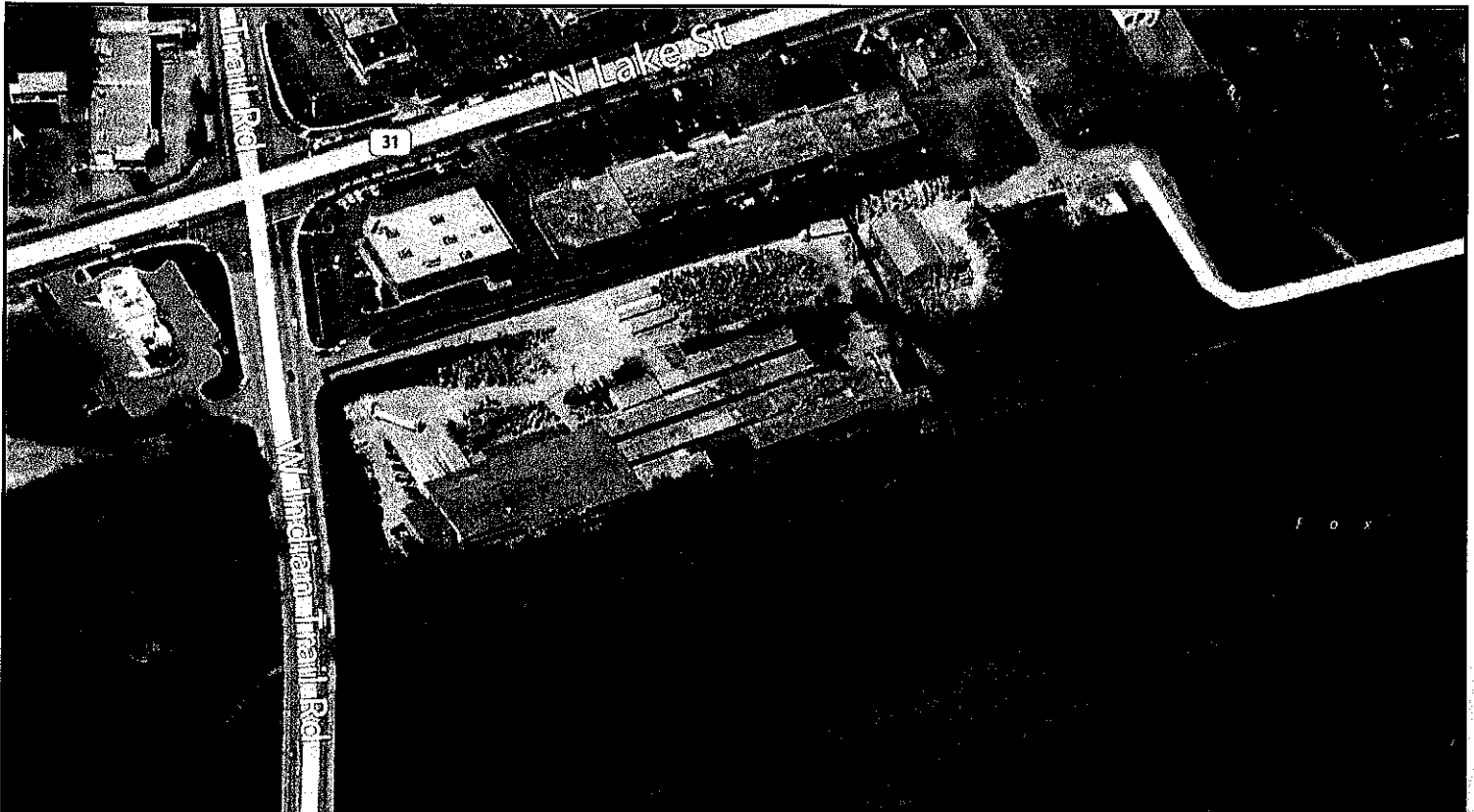
Attachment

B

**115 W Indian Trail
Aurora, IL**



Appraisal Report



The Gorman Group, Ltd

1200 West 175th Street
East Hazel Crest, Illinois 60429
www.gormangrp.com

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ADDENDA

Flood Survey
Qualifications of Appraiser

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SUMMARY

Subject: 115 W Indian Trail
Aurora, IL

PIN No: 15-10-352-043

Client(s): Mr. William Wiet
Chief Development Services Officer
City of Aurora
44 E Downer Place
Aurora, IL 60505

Other Intended Users: None

Type of Property: Assumed Vacant Land

Lot Size: 4.87 acres, (per public records)

Opinion of Market Value(s): \$635,000.00

Date of Valuation: September 15, 2015

Date of Inspection: September 15, 2015

Date of Report: September 28, 2015

Special Note: There is a large dilapidated building on the site. The building is to be razed and this appraisal is only of the land - as vacant and without any environmental issues. No consideration has been given to the cost to raze the existing structure.

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Compliance Items

COMPLIANCE ITEMS

Client/Intended User(s): The report is prepared for the exclusive use of the client and the other cited users.

Intended Use: Internal decision making purposes

Documentation Type: Appraisal Report

Type of Opinion: Market Value

Interest Valued: Fee Simple Title, unencumbered, subject to the assumptions and limiting conditions contained herein

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

	1	Sales Contract
	2	Listing Agreement
x	3	Survey
	4	Leases for current tenants
	5	Income and Expense for the current and previous three years
	6	Rent Roll
	7	Real Estate Tax Bills
	8	Other – See Below
	9	None of the Above

Personal Property: No consideration was given to any personal property.

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COMPLIANCE ITEMS

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.

The market indicates the following approaches are or are not meaningful for this particular assignment.		
Analysis	Not Meaningful	Meaningful
Cost	x	
Income	x	
Direct		x

The subject of a site improved with an older very dilapidated building which is to be razed.

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.

The site is being appraised as though vacant. No consideration has been given to the cost of razing the building and it has been assumed the site is free of any environmental contaminants.

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Property

Previous Sales:

There is no record of the property having been sold within the past three years. It is currently on the market for \$799,000.00. It was for sale for \$799,000 from 2/2013 through 3/2014. The price was then raised to \$953,000 where it stayed until 3/2015 when it was reduced to \$850,000.00. In August 2015 the price was reduced to the original asking price of \$799,000.00

Existing Use:

Assumed Vacant

Property Description

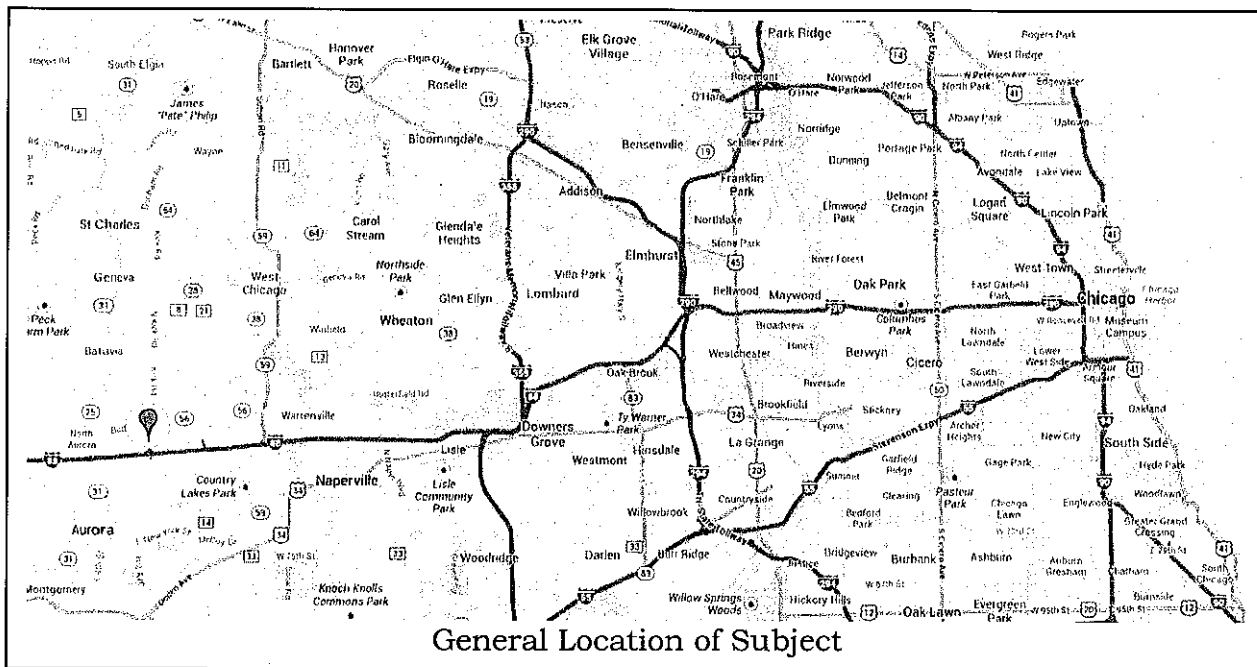
CITY: Aurora

COUNTY: Kane

STATE: Illinois

General:

The subject property is located in the far western community of Aurora. While Aurora is within the Chicago Metropolitan Area about 35 miles west of downtown Chicago, it is a city in itself with a population of 200,000±. It is the 115th largest city in the U.S.



General Location of Subject

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It is accessible through five interchanges on the East/West Tollway Corridor. Corporate offices and commercial growth on the City's east and west sides continue to expand the City's boundaries, now stretching from Route 59 on the east to portions beyond Orchard Road on the west. The Far East Side of the City includes the regional Westfield Shoppingtown at Fox Valley (formerly known as Fox Valley Mall) and residential areas and is projected to house 60,000 people within the next twenty years. It is also home to the newly expanded Chicago Premium Outlet Mall which hosts over 140 stores.

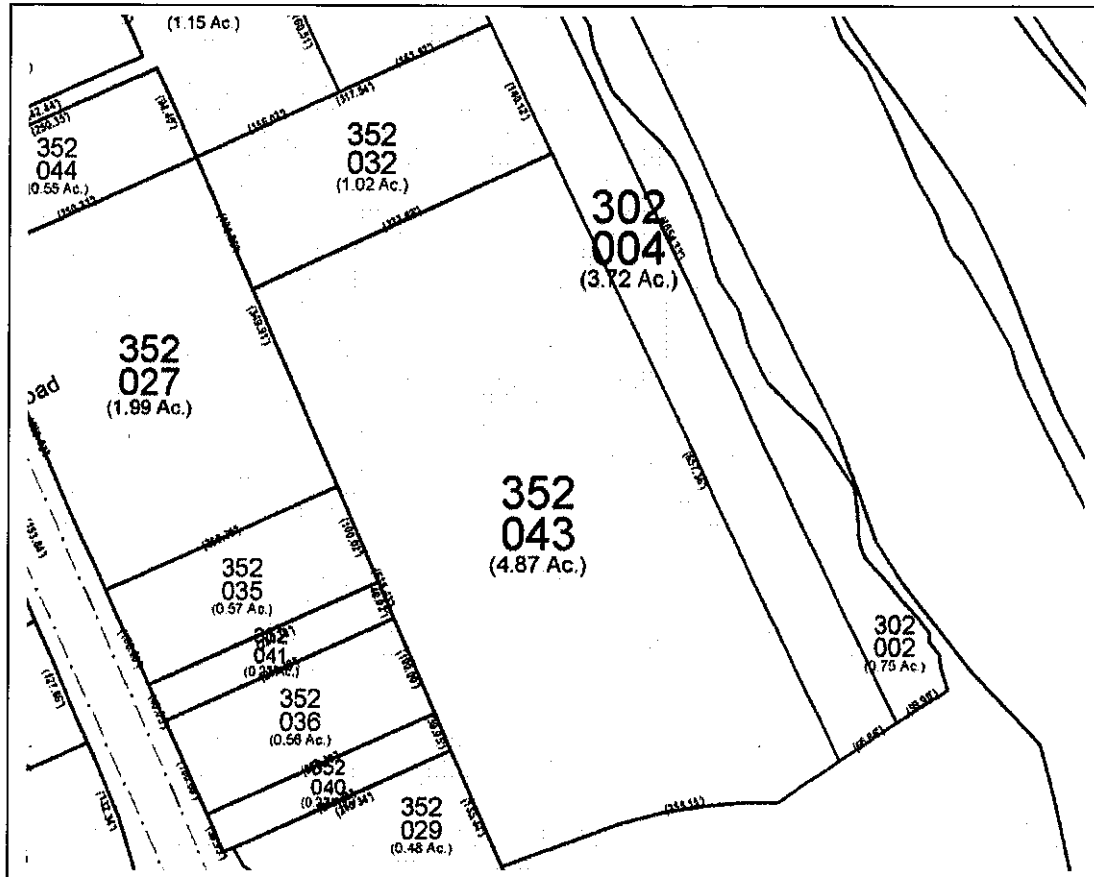
The City extends into four counties, Kane, DuPage, Kendall, and Will. There are six school districts and seven townships within the city limits. There are four historic districts and a large number of individual landmark designations for various City's buildings.

More specifically, the property is located on the eastern edge of the West Aurora neighborhood just off the Lake Street business corridor. The corridor has numerous small businesses including fast food restaurants, strip shopping centers, etc. Overall, the corridor is aging.

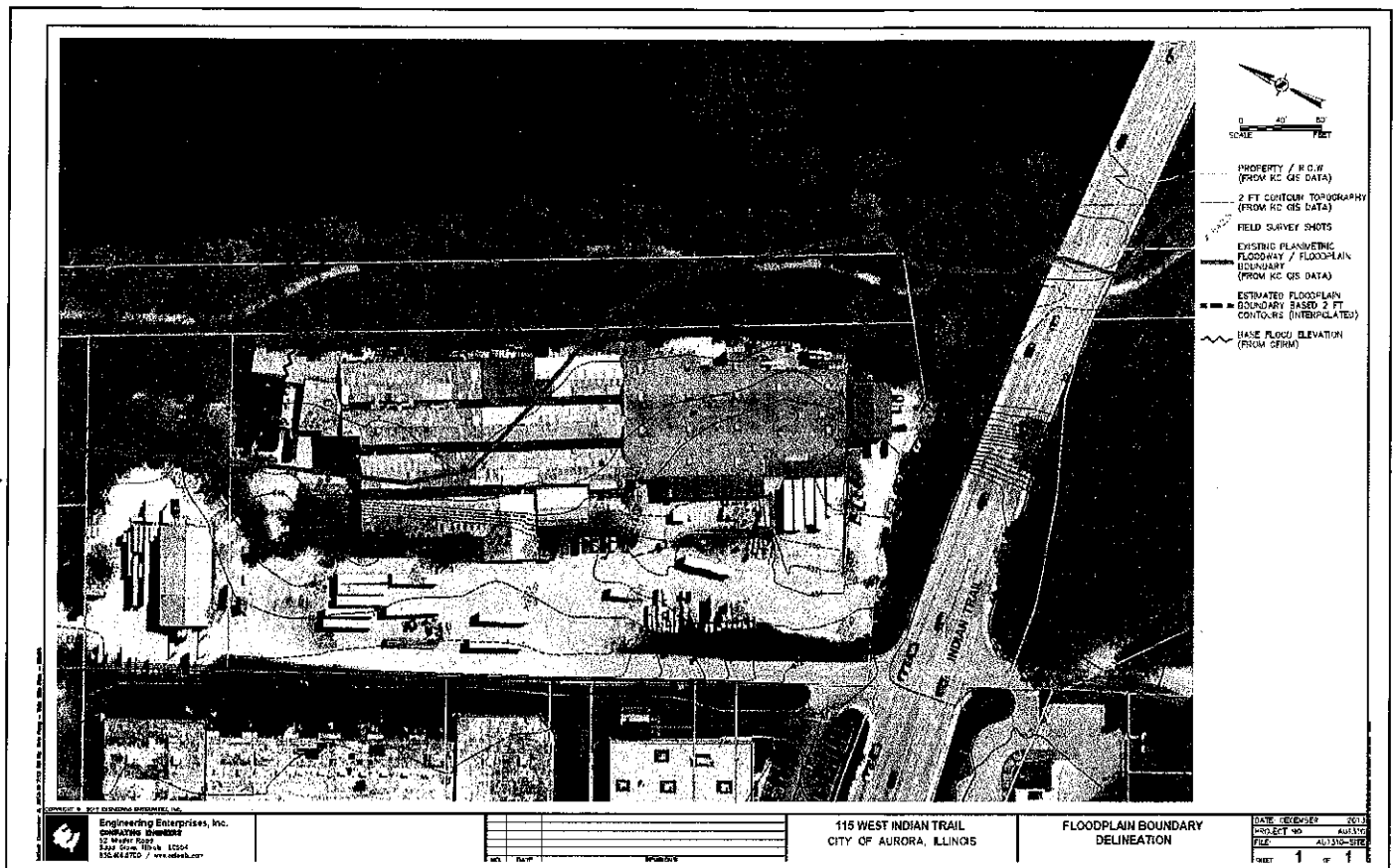
The subject is located just off that corridor along the Fox River. The Fox River hiking trail separates the subject site from the river.

Site Size:

According to the documentation provided, the parcel contains 4.87 acres.



While the site is improved at the present time, the building will be razed and we are appraising the land as vacant. The site, as noted, is very close to the Fox River and the official flood maps show part of it to be within a floodway. We were provided with an engineering survey showing the floodplain area to be off site and are relying on that study (as it is a site specific study) for our analysis. A larger copy is contained within the addenda.



Topography:

As compared to the lands adjacent to the west (away from the river) the subject is “low lying.” The properties to the west are improved with a Walgreen’s drug store and a strip shopping center. The subject is about 15 feet below their grade level. This makes access to the site much more difficult than typical access. Also, as of the date of inspection (September 17, 2015) there was no direct access available to the site. The Indian Trail Bridge (crossing the Fox River) is under reconstruction and the roadway is blocked. The only access is across the rear of the Walgreen’s site. We recognize this is a temporary impairment and have disregarded its impact.

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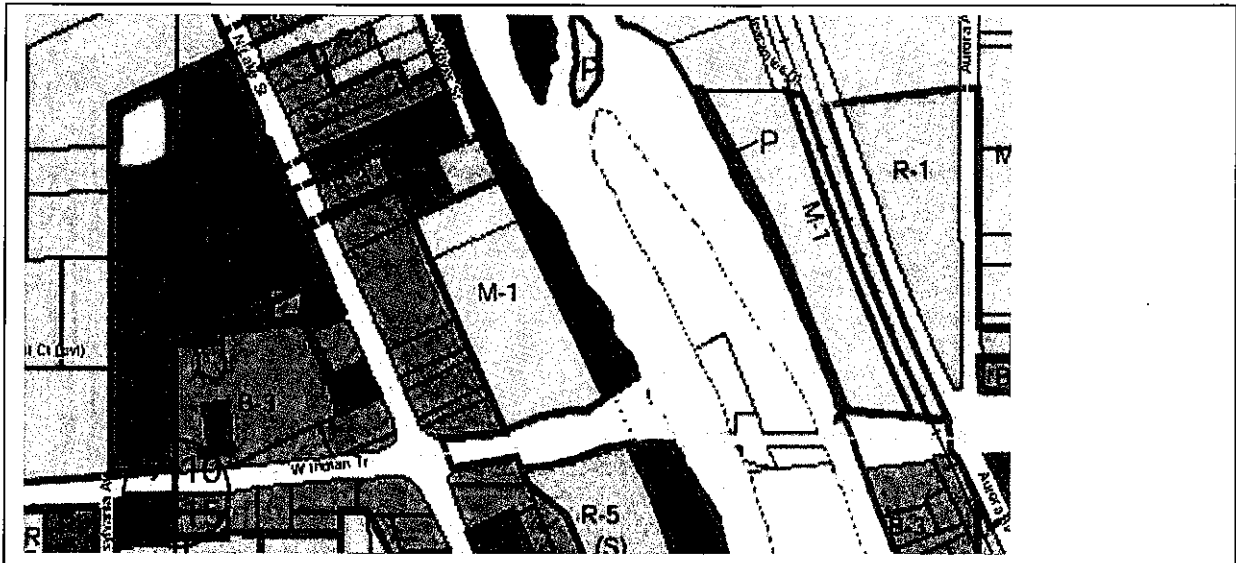
Property

Easements:

Only typical utility easements were noted.

Zoning:

The subject is zoned M-1 – Manufacturing District – Limited



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Highest and Best Use:

The four tests of legal permissibility, physical possibility, financial feasibility, and maximum profitability were applied to four economic uses typically found in this general area. The conclusions are shown in the following chart. If a use is not legal, we have not examined the other tests unless it is likely the zoning can be changed.

Potential Use	<u>Likelihood of being</u>	<u>Probability</u>	<u>Support</u>
Single-Family Residential	legally permissible	Poor	Obtaining such zoning on this site unlikely.
	physically possible		
	financially feasible		Very few homes could be constructed on the site and it is doubtful it would be economically feasible to develop the site with homes.
	maximally productive		
Multi-Family Residential	legally permissible	Possible	Obtaining such zoning on this site possible.
	physically possible		The site would accept a multi-family development.
	financially feasible		The Chicagoland multi-family market has been very strong and as the properties under construction reach completion, financing for new projects is becoming more difficult and rents are beginning to stagnate.
	maximally productive		Financing available for Low Income Housing Tax Credits for approved projects can be gotten from IHDA and the property is located in a TIF district.
Commercial	legally permissible	Possible	The City would likely entertain a commercial use, but a zoning change would be required.
	physically possible		The site is large enough to accommodate many commercial uses or other uses. However, the site topography is not conducive to commercial development.
	financially feasible		Commercial development is not likely to be economically feasible.
	maximally productive		
Industrial	legally permissible	Existing	
	physically possible		The site would accept a small industrial building.
	financially feasible		It would be feasible to develop the site with a small industrial building.
	maximally productive		

The highest and best use is the maximally productive use. Industrial users typically move into industrial park environments today as opposed to being located along waterways as in the past. It is more likely the site would be improved with a multi-family type of project than an industrial one. Senior housing demand is growing as the population ages and that is likely to be the highest and best use.

Valuation Analysis

Valuation Analysis

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.

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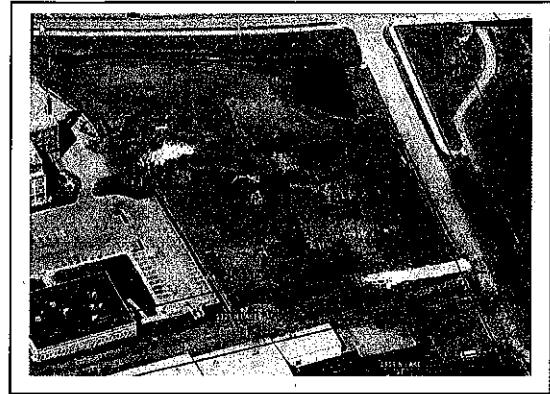
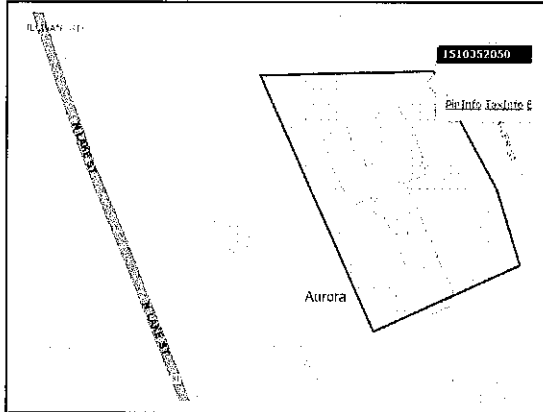
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Valuation Analysis

SALE NO. 1

Location:

1340 N Lake (While this property carries a "Lake Street" address at the Assessor's office, it is actually on River Road).
Aurora, Illinois



Sales Price:

\$100,000.00

Date of Sale:

August 11, 2011

PIN

15-10-352-046 & 049 (now 050)

Grantor:

Old Second National Bank

Grantee:

Aurora Memory Care

Zoning:

B-2 (now R-5A)

Land Area:

3.44 Acres

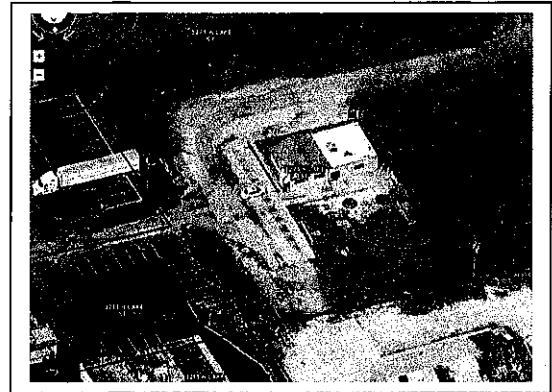
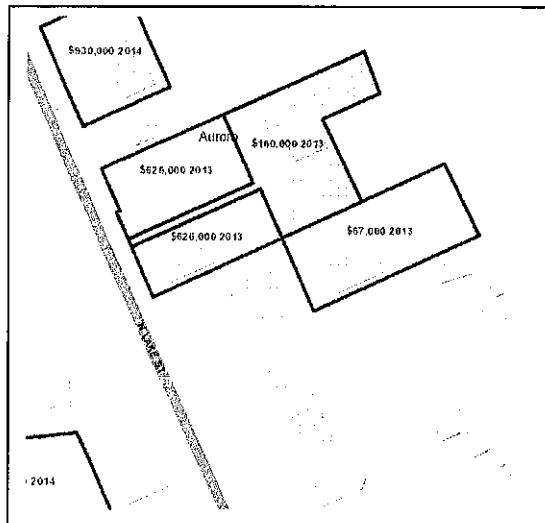
Comments:

The site was vacant at the time of sale. It now is developed with an Alzheimer's Care facility.

Valuation Analysis

SALE NO. 2

Location: 1275 N Lake
Aurora, Illinois



Sales Price: \$160,000.00

Date of Sale: June 19, 2013

PIN 15-10-352-039

Grantor: Beale Properties

Grantee: City of Aurora

Zoning: B-2

Land Area: 1.15 Acres

Comments: The site had a small building on it at the time of sale – perhaps an office. It was subsequently razed.

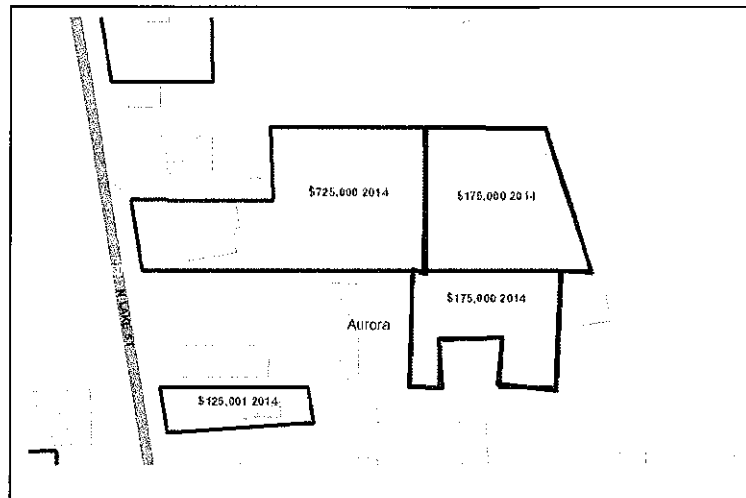
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Valuation Analysis

SALE NO. 3

Location: N Orchard
Aurora, Illinois



Sales Price: \$175,000.00
Date of Sale: September 1, 2014
PIN 15-15-176-064 & 15-15-328-057
Grantor: Old Second National Bank
Grantee: Fox Valley Park District
Zoning: Open Space was an open storage yard
Land Area: 1.28 acres – Parcel 064
0.88 acres – Parcel 057
2.16 Acres Total
Comments: Vacant land east of Lake Street and North of Illinois off the northern terminus of Orchard Avenue

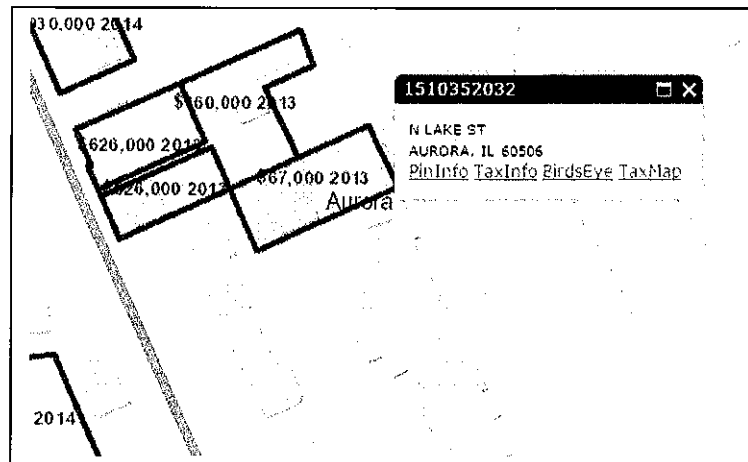
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Valuation Analysis

SALE NO. 4

Location: 1267 N Lake Street
Aurora, Illinois



Sales Price: \$80,000.00
Date of Sale: March 1, 2013
PIN 15-10-352-032

Grantor: Estate of Paul Soderstrom
Grantee: Phil Hotchkin

Zoning: M-1

Land Area: 1.03 acres -

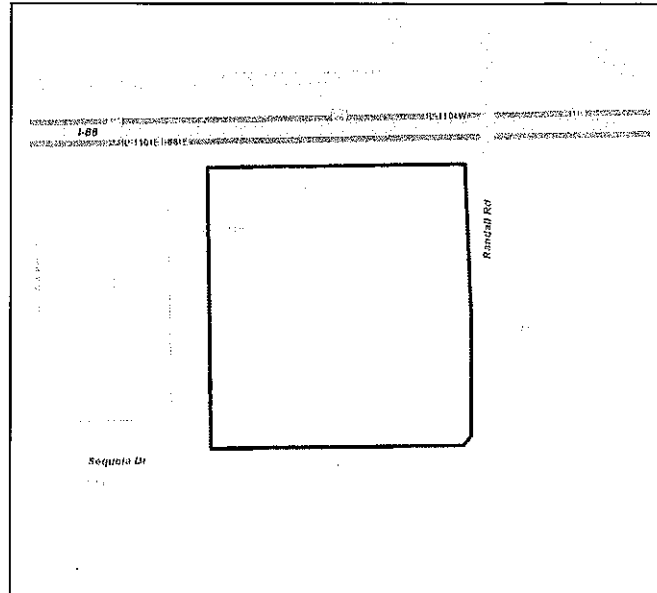
Comments: The tax stamps indicate a sales price of \$67,000.00. However the deed itself indicates a price of \$80,000.00 and we concluded the deed was a better reference. There is a 4,650 SF building on the site and the sale is primarily included because it is adjacent to the subject.

Valuation Analysis

SALE NO. 5

Location:

NWC Randall & Sequoia
Aurora, Illinois



Sales Price:

\$2,950,000.00

Date of Sale:

May 2014

PIN

15-08-125-003

Zoning:

ORI Office/Research/Light Industrial

Land Area:

20.31 Acres

Comments:

This site has previously been used for agricultural purpose. It is located in an industrial park that has seen recent development of large industrial type of buildings. There is good access to the nearby I-88 expressway interchange.

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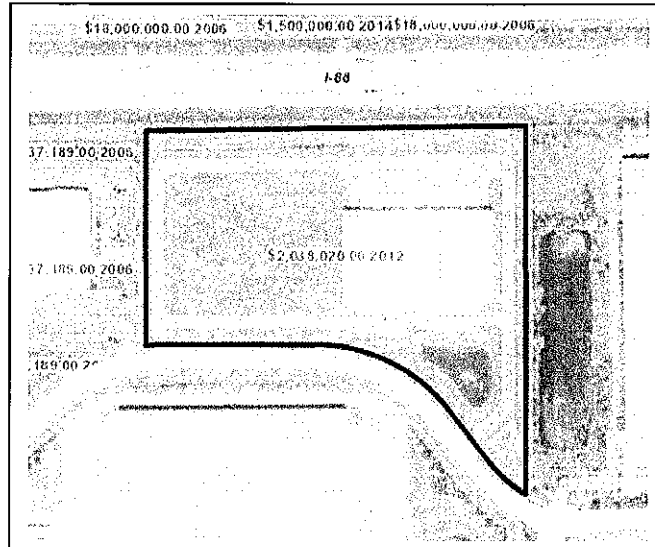
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Valuation Analysis

SALE NO. 6

Location:

North side of Sequoia Drive between
Orchard Rd and Randall Road
Aurora, Illinois



Sales Price: \$2,038,020.00

Date of Sale: February 2012

PIN 15-07-226-005

Zoning: ORI - Office/Research/Light Industrial

Land Area: 14.05 Acres

Comments: This site is located in an industrial park that has seen recent development of large industrial type of buildings. The current improvement was constructed after the sale. There is good access to the nearby I-88 expressway interchange.

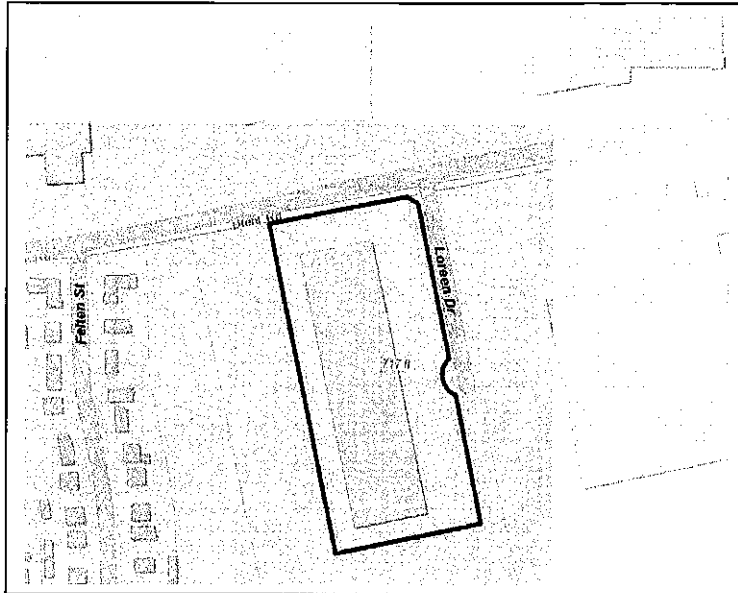
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Valuation Analysis

SALE NO. 7

Location: 2121 Diehl Road
Aurora, Illinois



Sales Price: \$1,503,843.00

Date of Sale: August 2013

PIN 15-12-276-009 & -010
(Now 15-12-276-014)

Zoning: ORI (S) Office/Research/Light Industrial

Land Area: 8.36 Acres

Comments: The site is of vacant land on the southwest corner of Diehl Road and McKesson Street. The two lots were purchased together and in 2014 an approximately 145,000 square feet industrial building was constructed.

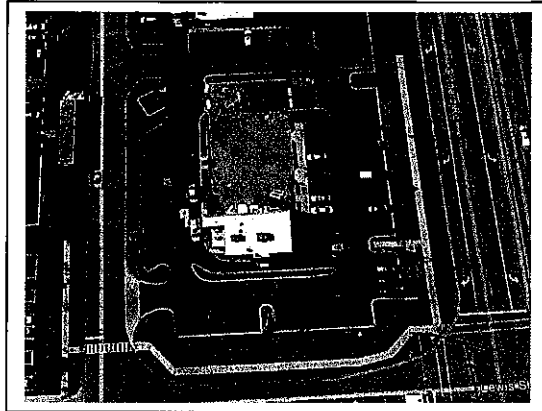
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Valuation Analysis

SALE NO. 8

Location: 3550 White Oak Drive
Oswego, Illinois



Sales Price: \$1,050,000.00

Date of Sale: August 28, 2014

PIN 02-13-204-001

Grantor: Republic Bank

Grantee: Oswego Diamond

Zoning: B-3 Commercial Service

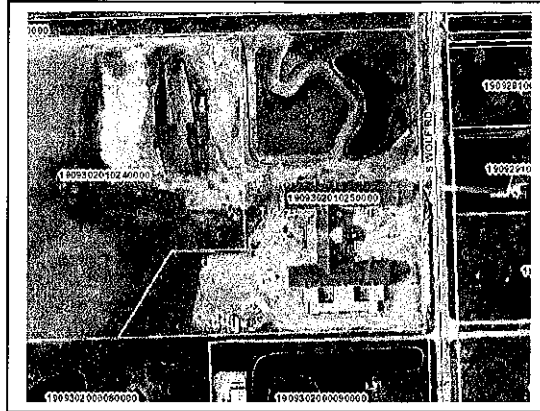
Land Area: 2 Acres

Comments Being developed by Ludwig and Company, this is a 55 years and older apartment facility consisting of 121 units. The first phase of 60 units is fully rented and the second (last) phase is under construction.

Valuation Analysis

SALE NO. 9

Location: 21536 Wolf
Mokena, Illinois



Sales Price: \$1,250,000.00

Date of Sale: June 9, 2014

PIN 19-09-30-200-010, et al

Grantor: HSRE Mokena

Grantee: Kamp Builders Inc

Zoning: R-6 Multi-Family

Land Area: 11.4 Acres

Comments: The site which fronts on Wolf Road is being developed with a 156 unit senior facility by Ryan Builders. Provides for Independent Living, Assisted Living and Memory Care

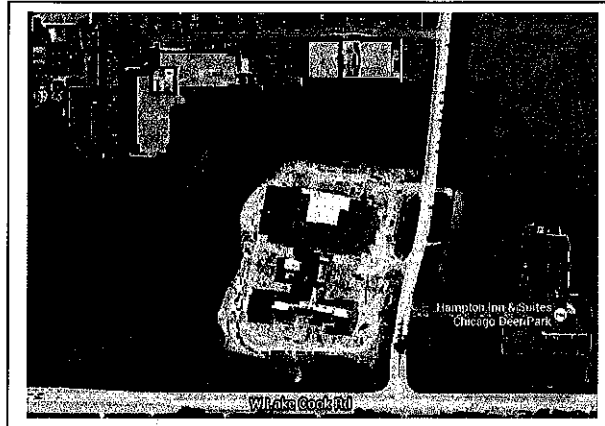
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Valuation Analysis

SALE NO. 10

Location: 21840 W Lake Cook Road
Deer Park, Illinois



Sales Price: \$4,100,000.00

Date of Sale: February 18, 2014

PIN 14-34-302-007

Grantor: Hamilton of Forsythe

Grantee: FSP – Deer Creek

Zoning: PD – planned development (surrounding
uses are typically commercial)

Land Area: 8.25 Acres

Comments: Being developed with the Solana Deer
Park. Rents from \$2,813. Provides for
Independent Living, Assisted Living and
Memory Care for a total of 168 units.
Deer Park median household income
149,233 – per capita 61,429.

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Valuation Analysis

SALE NO. 11

Location: 8099 Janes
Woodridge, Illinois



Sales Price: \$300,000.00 1,475,000 flip

Date of Sale: May 15, 2015

PIN 08-36-206-008

Grantor: Village of Woodridge

Grantee: Alden Foundation

Zoning: B-1 (now Residential)

Land Area: 3.4 Acres

Comments: The site was vacant at the time of sale. It now is being developed with a 93 unit senior facility (91 of the units are to be affordable units and two at market rates. IHDA is providing about half the financing. This property was resold on the same day to a related party for \$1,475,000. It is not considered an "arms-length" transaction.

Valuation Analysis

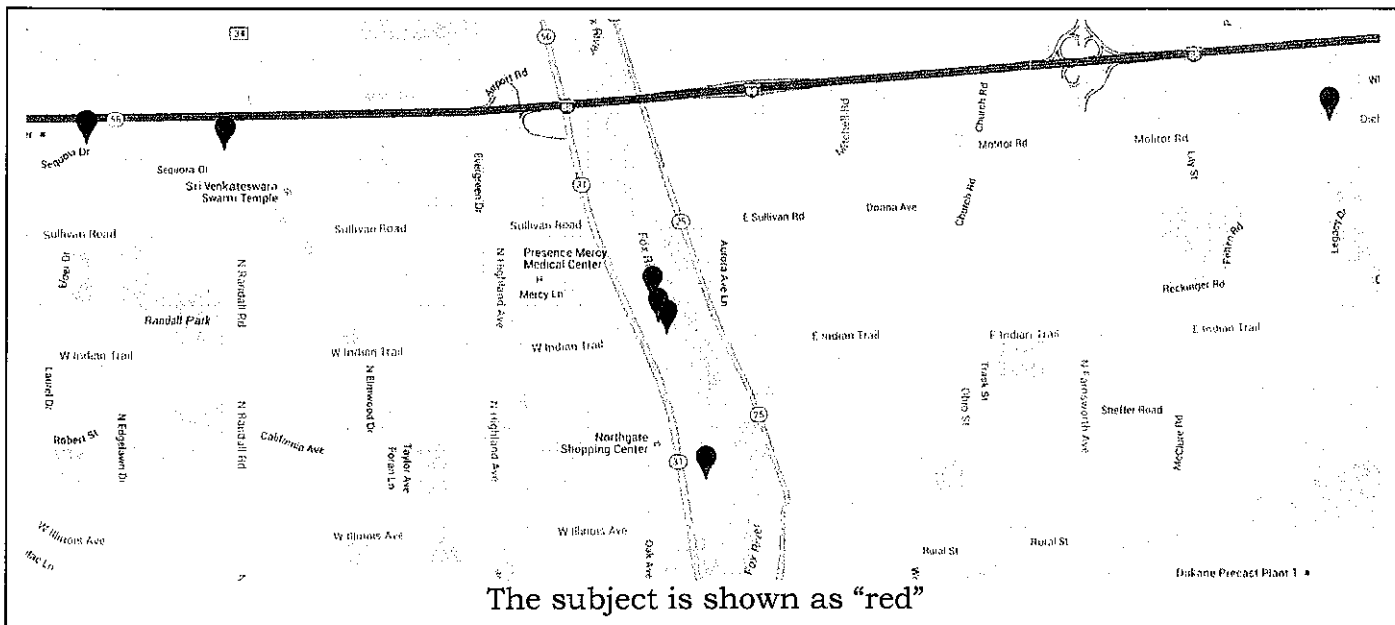
This data is not offered as independent evidence of the value of the subject property, but rather as some of the transactions we have taken into consideration in arriving at an opinion of value. There have been few sales of commercial land in the area since the recession. The market is inferring an upswing in activity.

Consideration was given to the time of sale, the size, location, age, degree of rehabilitation (if any), the utility, and to other factors that affect value for each comparable sale.

Because of the subject site's unique characteristics, two distinctly different sets of sales were developed. The first sales are entirely local in nature and include a mixture of property types ranging from industrially zoned land (like the subject) to commercial and open space sales (in very close proximity to the subject). The second group of sales are properties that are being developed with multi-family buildings – all of the type to be marketed to senior citizens. The very first sale noted falls into both categories – local and multi-family.

Sales Synopsis

The map below provides a visualization of the locations of the local sales uncovered in Aurora



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Valuation Analysis

Summary of Sales

Local Aurora Sales

Sale	Location	Date	Price	Size	\$/SF	Use
1	1340 N Lake (River Road)	Aug-11	100000	3.44	\$ 0.67	Commercial
2	1275 N Lake	Jun-13	\$ 160,000.00	1.15	\$ 3.19	Commercial
3	N Orchard	Sep-14	\$ 175,000.00	2.16	\$ 1.86	OpenSpace
4	1267 N Lake	Mar-13	\$ 80,000.00	1.03	\$ 1.78	Industrial
5	NWC Randall & Sequoia	May-14	\$ 2,950,000.00	20.31	\$ 3.33	Industrial
6	N Side of Sequoia	Feb-12	\$ 2,038,020.00	14.05	\$ 3.33	Industrial
7	2121 Diehl	Aug-13	\$ 1,503,843.00	8.36	\$ 4.13	Industrial

Multi-Family Sales

	Location	Date	Price	Size	\$/SF	Units	\$/Unit
1	1340 N Lake (River Road) Aurora	Aug-11	\$ 100,000.00	3.44	\$ 0.67	60	\$ 1,666.67
8	3550 White Oak Oswego	Aug-14	\$ 1,050,000.00	2	\$ 12.05	121	\$ 8,677.69
9	21536 Wolf Mokena	Jun-14	\$ 1,250,000.00	11.4	\$ 2.52	156	\$ 8,012.82
10	21840 W Lake-Cook Deer Park	Feb-14	\$ 4,100,000.00	8.25	\$ 11.41	168	\$ 24,404.76
11	8099 Janes Woodridge	May-15	\$ 300,000.00	3.4	\$ 2.03	93	\$ 3,225.81

Sale one is repeated in the second chart so as to show the price per dwelling unit it sold for.

Generally speaking, when looking for sales, we try to find similarly zoned properties that are in close proximity to the property being appraised and that have similar characteristics.

The subject has unusual characteristics – it is just off the river and because of that has a very unusual topography where the site drops at least 15 feet to a spot that is level and developable.

Looking first at the sales located within Aurora, they are focused on two items. One item is the zoning and the other is proximity to the subject.

Of the sales located in Aurora, those having the most similar physical

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Valuation Analysis

characteristics are sales one through four. Sale four is improved with a building that is still in use (although the building appears to be toward the end of its physical life. Even with the building, this property sold for the lowest price per square foot of any of the sales found.

Sale three is the highest of the sales in the very immediate area. It was purchased by the Fox Valley Park District and it was zoned for open space. Its location is in a mixed use area with homes and small industrial buildings and it at the very end of the street.

Sale two is located next door to sale four (one lot removed from the subject) and had been improved with what looks like might have been a small office building. The building has been razed.

Sale one is also in close proximity to the subject. Its topography is superior to the subject's being flat at grade and it has good ingress and egress. This sale reflects the lowest price of any of the sales found on a price per square foot basis.

Sales four through seven are all of an industrial nature...and the subject is suitable for industrial development. The sales suggest a typical range between \$3.00 and \$4.00 per square foot. The higher priced sales (4, 5 and 6) are located in conventional industrial subdivisions and are relatively close to the interstate system. These locations are considered superior to the subject for industrial purposes. The property on Diehl Road has a more desirable location than the other two.

In looking at the multi-family land sales, all are for senior citizens, whether for independent living or assisted living of

Valuation Analysis

some sort. The sales are very geographically disbursed, but all are in areas of greater wealth than the subject. The mean household income in Aurora is about \$62,500.00 whereas Oswego and Mokena is about \$100,000.00 and Deer Park is at about \$150,000.00. Woodridge is at about \$90,000.00. These numbers suggest that land in those areas would tend to sell for more than the subject.

The Oswego sale is rather conventional...the development effectively consists of an apartment building that is age restricted. There is no assisted living in the complex. On the other hand, the Mokena and Deer Park facilities are very similar with provisions for independent living, assisted living and memory care. They are both very upscale.

The sale in Woodridge was “subsidized” by the village through its TIF district as well as via Tax Credits from IDHA. It is an independent living facility with common area amenities. Ninety-one of the ninety-three units are designated as “affordable”

Considering all of the sales, we have concluded that the value of the land is most likely represented by the local land sales at \$3.00 per square foot – the lower end of industrial land sales but similar to the one sale at 1267 N Lake. There is no evidence of any significant difference between industrial or commercial land sales in this core area of Aurora. Commercial land does sell for significantly more than this in the more vibrant commercial areas.

**SIX HUNDRED THIRTY-FIVE THOUSAND DOLLARS
(\$635,000.00)**

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Regulatory Items

Definition of Market Value*

To return to [page4](#)

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

Because of the extraordinary market we are experiencing, a discussion of the definition of Market Value is appropriate.

Subsection one states the buyer and seller are typically motivated. Today there is a dichotomy between buyer and seller expectations. Ignoring, for the moment, sellers that are under duress, sellers today are reluctant to accept the prices that are being attained in the market place because they perceive these prices to be the result of duress. This raises the question, "Are these real sellers?" or are they only tentative sellers – sellers if only they get the price they feel is proper. Another way of phrasing the question is, "Are they truly motivated to sell?" Still another way to examine this question is.....is a seller a true seller if he or she is willing to hold on to their property for some indefinite period of time...and does this section "interact" with the third subsection which states "a reasonable time is allowed for exposure in the open 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:

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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

Regulatory Items

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.

The fact that they are well informed or advised means that they understand that today’s market is depressed as compared to the past and they recognize that the market may improve at some indefinite time in the future. They also recognize that it may not improve for quite some time.

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 in relation to the subject property under today’s market conditions.

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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;

Regulatory Items

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.

The Gorman Group, Ltd.

Commercial Real Estate Consultants

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 estimate 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.

Regulatory Items

- 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 areas may be based upon representations made by the owner's agents or our client. 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 estimate 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

Regulatory Items

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.
- The 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 the income stream has been predicted 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.

Regulatory Items

- 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 shall be solely at the risk of the client and/or the other 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 hereinafter 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.

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.

Regulatory Items

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, 2017

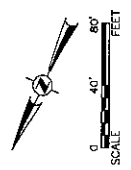
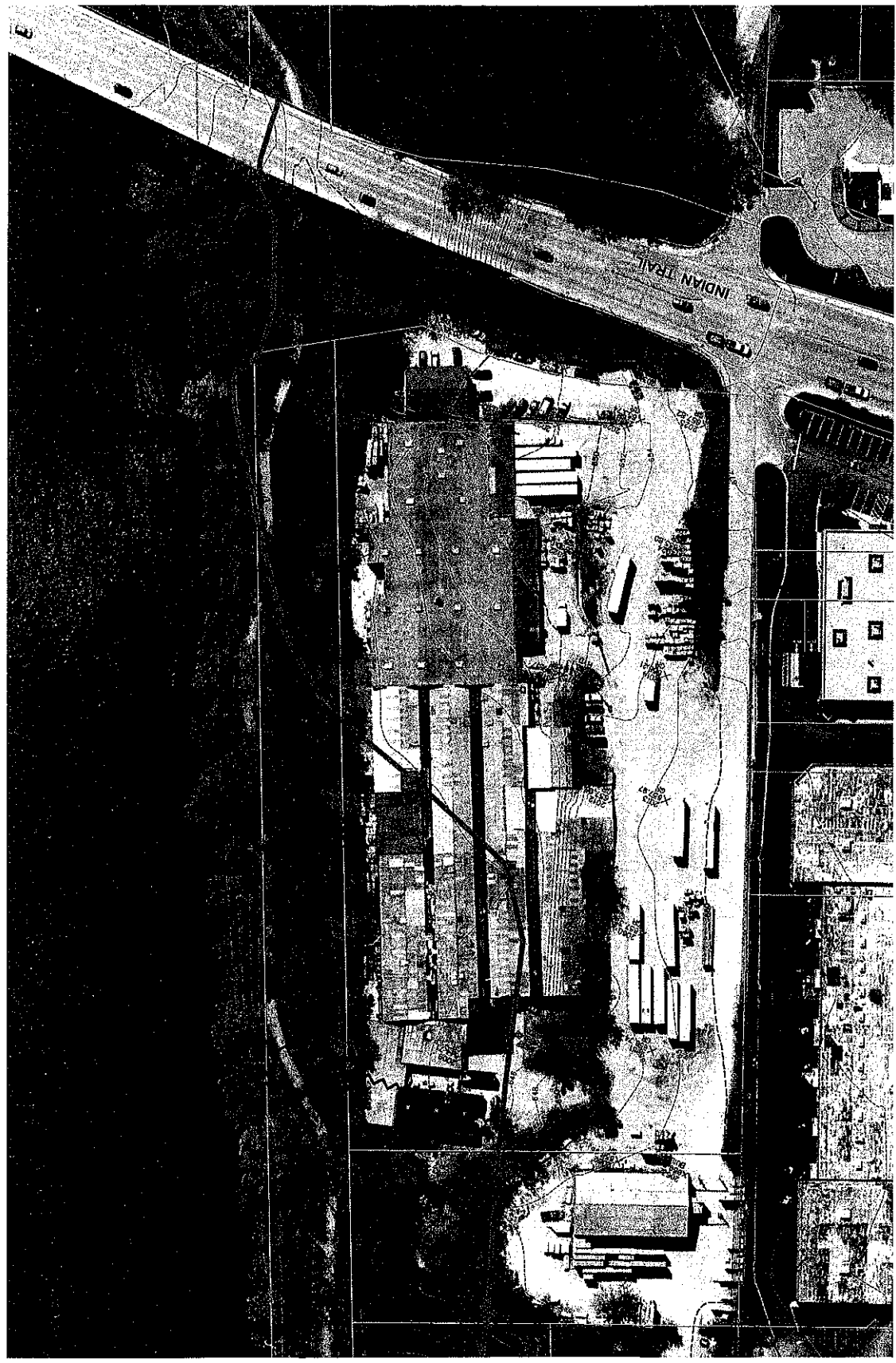
The Gorman Group, Ltd.

Commercial Real Estate Consultants

Addenda

Flood Survey

Qualifications of Appraiser



- PROPERTY / R.O.W.
(FROM KC GIS DATA)
- 2 FT CONTOUR TOPOGRAPHY
(FROM KC GIS DATA)
- FIELD SURVEY SHOTS
- EXISTING PLANIMETRIC
BOUNDARY / FLOODPLAIN
BOUNDARY
(FROM KC GIS DATA)
- ESTIMATED FLOODPLAIN
BOUNDARY BASED 2 FT
CONTOURS (INTERPOLATED)
- BASE FLOOD ELEVATION
(FROM DFRM)

DATE: DECEMBER 2013
PROJECT NO.: AU1310
FILE: AU1310-SITE
SHEET 1 OF 1

**FLOODPLAIN BOUNDARY
DELINEATION**

**115 WEST INDIAN TRAIL
CITY OF AURORA, ILLINOIS**

NO.	DATE	REVISIONS

Engineering Enterprises, Inc.
CONSULTING ENGINEERS
52 Wheeler Road • 60554
Naperville, Illinois
312.468.6700 / www.eeinc.com





The Gorman Group, Ltd.

Real Estate Research and Analysis

GORMANGROUP

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www.gormangrp.com

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

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
Office Buildings
Manufacturing Facilities
Warehouses
Mobile Home Parks

Restaurants
Commercial Buildings
Medical Centers
Office Condominiums
Subdivisions

Industrial Condominiums
Condominium Conversions
Adult Congregate Living Facilities
Vacant Land
Financial Institutions
Easements

Shopping Centers
Historic Properties
Service Stations
Partial Interests
Apartment Buildings

Special or Interesting Projects

Hazardous Waste Treatment Facilities - Siting Study
Lake Calumet Airport - Neighborhood Analysis
Crescent Dune - Michigan City, IN
Wastewater Treatment Facility, SD
Ronald Reagan's Childhood Home, IL
Car Museum, LaPorte, IN
Car Washes, Coon Rapids, WI
Private Airport, Hinckley, MN

"Sin Strip" - Calumet City, IL.
Frankfort Airport
Ringling Hotel, Sarasota, FL, (historic)
Globally Rare Land, MI
Wright/Dunbar Museum, Dayton, OH
Potomac Airport, Berkley Springs
(included an island), WV
Olympia Fields County Club

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

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)

The Nature Conservancy
Izaak Walton League
Habitat for Humanity

Calumet River Basin Authority
Shirley Heinze Foundation
Homewood-Flossmoor Park Dist

Northern Illinois Gas Company
NIPSCO/Humana
U. S. Silica Acme Steel Company
Times-Mirror Corporation
Safety-Kleen Corporation
SPSS, Inc Heller Financial
Patrick Engineering
South Shore Hospital

State Farm Insurance

Kane, McKenna & Associates
Hollywood Casino

Ingalls Hospital

Village of Tinley Park
Village of Frankfort
Village of Libertyville
Village of Richton Park
Village of Riverdale
Village of Oak Park
City of Calumet City
Village of Glenwood
Village of Berwyn
City of Benton Harbor, MI
City of Aurora
Village of Matteson

Village of Oak Lawn
Village of Homewood
City of Aurora
Village of Dolton
BankFinancial
Village of Midlothian
City of Blue Island
City of Harvey
Village of Homewood
City of Elgin
City of Oak Forest

Prairie State College
School District 151, South Holland
School District 122, Oak Lawn
School District 140, Tinley Park

School District 154, Thornton
School District 149, Calumet City
South Suburban College

Royal Bank of Scotland
Northern Trust
Charter One
Bank of America
BankFinancial
First Financial Bank
Pinnacle Bank

Citicorp
The Private Bank
National City Bank
First Midwest Bank
Harris Bank
Centier Bank

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;
Superior Court of Lake County, Indiana

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