



S.A.S. INC.
SCHLITZ APPRAISAL SERVICES, INC.

**REAL ESTATE
APPRAISAL REPORT**

**Of
Unimproved Vacant Lot**



8678 West Grand Avenue
River Grove
Cook County
IL, 60171

As of
September 12, 2018

Prepared For
Forest Preserve District of Cook County

Property Index Numbers (PIN):
12-26-300-013-0000

Prepared by
SCHLITZ APPRAISAL SERVICES, INC.
Michael Gilligan, MAI, IL-553.001562

File Name:
12-26-300-013-0000



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SCHLITZ APPRAISAL SERVICES, INC.

September 12, 2018

Forest Preserve District of Cook County
Tom Conlon
69 W Washington, Suite 210
Chicago, IL 60602

Re: Real Estate Appraisal Report of
Unimproved Vacant Lot at
8678 West Grand Avenue, River Grove,
Cook County, IL, 60171
Property Index Numbers(PIN): 12-26-300-013-0000

Dear Mr. Conlon;

Based upon your request, I have visited the above referenced property and am submitting this **Appraisal in a narrative summary format** under [Standard Rule 2-2(b) (xi)] of the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation at your direction. It is intended to be in accordance with your engagement and is based upon our interior and exterior observations of the property and examination of the **Vacant Land property market in the subject's area.**

The Subject Site as is currently consists of 1 legal parcel which is a triangular shaped corner site. These parcels have a combined approximate $\pm 88.33'$ of frontage on the north side of West Grand Avenue and approximately $\pm 157'$ of frontage on the east side of Indian Boundary Road. The site is grass covered and has several trees, with utilities nearby. Dimensions of the site were taken from the Sidwell Tax Plat Map for a calculated area of approximately $\pm 6,580$ square feet or 0.15 Acres. The site has average accessibility and visibility at this location. Topography is level with adjacent improvements and at street grade and appears to have adequate drainage. All Public utilities of water, sewer, gas and electricity are available nearby or already connected to the site. The property is located at 8678 West Grand Avenue, River Grove, Cook County, IL, 60171 Property Index Number (PIN): 12-26-300-013-0000.

Please reference page 11 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology.

I certify that I have no present or contemplated future interest in the property beyond this estimate of value. The appraiser has not performed any prior services regarding the subject.

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 6). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, I note the following:



The opinions, analysis and conclusions reached are intended for use by: **you as client, your legal counsel, and those assignees, designated readers /officials able to make decisions regarding the subject real estate.** Anyone else using this report is an unintended user.

The function of this assignment is to provide the aforementioned intended users with my professional opinions, analysis, and conclusions regarding the **Market Value “As Is”** of the aforementioned **Subject Real Estate** as of the effective date September 12, 2018.

The purpose of this assignment includes but is not limited to; providing the aforementioned identified users with my professional opinions concerning: **the Subject’s Current Use**, an analysis of past and present **Market trends**, and my conclusions as to the **Subject’s Market Value “As Is”** for decision making purposes.

It is neither economical for this appraiser nor of any service to the client to burden this appraisal report with certain data, computations, or explanations beyond those which the client desires or requires to accomplish the function and purpose of the appraisal. The extent of detail contained within the report is based upon the desires and needs of this appraiser's client. ***It is unethical to enter into a contract for appraisal services that precludes or are contingent upon the following:***

- 1. The reporting of a pre-determined result or opinion of value.***
- 2. The opinions, analysis and conclusions provided are not contingent on the attainment of any stipulated results, occurrences, or subsequent events directly related to the appraiser’s opinions and specific to this assignment’s purpose.***
- 3. It is unethical to enter into a contract for the performance of appraisal services that are not contingent on or subject to all requirements of the Code of Professional Ethics, Confidentiality, Professional Competency and Compliance under the Standards of Professional Appraisal Practice. (E.R. 2-9).***
- 4. Under Standard Rule 1-2 (g & h) it was both necessary and applicable to include certain extraordinary assumption and hypothetical conditions regarding the subject assessment and taxes to address client concerns.***
- 5. I have no personal: ownership interest in or associated with the property. I am neither the broker nor agent for any buyer, seller, tenant or user of the property. My fee is not contingent. The analysis rendered and the value ranges conclude are based upon my un-biased professional opinions only. They were provided to give the current Market Value on the real estate only for the purposes stated.***

To the best of my knowledge all the material and information either provided by others, gathered from the various cited sources in the scope of my work and presented herein are presumed to be accurate and reliable, although not guaranteed. No responsibility is accepted beyond the extent of reporting the same. The appraisal process is presented under [Standard Rule 2-2 (b) (xii)] which includes [Standard Rules; [S.R. 1-1 (a) through (c)] under USPAP.

All identified and intended users of this report should be aware this appraisal includes only those necessary and applicable methods to answer the appraisal problem to be solved, under [Standard Rules; [S.R. 1-2 (f)] of USPAP, regarding the “Scope of Work.” The analysis, opinions, and value conclusions provided in this appraisal will be apparent to **these designated users only, notwithstanding any language contained herein to the contrary under The Jurisdictional Exception.**



All identified and intended users of this report should be aware the opinions, analysis, and value conclusions rendered are for the (Subject) are affect by certain *Extraordinary Assumptions and Hypothetical Conditions* made part of this assignment under [*S.R. 1-2 (g & h)*] of *USPAP*. All identified and intended users of this report should be aware any "*Value in Use, "Cost to Construct, or Anticipated Investment Value"* from leasing the Subject Property, may or may not be different, than the "*Highest and Best Use,*" as analyzed in the course of this assignment as defined under [*S.R. 1-3 (a) & (b)*] of *USPAP*.

Only those approaches and methods of valuation deemed appropriate and necessary were employed, as required in *Standard Rules; (S.R. 1-4 (a) through (h) (iii)) under USPAP*. All sales and rental information gathered or provided within the analysis were verified either by examination of public record and/or conversations with the participants where and when possible. As required under *Standard Rule (S.R. 1-5 (a) & (b)] of USPAP*, this appraisal indicates any prior listing and sales history of the property in the past 5 years.

All of the approaches employed to value the subject in this appraisal were given their appropriate weight in the reconciliation process as required under *Standard Rule (S.R. 1-6 (a) & (b) of USPAP*. This appraisal conforms to all applicable Appraisal Standards, the Code of Professional Ethics, and Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation. The analysis and value conclusions reached for the subject, are defined under: source paragraph **34.42 Of the OCC Final Rule issued by the Comptroller of the Currency (12 CFR SUB PART C)**.

The Appraisal in Summary Format that follows consists of: *the usual letter of transmittal, supporting data, plus any extraordinary assumptions and hypothetical conditions* considered relevant for the intended use to the identified users of the report. Any other use by unintended or identified users, for other purposes may not conform to stated purpose and function without additional information contained within my file memorandum which mirrors the contents of a self-contained format.

This assignment conforms to *all the Standards Rules of USPAP and can be made to conform to Title XI of the Federal Financial Institutions Reform Recovery and Enforcement Act of 1989 (FIRREA) upon written request*. It was provided at (*Client Request*) under of [*Standard Rule 2-2 (b) (xiii)*] of the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, for the sole purpose and function stated, as of the effective date of value.

Current As Is Market Value:

The "As Is" market value of the Fee Simple estate of the property, as of September 12, 2018, is

One Hundred Ten Thousand Dollars (\$110,000)

Respectfully submitted,
Schlitz Appraisal Services, Inc.

Michael Gilligan, MAI
IL-553.001562
Exp. 09/31/2019

TABLE OF CONTENTS

Summary of Important Facts and Conclusions	5
Limiting Conditions and Assumptions	6
Appraisal Development	10
Scope of Work	11
Subject Aerial Photograph	13
Subject Sidwell Tax Plat Map	14
Subject National Wetland Inventory & Topographic Maps	15
Subject FEMA Flood Zone Map	16
Subject Zoning Map.....	17
Subject Zoning Information.....	18
Subject Location Map.....	19
Subject Property Description	20
Subject Photos.....	21
Subject Assessment & Real Estate Tax Analysis	23
Subject Area Demographic Trends.....	24
Subject Inferred Area Real Estate Market Analysis	26
Values & Methods Considered	28
Property Value Appraised.....	30
Highest and Best Use.....	31
Valuation Section Approaches to Value.....	33
Analyses Applied.....	34
Land Valuation	35
Comparable Land Sales	38
Comparable Land Sales Map.....	44
Land Value Analysis Grid	45
Land Valuation Conclusions.....	46
Land Valuation Conclusions.....	47
Exposure & Marketing Times.....	48
Reconciliation & Final Value Conclusions	49
Value Indications	49
Value Conclusion.....	49
Certification Statement	50
Addenda	52
Glossary	55

Summary of Important Facts and Conclusions

GENERAL

Subject:	Unimproved Vacant Lot The Subject Site as is currently consists of 1 legal parcel which is a triangular shaped corner site. These parcels have a combined approximate ±88.33' of frontage on the north side of West Grand Avenue and approximately ±157' of frontage on the east side of Indian Boundary Road. The site is grass covered and has several trees, with utilities nearby. Dimensions of the site were taken from the Sidwell Tax Plat Map for a calculated area of approximately ±6,580 square feet or 0.15 Acres. The site has average accessibility and visibility at this location. Topography is level with adjacent improvements and at street grade and appears to have adequate drainage. All Public utilities of water, sewer, gas and electricity are available nearby or already connected to the site. 8678 West Grand Avenue, River Grove, Cook County, IL, 60171 12-26-300-013-0000
Marketing Time	42 months
Exposure Time	22 months
Legal Description:	Lots 90 in Volk Bros. Carey Estates, a subdivision in the East 1/2 of the Southwest 1/4 of Section 28, Township 40 North, Range 12 east of the Third Principal Meridian in Cook County, Illinois
Date of Observation:	September 12, 2018
Intended Use:	The intended use is for decision making purposes and possible purchase
Intended User(s):	The client, client's legal counsel, Cook County Forest Preserve District and other governmental agencies responsible for decisions regarding the subject's property.
Sale History:	<i>Based upon discussions with ownership the Subject is not currently listed for sale. To the best of my knowledge and confirmed by sources reviewed the subject is not under contract for sale and ownership is not considering selling the property. The last sale involving the subject occurred more than three years prior to the effective date of this appraisal. Although not independently conclusive this analysis of exposure, lease-up and marketing time within the subject's general marketing area was felt to verify my opinions, analysis, and conclusions concerning the subject's lease ability, market, and marketability. All properties presented later in the Sales Approach confirm these estimates. All estimates assume that professional marketing techniques would be employed, and the market conditions researched will not dramatically change.</i>

GENERAL

Land Summary						
Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Frontage - Primary Street (Feet)	Topography	Shape	Flood Zone
12-26-300-013-0000	0.1511	6,580	88.33	At Street Grade	Roughly triangular	X500, AE

Zoning:	OS
Permanent Index Number	12-26-300-013-0000
Highest and Best Use as Improved:	As Improved under an interim use until such time that development becomes necessary and financially feasible'
Type of Value:	Fee Simple

VALUE INDICATIONS

Site Value	\$110,000	"As Though Vacant"
Reconciled Value(s):	As Is	
Value Conclusion(s)	\$110,000	
Effective Date (s)	September 12, 2018	
Property Rights	Fee Simple	

Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties. This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

All files, work papers and documents developed in connection with this assignment are the property of Schlitz Appraisal Services, Inc.. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, or for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation. Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable. It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated. The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) Schlitz Appraisal Services, Inc.'s regular per diem rate plus expenses. Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

Limiting Conditions and Assumptions

Americans with Disabilities Act (ADA) of 1990

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. Schlitz Appraisal Services, Inc. has not made a determination regarding the subject's ADA compliance or non-compliance. **Non-compliance could have a negative impact on value; however this has not been considered or analyzed in this appraisal.**

The analysis and estimates of value set forth in this valuation report are subject to the following assumptions and limiting conditions:

That the title to the subject property is marketable and that the property is free of and clear of all liens and encumbrances, except as noted. No liability is assumed for matters which are legal or environmental in nature. Ownership and management are assumed to be responsible and competent. Although Request; No: *Engineering Studies or Reports, Property or Soil Studies, Plat of Survey, Environmental Site Assessments, Property Inspection Reports, or ADA Compliance Reports or investigations* have been provided this appraiser. As such no liability is assumed or accepted in connection with these matters.

The described physical condition of any improvements is based on the appraiser's visual observations and the provided information. It is assumed that there are no hidden or unapparent physical conditions which would have any effect on value. Dimensions and areas were either supplied by others, a personal review of public records or field measurements made by the appraiser.

Improvements, if any, are assumed to be within lot lines and in accordance with local zoning and building codes, ordinances as well as all applicable federal, state, and local laws and regulations, except where cited or noted. Any plans, diagrams or drawings provided are intended solely to facilitate understanding and are not meant to be used as reference in matters of survey. The legal description furnished should be verified with the aid of competent legal counsel. The valuation was prepared for the purpose stated and should not be used for any other purpose.

All direct and indirect information supplied by others, sources utilized or its agents concerning the subject property area assumed to be true and accurate, although not guaranteed. No responsibility is accepted for information supplied by others beyond reporting the same. Any such information cited is believed to be reliable and correct, although not guaranteed.

The signatories shall not be required to give further consultation or testimony, or appear in court or at any public hearing with reference to the property valued, unless prior arrangements have been made with the client. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the Appraisal Institute, International Association of Assessing Officers and USPAP regarding review by members. Possession of this report or a copy thereof, or any part thereof, does not carry with it the right of publication, nor may it be used by anyone but the parties for whom it has been prepared without the prior written consent and approval of Client and SAS Inc.

Limiting Conditions and Assumptions

None of the contents of this report (especially any conclusions as the value, the identity of the appraisers, or the firm with which he is connected, or any references to the Appraisal Institute; MAI designations) shall be disseminated to the public through advertising media, news media, sales media, or any public means of communication without the prior written consent and approval of Client and SAS Inc.

To the best of our knowledge, all cited sources used to gather and provide data, as well as, other parties providing information used in my analysis are deemed reliable, although not guaranteed. If, after the fact, any information or data provided by others and utilized in my analysis, is found to be inaccurate or erroneous, after the fact, the right of review is reserved as is the right to amend rescind, or retract any opinions rendered, results or value conclusions provided which were based upon the aforementioned extraordinary assumptions and limiting conditions.

The analysis, opinions, results and value conclusions developed in this report were prepared, in conformity with, and are subject to, *the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, and the Standard Rule of Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation under which it was prepared and written.* Any use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. This appraisal assignment was not preformed based on any requested valuation, or predetermine value, approval of any loan or the occurrence of any subsequent events from use of the report. This report is intended to be read and used as a whole and not in parts. Separation of any section or page from the main body of the report is expressly forbidden and invalidates the par separated and remainder of the report.

Where the property being considered and appraised is part of a larger parcel or tract, any values reported relate only to the portion being considered and should not be construed as applying with equal validity to other portions of the larger portion or tract not appraised. Any projections of future rents, expenses, net operating income, mortgage debt service, capital outlays, cash flows, inflation, capitalization rates, discount rates or interest rates are intended solely for analytical purposes and are not to be construed as predictions of fact. These represent only the judgment of the authors as to the assumptions likely to be used by purchasers/sellers, Landlord/Tenants, and/or users/investors active in the market place, and their accuracy is in no way guaranteed. The information in this report is confidential. Any release to any persons not identified or recognized as intended users is strictly prohibited, without prior written request to *SAS Inc., or our (client or client's legal counsel.)*

Implicit in the value conclusions reached, is the assumption; the Final Value "As Is" "As Reconciled" mirrors the market. Although the "Value in Use" the "Cost to Construct", and Anticipated Investment Value" were considered relevant, the "Principle of Substitution" was given the greatest emphasis in the reconciliation process. It is assumed the property will continued to be properly maintained and operated in accordance with the law, under competent management, and in responsible hands. All value conclusions reached in each Approach are predicated on the "Principle of Substitution" which clearly recognizes that the subject improvements, "As Is" may or may not provide other values such as "Value in Use," Investment Value, Insurance Value, to ownership, which may not be equal to the "Value in Exchange."

Limiting Conditions and Assumptions

The *Jurisdictional Exception*, applies to this report in as much, if any of the standards stated is contrary to the law or public policy of any jurisdiction, only that part shall be void and of no force or effect in that jurisdiction. This is in keeping with supplemental standards justifying this action in this appraiser's report for interpretation by the intended users for the stated intended use which does not diminish the purpose, intent or content of the requirements of USPAP under which it was written and subject to.

As required under [S.R. 1-2 (g & h)] of USPAP the following extraordinary assumptions and hypothetical conditions have been included to assure compliance and a better understanding for intended users:

No "Plat of Survey" was provided this appraiser to confirm property boundaries or any easements, encroachments or, encumbrances affecting the property. I am not a Licensed Surveyor and as such accept no responsibility in these matters beyond measurements made and or reported from public records reviewed.

No EPA Phase I Audit; I was not provided any Environmental Site Assessment of the property under "The Act" to determine the presence of any contamination which may or may not presence on, in, or near the property. I am not an expert in this field and therefore accept no responsibility in this matter. I do recommend if there is a concern regarding this issue, the appropriate experts be retained as the presence of radon gas, mercury, lead-based paint, asbestos, underground storage tanks (UST's), or other contaminants could affect our value conclusion.

No Property Condition Inspection Report was provided this appraiser, to determine if the property has any infestation or other detrimental factors affecting the property. I am not an expert in this field. No responsibility for factors such as: the foundation dampness or cracking, the condition and type of insulation, presence of any dry-rot, termite or other insect infestation and/or other potential factors which may influence the value. For the purpose and intended use of this analysis based upon my recent inspection I have appraised the property as not being adversely affected by any of these factors.

No value considerations was given as to whether the subject's real property has any: fractional interests, physical segregate or partial holdings, or any unknown easements, restrictions, encumbrances, reservations, covenants, contracts, declarations, special assessments, ordinances or other items of a similar nature not disclosed, or provided.

No Title Policy was provided the appraiser; I am not a lawyer and therefore accept no responsibility for the elements associated with ownership or conditions of title. For the purpose and intended use the property was as appraised as if "Title" to the property is transferable.

No Engineering Report was provided. I am not a civil, electrical or mechanical engineer I therefore accept no responsibility for the working order of any mechanical systems in the facility. If there is a concern regarding this matter we recommended the proper engineers or consultants be retained to assure all systems are sound and in good working order.

No Sworn Contractors Statements were provided this appraiser, regarding the original costs to construct, or the capital expenditures made to the property over time to the effective date of this appraisal regarding its' present use and condition. I am not aware of any building or code violations concerning the property. I am not a licensed contractor and therefore accept no responsibility regarding any building code violations or cost estimates provided beyond the expertise and use of the services employed.

No Access Audit; No Accessibility Review was provided this appraiser to determine compliance with ADAAG or IAC nor were we made aware of any Department of Justice (DOJ) complaint registered against the subject. Current ownership should be aware that all areas of the facility accessible to public must meet the minimum standards under Title III of the ADA Requirements. If there is a concern regarding compliance we recommended the proper ADA consultants be retained.

Appraisal Development

Under S.R. 1-1 (a through b) of USPAP the appraiser for this assignment is aware, understands and has employed those recognized methods and techniques that are necessary to produce a credible appraisal free from substantial errors of omission or commission in a professional and timely fashion to solve this problem

COMPETENCY

The intended users of this appraisal should be aware **Under the Competency** section of the **ETHICS RULES** of the Uniform Standards of Professional Appraisal Practice (**USPAP**) the appraiser, Michael T. Gilligan has over 15+ years of commercial appraisal experience and has appraised numerous similar properties in the area for similar reasons. As such we have the necessary professional knowledge and expertise to complete this assignment for the state purpose and function. All opinions, analysis, and value conclusions reached in this **Appraisal in Summary Format** were independently determined and are in no way contingent on my remittance. The opinions, analysis, and conclusions reached were not based upon a pre-determined value, the attainment of any stipulated results, occurrences or subsequent events, from use of this appraisal.

CONFIDENTIALITY

The intended users of this appraisal should be aware **Under the Confidentiality** section of the **ETHICS RULE** of the *Uniform Standards of Professional Appraisal Practice (USPAP)* I am under a strong obligation to my client and client's counsel, and may not discuss the results of this appraisal with others. Copies of the report cannot be provided to others beyond those identified and cited intended users, without written permission from my *client, client's legal counsel, and SAS Inc.*

CONFORMITY

This report can be made to conform to *Title XI of the Federal Financial Institutions Reform Recovery and Enforcement Act of 1989 (FIRREA)* upon written request. It does conform to the Appraisal Standards, the *Code of Professional Ethics, and Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; and any IAAO requirements conducted for the same reasons.* I have no present or prospective interest in the property or the parties involved. The opinions reached in the report that follows; were based upon my recent visitation to and observations made of the property, my examination and analysis of the general real estate market conditions and trends affecting the subject. Any and all data, sources, and information considered applicable and necessary to reasonable support my conclusions of value regarding the Subject Real Estate is contained within the report that follows.

INTENDED USERS

The analysis, opinions, and value conclusions provided in this appraisal, that follow are intended for **you and your legal counsel as my client and other designated persons able to make decisions regarding the subject real estate only notwithstanding any language contained herein to the contrary under S.R. 1-2 (a) of USPAP.** Anyone else using this report is an unintended user, and may not fully understand my analysis, opinions, and value conclusions, without additional information contained within my file memorandum which mirrors the contents of a self-contained format. Any release or re-use by unintended or identified users so stated, is **strictly prohibited without prior written consent** of the (Client) and (Appraiser) for this Assignment.

INTENDED USE

Under S. R. 1-2 (b) this report may be relied upon by my client & client legal counsel only, their successors or assignees, and designated intended readers only, for interpretation regarding market value for the purposes of decision making of the real estate as of September 12, 2018, concerning the subject Real Estate only. Any other use by unintended or identified users, for other purposes may not conform to stated purpose and function without additional information contained within my file memorandum which mirrors the contents of a self-contained format under: *The Standards Rules of USPAP and ; and any IAAO requirements conducted for the same reasons under which it was request and written.*

RECORD KEEPING

The intended users of this appraisal should be aware **Under the Recording Keeping Rule section of the ETHICS RULE of the Uniform Standards of Professional Appraisal Practice (USPAP).** This Appraiser has prepared a *work file prior to the issuance of the written report.* It contains the name of the Client and indented users, an electronic digital True Copy of the report, all data used to support appraiser's professional opinions and conclusions, and a signed and dated certification. It will be retained for at least 5 years after preparation or at least 2 years after final disposition of any judicial proceedings in which the appraiser provides testimony which ever expires last. The work file provides access and retrieval for the purpose of:

- *Submission to state appraisal regulatory agencies.*
- *Compliance with due process of law.*
- *Submission to a duly authorized peer review committee.*
- *Compliance with retrieval arrangements.*

Scope of Work

Under S. R. 1-2 (f) the scope of work necessary and applicable to complete this assignment for my client The scope of the work necessary to complete this assignment, in my opinion is consistent with; the expectations of participants in the market for the same or similar appraisal services, and what this appraiser's peers actions would be in performing the same or a similar assignment, for the same use and intended users as indicated, which is in compliance with **USPAP as follows:**

The Scope of Work: is defined as: the amount and type of information researched and the analysis applied in the assignment. The scope of work includes but is not limited to the following:

- ◆ The degree to which the subject property was identified;
- ◆ The extent to which tangible property was inspected or observed.
- ◆ The extent into the physical or economic factors that affect the property and value;
- ◆ The extent of data researched;
- ◆ The type and extent of analysis applied to arrive at opinions or conclusions:

The scope of work in this assignment included gathering data about the characteristics of the subject that are significant in the market for this type of property under its' Highest and Best Use.

◆ The degree to which the subject property is identified includes but is not limited to information supplied by others, information provided by the MLS, County Record Request, Assessor, Office, a review of public and county records and other documents made part of this report.:

◆ **An on-site exterior observations** of the subject property was made on September 12, 2018.

◆ **The subject property and surrounding area was personally examined and researched** by the Appraiser regarding physical and economic factors, that in our opinion are consistent with the expectations of participants in the market of the same or similar properties.

◆ The extent of data researched; included but was not limited to: Information provided by client, **Assessor's Records, Recorder of Deeds, Public Records, Census Information, Plat of Survey(when provided), Sidwell Studio Maps, Sanborn Map, FEMA, Local Zoning, Illinois Information Services, Local Multiple Listing Services, Loop.net, Comps Infosystem, Inc., Local Area Brokers, and this appraiser's office files of similar properties.**

◆ The type and extent of analysis applied to arrive at opinions or conclusions: included but were not limited to: The characteristics of the subject property described and identified, plus the analysis of: **sales and listings of similar land and improved sales, an investigation of Public Record, Loop.net Co-Star and MLS analysis of sales of other properties held in the same or similar interest**, situated in the subject's general marketing area. All of which were considered to be similar to the subject in as many other respects as possible, to reconcile a credible value conclusion. The assignment conditions or other factors did not limit the extent of the research or analysis provided, to such a degree that the resulting opinions and conclusions developed in this assignment, are not credible in the context of the intended use of this appraisal. To the best of our knowledge the decisions made regarding any information either gathered or provided and procedures utilized, are relevant to the client's needs and desires.

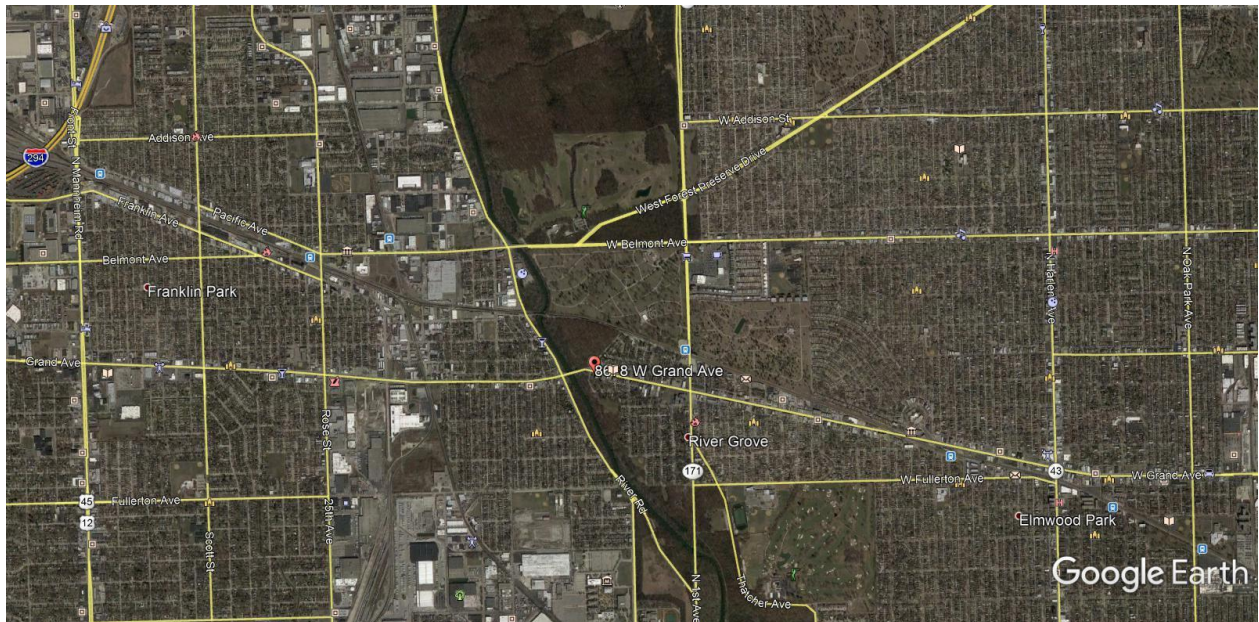
Scope of Work

This appraisal is prepared for the owner; who is responsible for the property taxes. The problem to be solved is to estimate the current 'As Is' market value for decision making purposes. The intended use is for decision making purposes and possible purchase. This appraisal is intended for the use of client, client's legal counsel, Cook County Forest Preserve District and other governmental agencies responsible for decisions regarding the subject's property.

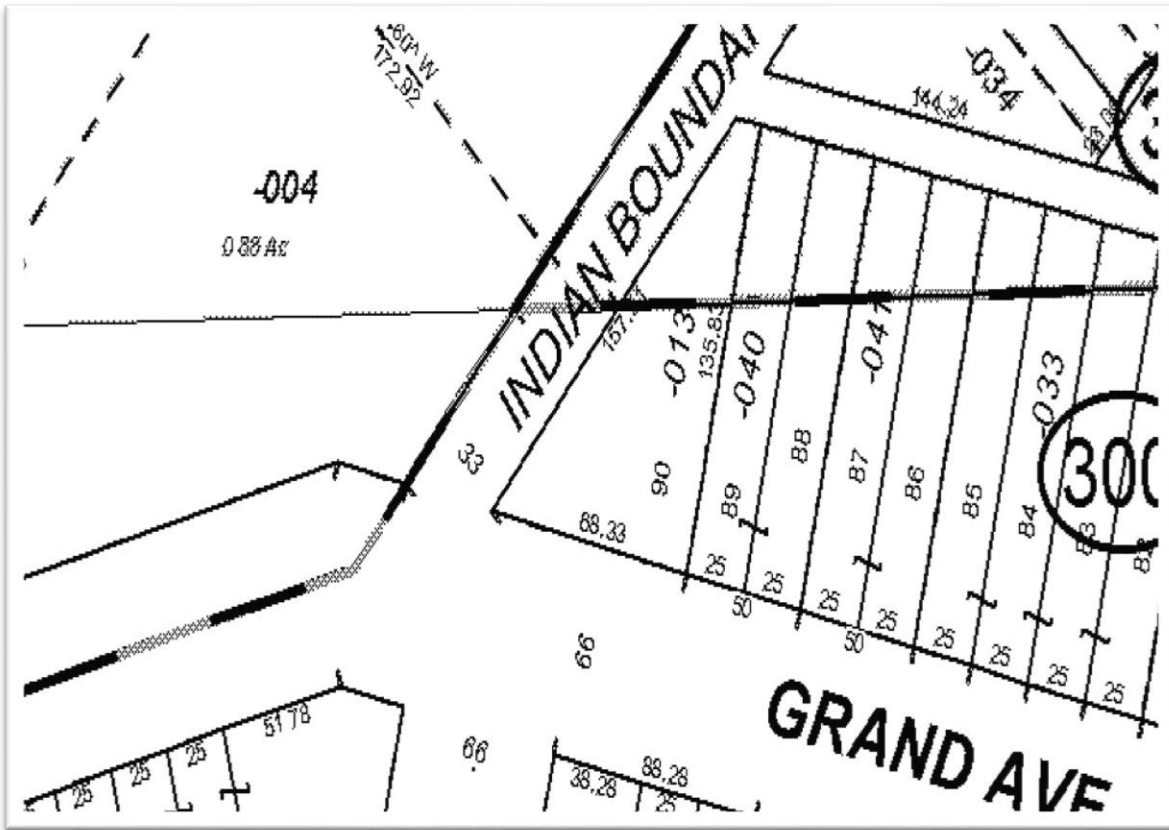
SCOPE OF WORK

Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number.
Subject Observation:	A complete exterior observation was made on the subject property
Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.
Highest and Best Use Analysis:	A complete as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.
Type of Value: <u>Valuation Analyses</u>	Fee Simple
Cost Approach:	A cost approach was not applied as the subject is a mostly vacant site which the minor improvements add little value above the underlying site value and as such the cost approach was not considered applicable.
Sales Comparison Approach:	A sales approach was applied as there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.
Income Approach:	An income approach was not applied as the subject is a single parcel vacant residential use site which is not currently use for any rentable use but maybe capable of generating income from the rental of storage on the lots, but would require the leveling and paving of the site. At present it was reported to be owner occupied with no income provided; as such this approach was not processed at this time.
Hypothetical Conditions:	There are no hypothetical conditions for this appraisal.
Extraordinary Assumptions:	There are no Extraordinary Assumptions for this appraisal.

Subject Aerial Photograph



Subject Sidwell Tax Plat Map



PLAT OF SURVEY

As reported **no "Plat of Survey"** was provided this appraiser to confirm property boundaries or any easements, encroachments or, encumbrances affecting the property. I am not a Licensed Surveyor and as such accept no responsibility in these matters beyond measurements made and or reported from public records reviewed.

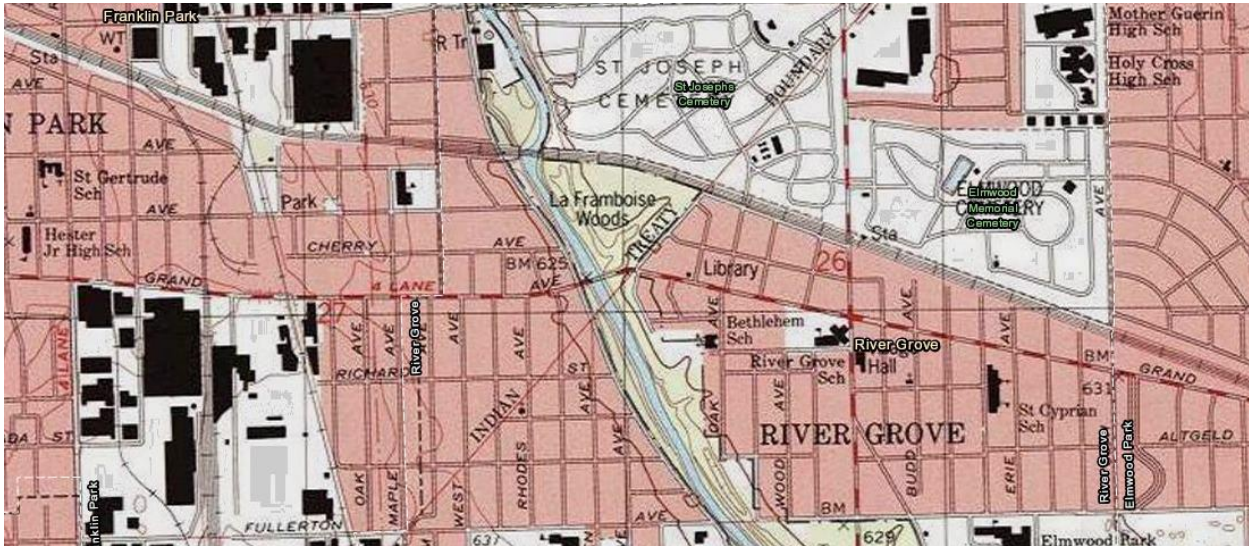
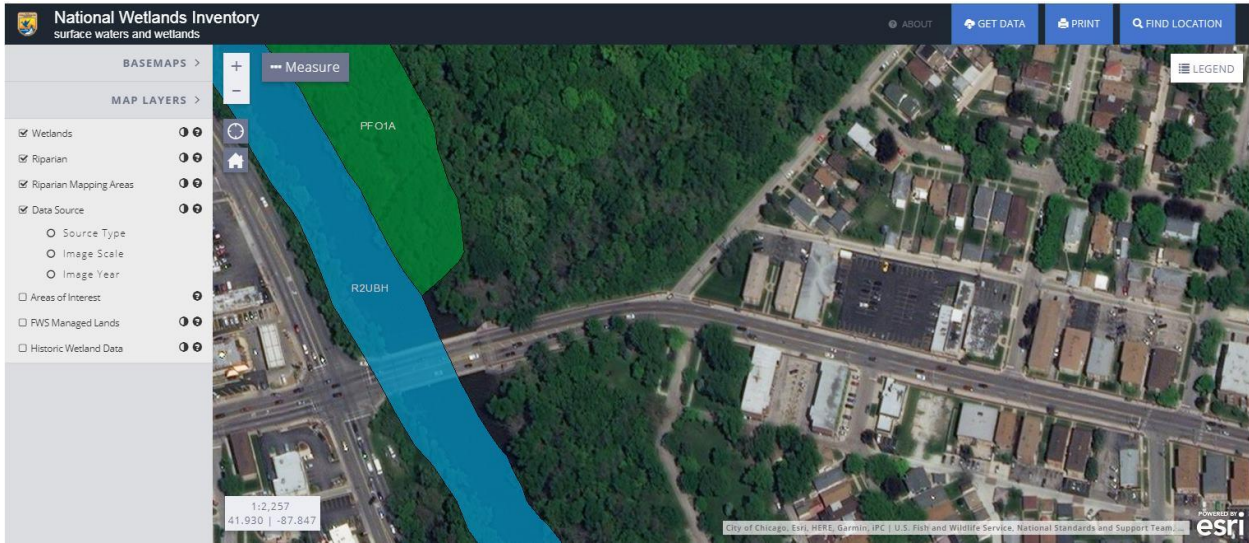
TITLE

No Title Policy was provided this appraiser. I am not an attorney I therefore accept no responsibility for the elements associated with ownership of conditions of title. For the purpose and intended use of this assignment I have considered "Title" to the property is transferable. The following legal description is presumed correct and accurate. It has not been certified but instead has been reproduced for information purposes only from the aforementioned information provided or reviewed for purposes of identification only in accordance with USPAP and Federal Guidelines governing this reporting. **No responsibility** is assumed beyond the reporting of the same.

Legal Description

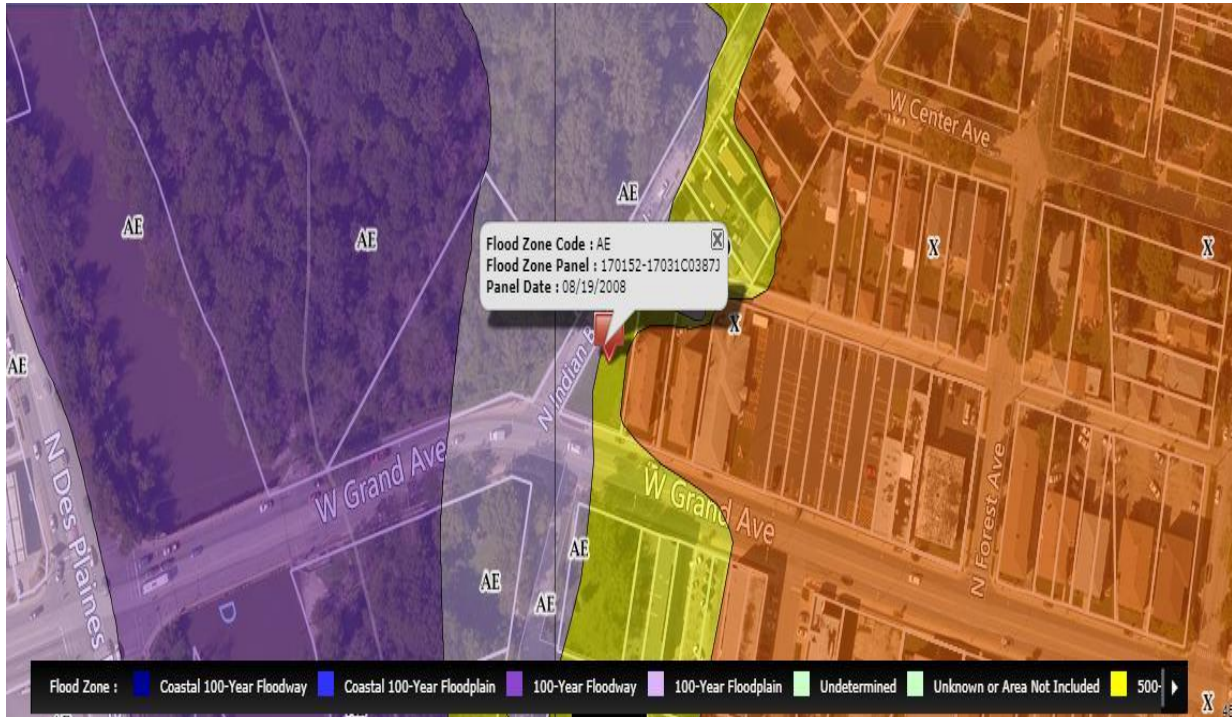
Lots 90 in Volk Bros. Carey Estates, a subdivision in the East 1/2 of the Southwest 1/4 of Section 28, Township 40 North, Range 12 east of the Third Principal Meridian in Cook County, Illinois

Subject National Wetland Inventory & Topographic Maps



Subject FEMA Flood Zone Map

Map#: 170152-17031C0387J Effective Date: August 19, 2008 Zone: X500, AE



* The subject is located in flood zone X.

Zone C, Zone X - Areas determined to be outside 500-year floodplain determined to be outside the 1% and 0.2% annual chance floodplains.

Zone B, Zone X500 - Areas of 500-year flood; areas of 100-year flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 100-year flood. An area inundated by 0.2% annual chance flooding.

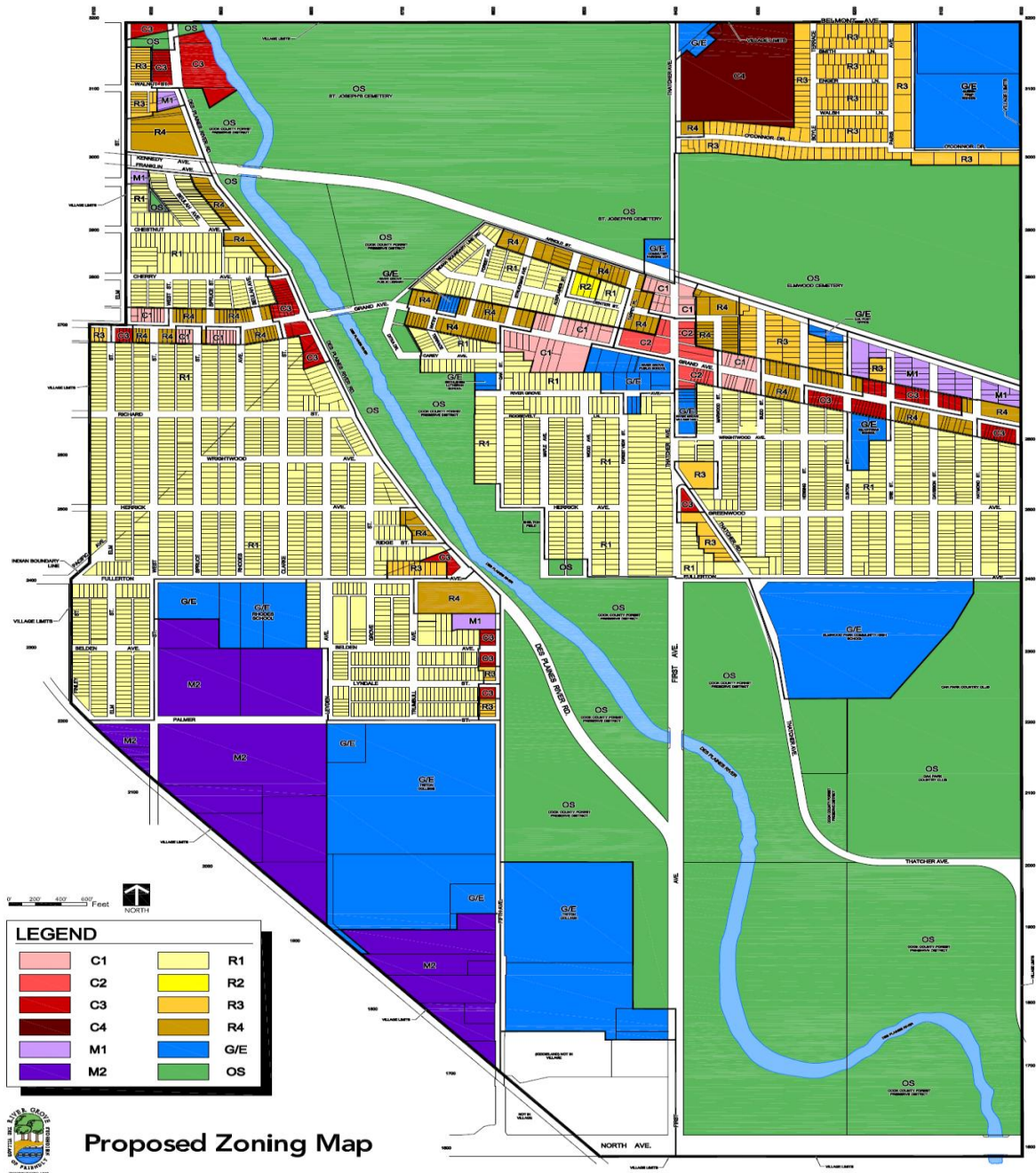
Zone A - An area inundated by 1% annual chance flooding, for which no BFEs have been determined.

Zone AE - An area inundated by 1% annual chance flooding, for which BFEs have been determined.

Zone AH - An area inundated by 1% annual chance flooding (usually an area of ponding), for which BFEs have been determined; flood depths range from 1 to 3 feet.

Zone AO - An area inundated by 1% annual chance flooding (usually sheet flow on sloping terrain), for which average depths have been determined; flood depths range from 1 to 3 feet.

Subject Zoning Map



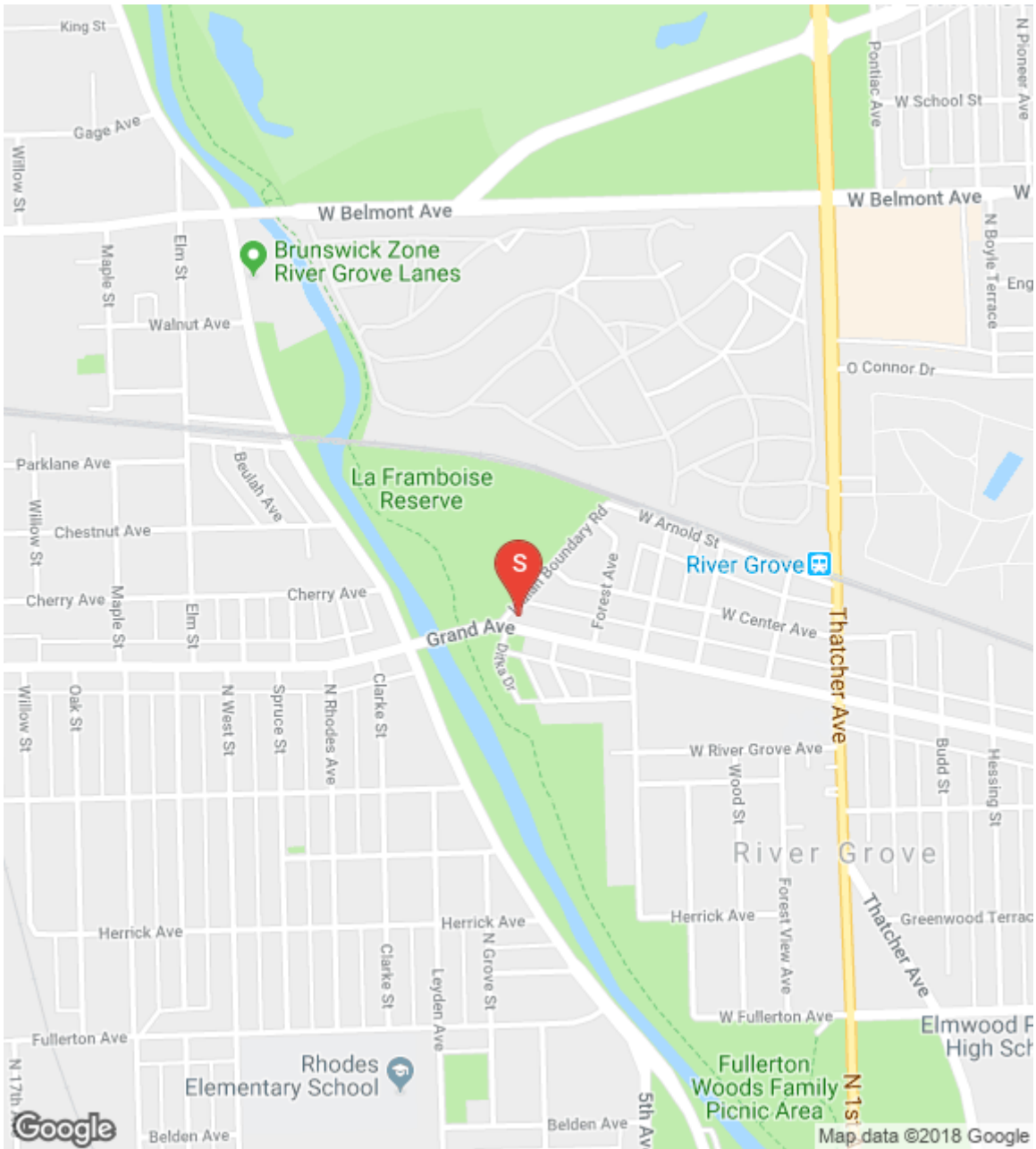
According to the Village of River Grove Zoning Department parcel number: 12-26-300-013-0000 is zoned OS

Based upon a cursory review of the restrictions under this classification the current use is a legal and conforming use under this classification. The following was taken from the pages of the River Grove Zoning Department website regarding OS Zoning, and subject is legal non-compliant. If there any questions concerning the ordinance legal compliance or conformity we recommend a review by legal counsel.

Subject Zoning Information

Zoning		
Item	Description	Notes
Zoning Authority	River Grove	
Zoning Code	OS	
Zoning Description	Open Space	
Actual density of use		
Current Use Legally	The subject is legal and conforming use.	
Minimum Lot Area/Unit	None Reported	
Maximum Floor Area	None Reported	
Front Setbacks	20 feet	
Zoning Density/FAR	None Reported	GBA/Land SF
Rear Setbacks	25 feet	
Side Setback	Not Less than 10 feet	
Building Height	35 feet	
Zoning Comments	<p>According to the River Grove Zoning Department the subject parcels is zoned OS Open Space District Use. Based upon a cursory review of the restrictions under this classification the current use is a legal and conforming use under this classification. The following information was gained from the pages of the Zoning Department website regarding the in place Zoning, and subject is legal compliant.</p>	

Subject Location Map



Subject Property Description

SITE

Site Description:	The Subject Site as is currently consists of 1 legal parcel which is a triangular shaped corner site. These parcels have a combined approximate ±88.33' of frontage on the north side of West Grand Avenue and approximately ±157' of frontage on the east side of Indian Boundary Road. The site is grass covered and has several trees, with utilities nearby. Dimensions of the site were taken from the Sidwell Tax Plat Map for a calculated area of approximately ±6,580 square feet or 0.15 Acres. The site has average accessibility and visibility at this location. Topography is level with adjacent improvements and at street grade and appears to have adequate drainage. All Public utilities of water, sewer, gas and electricity are available nearby or already connected to the site.
Property Index Numbers	12-26-300-013-0000
Address	8678 West Grand Avenue
Current Use:	Residential Vacant Land
Site Size:	Total: 6,580 square feet, or 0.1511
Shape:	The site is roughly rectangular.
Frontage/Access:	The subject property has Average access with frontage as follows: ±157' of frontage on the east side of Indian Boundary Road West Grand Avenue: 88.33 feet The site has an average depth of 157 feet. It is a corner lot.
Visibility:	Average
Topography:	The subject has level topography at grade and no areas of wetlands.
Soil Conditions:	The soil conditions observed at the subject appear to be typical of the region and adequate to support development.
Utilities:	Electricity: Com Ed Sewer: River Grove Water: River Grove Natural Gas: Underground/PeoplesGas Underground Utilities: Natural Gas and Water Adequacy: The subject's utilities are typical and adequate for the market area.
Site Improvements:	Mercury Vapor Some Side Walks Concrete The subject has no real Landscaping, is a mostly overgrown vacant lots with some trees, bushes, grasses and other type plants.
Flood Zone:	The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone X500, AE, which is classified as a flood hazard area. FEMA Map Number: 170152-17031C0387J FEMA Map Date: August 19, 2008 The subject is located in the flood zones X500 and AE.
Wetlands/Watershed:	None
Environmental Issues:	None
Encumbrance / Easements:	None Known
Site Comments	I am unaware of any IDOT or the Village of River Grove plans to improve or widen the streets at the subject's location. The only adverse, encroachments, encumbrances or easements known to exist for the site are the utility easements cited from my on-site observations and discussions with client. There are no known private encroachments or encumbrances noted that would adversely affect the value of the subject property. The only known easements to the property were of a public and utility nature. These do not restrict the subject potential for development. If there is a concern of any of the issues above I recommend the proper experts be retained to conduct the same as it could affect the value.

All public street improvements are in, to include: concrete public sidewalks, curbs, and gutters, with street lights.

No "Plat of Survey" was provided this appraiser to confirm property boundaries or any easements, encroachments or, encumbrances affecting the property. I am not a Licensed Surveyor and as such accept no responsibility in these matters beyond measurements made and or reported from public records reviewed.

No EPA Phase I Audit; I was not provided any Environmental Site Assessment of the property under "The Act" to determine the presence of any contamination which may or may not presence on, in, or near the property. I am not an expert in this field and therefore accept no responsibility in this matter. I do recommend if there is a concern regarding this issue, the appropriate experts be retained as the presence of radon gas, mercury, lead-based paint, asbestos, underground storage tanks (UST's), or other contaminants could affect our value conclusion.

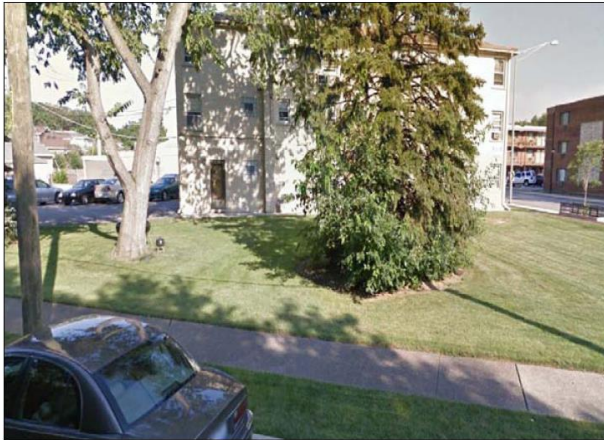
No adverse, encroachments or encumbrances are known to exist for the site other than the typical utility easements.

No soil boring tests were made or caused to be made to determine the suitability of land for construction purposes, as necessity for the same is precluded by the existence of the present improvement thereon.

No noticeable settlement cracks or indications of any sub-soil problems appear to exist.

All utilities are available and possibly connected to include: **electric (Commonwealth Edison), natural gas (Peoples Gas Company/NICOR), waste water (Metropolitan Water Reclamation District of Greater Chicago Land), potable water and telephone (A.T. & T.).**

Subject Photos



Subject Photos



Subject Assessment & Real Estate Tax Analysis

Subject Property Proposed Assessment		
Taxing Authority/Jurisdiction	Cook County/LeydenTwp./Chicago	Cook County/LeydenTwp./Chicago
Assessment Year	2018	2017
Property Index Number(PIN)	12-26-300-013-0000	12-26-300-013-0000
Land	\$0	\$0
Improvements	\$0	\$0
Other	\$0	\$0
Total	\$0	\$0
City Tax Rate	7.266%	7.266%
County Equalization Multiplier	2.9627	2.9627
Taxes	\$0	\$0
Assessed Value Ratio	10%	10%
Implied Value	\$0	\$0
Assessment Comments	The cook county assessor classes the subject overall as a 0-00 "Exempt". Rates and multipliers used were the only available as of the writing of this appraisal.	

- The subject is currently tax exempt and not classified for assessment do to the current owner being the Forest Preserve District of Cook County.
- This exempt status of the subject would likely change upon sale to any non-exempt entity or developer.

Subject Area Demographic Trends

Demographics

Based on ZIP Code: **60171**

Population

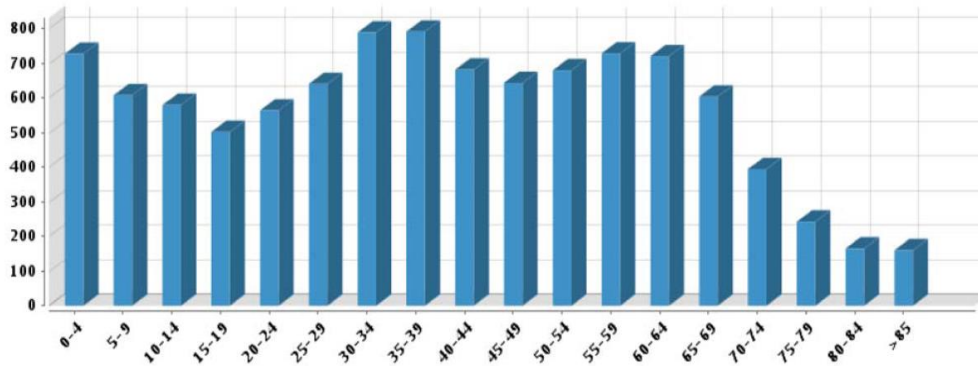
Summary

Estimated Population: **10,227**
 Population Growth (since 2010): **-0.2%**
 Population Density (ppl / mile): **4,530**
 Median Age: **39.43**

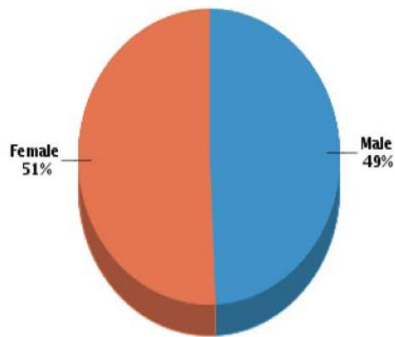
Household

Number of Households: **4,134**
 Household Size (ppl): **2**
 Households w/ Children: **1,210**

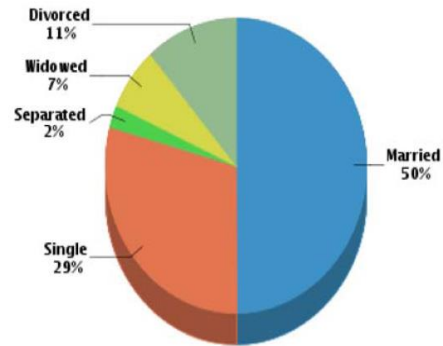
Age



Gender



Marital Status



Housing

Summary

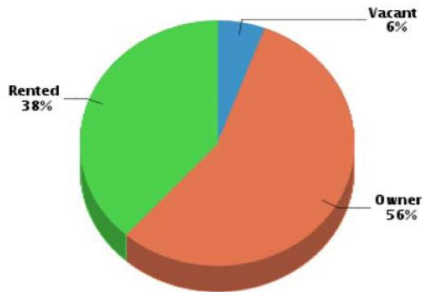
Median Home Sale Price: **\$194,000**
 Median Year Built: **1950**

Stability

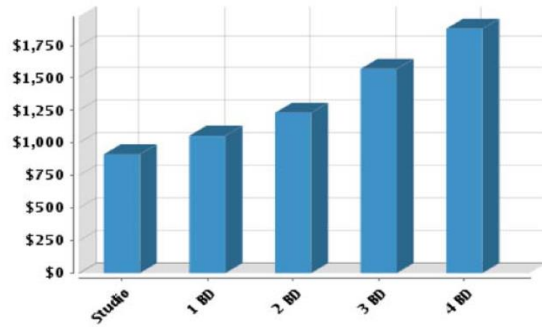
Data not available

Subject Area Demographic Trends

Occupancy



Fair Market Rents (County)

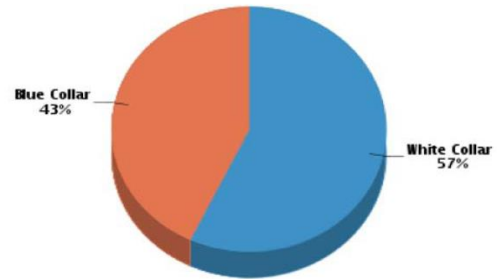


Quality of Life

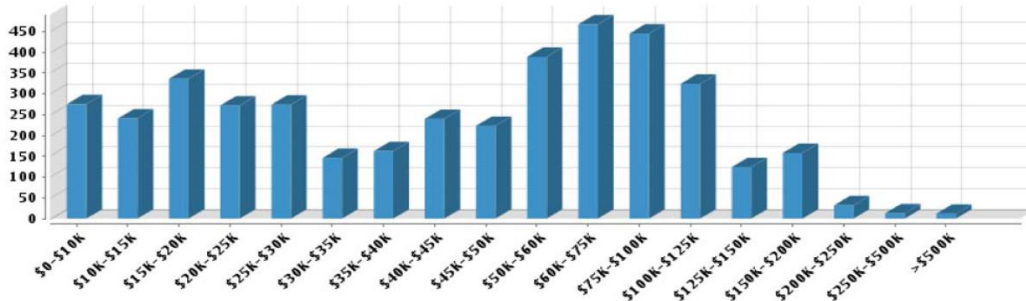
Workers by Industry

Agricultural, Forestry, Fishing:	3
Construction:	199
Manufacturing:	543
Transportation and Communications:	164
Wholesale Trade:	18
Retail Trade:	743
Finance, Insurance and Real Estate:	168
Services:	218
Public Administration:	376
Unclassified:	8

Workforce



Household Income



Average Household Income: **\$58,041**

Average Per Capita Income: **\$23,496**

Subject Inferred Area Real Estate Market Analysis

Comps Statistics					
	Low	Average	Median	High	Count
Price					
For Sale & UC/Pending	\$69,900	\$931,518	\$785,678	\$2,200,000	12
Sold Transactions	\$102,000	\$1,707,440	\$1,000,000	\$3,600,000	5
Parcel Size					
For Sale & UC/Pending	0.14 AC	1.19 AC	1.07 AC	3.70 AC	15
Sold Transactions	0.08 AC	14.09 AC	1.53 AC	74 AC	12
Price per Acre					
For Sale & UC/Pending	\$257,828	\$769,024	\$687,620	\$2,916,667	12
Sold Transactions	\$348,001	\$453,865	\$473,983	\$645,161	5
Days on Market					
For Sale & UC/Pending	6	401	182	1,983	15
Sold Transactions	152	1,487	1,487	2,863	5
Sale Price to Asking Price Ratio					
Sold Transactions	98.14%	98.14%	98.14%	98.14%	1
Totals					
For Sale & UC/Pending	Asking Price Total:	\$11,178,220	Total For Sale Transactions:	15	
Sold Transactions	Total Sales Volume:	\$8,537,202	Total Sales Transactions:	13	
	Total Included in Analysis:	\$19,715,422	Total Included in Analysis:	28	
Survey Criteria					
basic criteria: Type of Property - Land ; Sale Date - from 1/1/2016 ; Sale Status - Under Contract/Pending, Sold, For Sale ; Return and Search on Portfolio Sales as Individual Properties - Yes					
geography criteria: Radius - 2.00 mile(s) radius from Lat : -87.84346, Long : 41.93012					

- Per Costar the chart above is the land real estate market with in a 2 mile radius of the subject since 1/1/2016; and while not independently conclusive this market has been and continues to be feels the after effects of the Sub-Prime Lending Crisis, Government Bail-out, and downtrend in the Economy and real estate market.

- Over the past 33 months there have been 15 sales reported on Costar with 15 property currently listed for sale indicated demand for land is balanced. The general real estate market had seen an increase and then decline number of closed sales over the prior three years but over the last 33 months the number of closed sale has been outpaced by the active listings. Exposure times have somewhat declined since 2016, with the Sale to List Price showing a similar increase to the MLS survey with a range from 85% to 90%.

Subject Inferred Area Real Estate Market Analysis

Land

Active - Land

#	MLS #	Address	Status	Area	Acreage	Lot Size	Actual Zoning	LMT	MT	LP
1	09292294	2827 Rose	ACTV	131	0.14	Less Than .25 Acre	Other	785	2055	\$69,900
2	09951462	3249 Calwagner	ACTV	131		Less Than .25 Acre	Single Family	121	121	\$79,900
3	10067562	2731 N 75th	ACTV	635	0.09	Less Than .25 Acre	Single Family	14	77	\$94,900
4	10057443	8514 River Grove	ACTV	171	0.18	Less Than .25 Acre	Single Family	24	24	\$115,000
5	09841443	2725 N Budd	ACTV	171		Less Than .25 Acre	Multi-Family	231	499	\$124,900
6	09881038	3380 River	ACTV	131		.50-.99 Acre	Commercial	186	188	\$199,000
7	10072566	9755 W Grand	ACTV	131		.25-.49 Acre	Commercial	8	8	\$990,000
8	09936128	8353 W Irving Park	ACTV	8017	0.44	.25-.49 Acre	Commercial	134	134	\$1,100,000
9	10065276	2801 Thatcher	ACTV	171	0.77	.50-.99 Acre	Commercial	16	16	\$2,100,000

9 Active - Land Statistics

	High	Low	Average	Median
List Price	\$2,100,000	\$69,900	\$541,511	\$124,900
Listing Market Time	785	8	169	121
Market Time	2055	8	347	121

Sold - Land

#	MLS #	Address	Status	Area	Acreage	Lot Size	Actual Zoning	LMT	MT	LP	SP	Close Date
1	09144405	2041 N 18th	CLSD	160	0.2	Less Than .25 Acre	Multi-Family	26	26	\$15,500	\$10,000 (F)	06/09/2016
2	09641922	10112 W Medill	CLSD	160	0.12	Less Than .25 Acre	Single Family	31	284	\$29,000	\$22,017	10/02/2017
3	08964503	2612 Hessing	CLSD	171		Less Than .25 Acre	Single Family	413	413	\$69,900	\$67,500	08/30/2016
4	09974574	2535 N 75th	CLSD	635	0.1	Less Than .25 Acre	Single Family	30	30	\$114,900	\$95,000	08/11/2018
5	09701148	1813 W North	CLSD	160	0.21	Less Than .25 Acre	Commercial	237	237	\$179,900	\$101,900	04/12/2018
6	09371242	3251 N Overhill	CLSD	8017	0.11	.25-.49 Acre	Single Family	127	127	\$145,000	\$127,500	03/30/2017
7	09699624	2618 N 75th	CLSD	635	0.07	Less Than .25 Acre	Other	9	9	\$179,900	\$165,000	08/25/2017
8	09403044	2503 N 74th	CLSD	635		.25-.49 Acre	Multi-Family	300	300	\$199,999	\$175,000	10/31/2017
9	08676736	3036-40 N Harlem	CLSD	8017		Less Than .25 Acre	Commercial	547	547	\$318,865	\$290,000 (C)	04/14/2016

9 Sold - Land Statistics

	High	Low	Average	Median
List Price	\$318,865	\$15,500	\$139,218	\$145,000
Sold Price	\$290,000	\$10,000	\$117,102	\$101,900
Listing Market Time	547	9	191	127
Market Time	547	9	219	237

The MLS survey of a two mile radius around the subject for land property for the last since 1/1/2016 shows a total of 9 sales with 9 active listings. Of the 9 sales 2 (or 23%) were foreclosure/short sales indicating that these types of sales are still a factor in the market for vacant land property in the immediate marketing area.

Values & Methods Considered

All values and methods employed in this assignment were tempered by the Appraiser's professional experience and judgment. They are subject to the extraordinary assumptions and hypothetical conditions set forth within this report. Any "**Value in Use, Cost or Anticipated Investment Value**" may be different and not necessarily synonymous with the *Market Value "As Reconciled"* sought for this type of property, at its' highest and best use, as developed in the course of this analysis and defined under [S.R. 1-3 (a) & (b)] of USPAP for this appraisal. The value conclusions reached in this analysis were independently determined and are in no way contingent on my remittance. Compensation was not based upon a predetermine value, the attainment of any stipulated results, occurrences or any subsequent events from use of the report. All value conclusions reached in each approach were predicated on the "*Principles of Substitution*" which clearly recognizes that the subject any improvements are **built-to-suit for the specific use and as a Vacant Site the subject has few minor improvements**. The sale price and different values as interpreted and used in this appraisal are defined as follows:

Sale price is defined as follows: The amount a particular purchaser agrees to pay and a particular seller agrees to accept under the circumstances surrounding their transaction.

Value in Exchange is defined as follows: The value of a property in terms of money to persons generally.

Value in Use is defined as follows: The value a specific property has for a specific use.

Anticipated Investment Value is defined as follows: The specific value of an investment to a particular investor or class of investors based on their individual investment requirements; which is distinguished from market value which is impersonal and detached.

Value "as is" is defined as follows: The value of a specific ownership rights to an identified parcel of real estate as of an effective date of the appraisal; which relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions, possible rezoning or prospective changes in the property.

It should be recognized the **Cost Value As Improved**, as used in appraisal procedures, applies to production, not exchange, and is not synonymous with *Price or Market Value*.

The **Anticipated Investment or Income Value As Stabilized**, as used in this appraisal procedures, applies to the specific value of an investment to a particular investor or class of investors based on their individual investment requirements which also is not synonymous with *Price or Market Value*.

The **Market Value** sought for the subject, was based upon what physically exists and is legally permissible and excluding all assumptions concerning hypothetical market conditions, possible rezoning or prospective changes in the property as of the effective date for the Subject Property "As Is" as concluded from the market of similar sold properties. All these different values were considered in reconciling a supportive, reasonable and credible opinion of the "**Market Final Value As Reconciled**" for the stated purpose and function of this assignment and intended users.

Values Not Considered

Special note: I have invoked the Departure provision in this appraisal report regarding the all furniture, fixtures, & equipment (F.F. & E.) associated with the operation and any "Going Concern or Business Value" under the **Jurisdictional Exception and USPAP Standard Rule [S.R. 1-2(e & f)]**. This (F.F. & E.) were considered to be "**chattel or personal property,**" and more a function of the "Business" or "Going Concern" than value of the real estate.

Chattel, is defined as follows: In law, any property other than a freehold or fee estate in land; treated as personal property (F.F.&E.) although divisible into chattels real and chattels personal.

Personal Property, is defined as follows: Certain appurtenances affixed to the real estate that identify the property for its' Highest and Best Use as described and assumed would transfer with the real estate were given their appropriate consideration.

Business Enterprise Value, is defined as follows: A value enhancement that results from items of intangible personal property such as marketing and management skills, an assembled work force, working capital, trade names, franchises, patents, trademarks, non-realty related contracts/leases, and some operating agreements.

Going Concern Value, is defined as follows: The value created by a proven property operation; considered as a separate entity to be valued with a specific business establishment.

These items have separate and distinct values of their own. The objective, purpose, and function of this appraisal is to determine the Fee Simple Market Value of the real estate only, for the purpose stated. Any considerations for (F.F. & E.) or the "Going Concern or Business" Value associated with the subject property would therefore not be germane in this assignment, and therefore been excluded.

Under the Jurisdictional Exception if any of the standards is contrary to the law or public policy of the jurisdiction, only that part of this report shall be void and of no force or effect in that jurisdiction. This is in keeping with supplemental standards justifying this action in this appraiser's report for interpretation by local government. This does not diminish the purpose, intent or content of the requirements under the standard rules of USPAP for the values concluded. USPAP requires the interest being appraised must be consistent with the interest in-place as of the effective date of the appraisal. The courts have upheld this conclusion, provided the appraisal discloses, appropriately analyzes, and reasonable supports the conclusion of value with respect to the interests in the property.

I have utilized only the sales of similar use properties to reconcile my opinions analysis and value conclusions for the subject. This to minimize any value influence these items may or may not have on the real estate. I have appraised the property assuming buyers and sellers would appropriately segregate the value of these from the value real estate as required for appropriate and proper filing of any "Transfer Declaration" under the state law.

Property Value Appraised

Under S.R. 1-2 (c) the value appraised for this assignment is:

Market Value,

is defined as follows: a type of value, stated as an opinion, that presumes the transfer of a property (i.e. a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal.

Comment: Forming an opinion of market value is the purpose of many real property appraisal assignments, particularly when the client's intended use includes more than one intended user. The conditions included in market value definitions establish market perspectives for development of the opinion. These conditions may vary from definition to definition but generally fall into three categories.

1. The relationship, knowledge, and motivation of the parties (i.e. seller and buyer)
2. The terms of sale (e.g., cash equivalent, or other terms); and
3. The conditions of sale (e.g., exposure in a competitive market for a reasonable time prior to sale).

EFFECTIVE DATE OF VALUE

Under S. R 1-2 (d) the effective date of this Appraisal as so stated in reconciliation is:

September 12, 2018

All opinions, analysis, and value conclusions reached in this (**Appraisal in Summary Format**) under **S.R 2-2 (b) xiii under USPAP** were independently determined and are in no way contingent on my remittance. The opinions, analysis, and conclusions reached were not based upon a pre-determined value, the attainment of any stipulated results, occurrences or subsequent events, from use of this appraisal.

Under 1-2 (e) the interest appraised is:

Fee Simple Estate is defined as: Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.

Under S.R. 1-2 (e) (iii) The appraiser has utilized only the sales of similar properties to reconciled the opinions analysis and value conclusions for the subject. This was done to minimize any value influence or contributions items of personal property, chattel or other non-real property items, utilities, easement, and/or infra-structure which may or may not have on the real estate. I have appraised the property assuming buyers and sellers would appropriately segregate the value of these real property items from the value real estate as required for appropriate and proper filing of any "Transfer Declaration" under the state law.

Highest and Best Use

As required under [S. R. 1-3 (a & b)] under USPAP, I have analyzed the subject's Highest and Best Use. The Highest and Best Use is defined by the Appraisal Institute, as set forth in the **14th Edition of the Appraisal of Real Estate**, as "the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value." In arriving at a determination of highest and best use, we have considered the uses which physically and legally may be placed on the site, as well as the returns which these uses might generate.

The Highest and Best Use of any property must meet the following four tests:

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

This analysis is presented in two sections, the Highest and Best Use of the site "**As though Vacant**", and the Highest and Best Use of the property "**As Presently Improved.**" The Highest and Best Use analysis of the site as though vacant is a requirement within the Assessment Process, which mandates land and building will be valued separately. It is also the starting point for determining the different elements of accrued depreciation in the Cost Approach. The Highest and Best Use of the land (or site), if vacant and available for use, may be different from the Highest and Best Use of the improved property. This will be true when the improvement is not an appropriate use and yet still makes a contribution to total property value in excess of the value of the site, or; If the property "As Improved" has "Excess or Surplus," land, not necessary to support the present use as improved, or ; If the present improvements actually detract from the value of the site "As though Vacant," whereby it the total value of the property would be enhanced if the improvements are removed for redevelopment with a different Highest and Best Use.

Physically Possible

The first constraint imposed on the possible use of the property is dictated by the physical aspects of the site. If the site were vacant the most likely possible use would be to remain vacant until the commercial market improves. The size and location within a given block are also important determinants which would support this highest and best use. In general, the larger the site, the greater the potential for achieving economies of scale and flexibility in development or interim use; to a point. With an area of 6,580 square feet, its size has flexibility for improvement as evident by the in-place development. The site is a corner lot, fairly level throughout and at street grade, and adjacent properties with no apparent soil problems.

Permissible Use (Legal)

Legal restrictions on developing the property are of two types: private and public restrictions. The only known restrictions affecting the legal constraints are public restrictions of zoning, and utility easements, no other encroachments or encumbrances of a private nature are known to affect it. The site is zoned **OS use** by the River Grove zoning department. As such any use of the property would be required to conform to zoning restrictions for that category.

Highest and Best Use
THE HIGHEST AND BEST USE AS VACANT

Financial Feasible Use

The review of area demographics, immediate environs, Inferred Market Analysis, estimations regarding Exposure, Lease-up and Marketing times presented earlier in this report, identified all of the surrounding land uses, indicate market trends in the immediate and nearby surrounding areas, and determined supply and demand regarding continued use at this location. Similar uses properties surround the subject property. The most predominant use is for single family residential, with commercial uses along major road ways. The present economic climate for redevelopment is stagnating since the peak market conditions, with an ample supply of vacant site remaining. The existing development with some occupancy indicated developing the site may be financially feasible.

The property is physically conducive to improvement. The zoning classification restricts it to **OS** use, which is **legal** in **conformity** with surrounding uses. Given the presented market conditions reviewed and financial feasibility indicated, if vacant and available for improvement in my opinion the subject site if vacant would in all likelihood be improve with a similar use all other factors considered equal.

The Highest and Best Use Conclusions

The subject property is an existing, vacant site which any improvement would require adequate functional utility and **compliance** with current zoning. Development of the site would likely require a change in zoning and possible relocation of the utilities lines located along the property edge. The present economy was taken into account in this analysis, as was the amount of similar available sites for development, possible difficulty of obtaining financing for real estate ventures.

The site has no existing improvements which are a viable and contributing use that adds an additional value to the value of site above the value of the land as though vacant.

In my opinion an **industrial development would be difficult to conform to the existing property location, size and shape; and may not be allowed by the village. A commercial/retail alternative** development would not conform to current surrounding uses and may not be allowed by the village. In my opinion the most likely use for development at this time, which would bring a greater return on or of investment to both land and improvements beyond the present unimproved use would be multi-family residential use. Therefore, based upon my analysis, this use fulfills the definition of Highest and Best Use for this location at this time.

Valuation Section Approaches to Value

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Income Approach
3. The Sales Comparison Approach

Cost Approach

The Cost Approach is summarized as follows:

$$\begin{array}{r} \text{Cost New} \\ - \text{Depreciation} \\ + \text{Land Value} \\ \hline = \text{Value} \end{array}$$

The Cost Value, as used in appraisal procedures, applies to production, and not exchange. *Cost* is the dollar expenditure for labor, materials, legal services, architectural design, financing, taxes during construction, interest, contractor's overhead and profit, as well as entrepreneurial overhead and profit associated with the development which is not necessarily synonymous with either *Price or Market Value*. This Approach is based upon the Principles of Anticipation and Substitution which assumes no willing, knowledgeable potential buyer or user would pay more for a property than the market indicates: an equally area valuable site could be acquired for, plus the cost to build an equally desirable improvement. The implicit assumption in this approach is that the either Reproduction or Replacement Cost New normally tends to set the upper limit of value and is generally used in conjunction with determining *Insurance Value rather than Market Value*. Which confirms the fact Cost is not Value. *Cost* can have a direct relationship to the utility (present or future) use of the property as constructed or built. For any existing improved property being appraised, use of the Cost Approach draws its validity and market confirmation for valuation by extracting the amount of accrued depreciation from all causes the subject improvement have incurred from the market of recent sold similar improved and sites to concluded a depreciated *Cost Value As Improved*.

Income Approach

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

The Anticipated Investment or Leased Fee Income Value, as used in appraisal procedures, applies to the specific value of an investment to a particular investor or class of investors based on their individual investment requirements or anticipations which differs from Market Value, which is impersonal and detached. The *Investment Leased Fee Value* is based upon the *Principle of Anticipation*, which is defined as the present worth of all anticipated future benefits to be derived from the property. These benefits may be in form of income from renting or leasing the real estate or the revenues to be generated for it specific use, sales or other amenities. The Rental Income or Revenues a property generates, like cost is not value. Income must be capitalized to indicate value. While the possibility of renting or leasing any type property is always an option, especially in a down market, the use of the Income Approach draws its validity and market confirmation for valuation by extracting Capitalization Rates or Multipliers from similar properties that were leased at the time of sale. The revenue generated by use or income produced from renting or leasing are relevant to value only if they can expected to continue into the future as determined from the market. This Approach to valuation is more relevant when the property being appraised has an in-place lease. This because most investors or buyers analyze past and present income in the property to determine the Subject's *Anticipated Investment Leased Fee value*.

Valuation Section Approaches to Value

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

The Sales Comparison Approach is primarily based upon the *Principle of Substitution*. This principle assumes no willing, knowledgeable potential buyer would pay more for a property than the market indicates an equally desirable and valuable substitute property could be acquired for. This Approach uses comparable sales and/or offerings of similar or comparable properties in the same general market area to determine value. These sales or listings do not provide independent evidence of the value, but rather are some of the transactions which are considered to form an opinion of value for the Subject. It requires a professional analysis of the differences and similarities with the Subject through a *Matched Paired Sales Analysis*, which typically best reflects the actions and motivations of most buyers and sellers in the market as of the effective date of valuation. All value conclusions reached in each approach are predicated on the *Principle of Change* which clearly recognizes the *Subject Property As Is* was originally acquired as vacant land, incurred certain cost to construct and maintained the improvements to the present condition, which may have been and still could be leased or sold, under the *Principle of Substitution*. All methods considered to value the Subject were tempered by the Appraiser's professional experience and judgment to assure the conclusions reached are reasonably supported from the market under which it was requested and written.

Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

Analyses Applied

A **cost analysis** was considered and was not developed because the subject is a mostly vacant site which the minor improvements add little value above the underlying site value and as such the cost approach was not considered applicable.

A **sales comparison analysis** was considered and was developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

An **income analysis** was considered and was not developed because the subject is a single parcel vacant residential use site which is not currently use for any rentable use but maybe capable of generating income from the rental of storage on the lots, but would require the leveling and paving of the site. At present it was reported to be owner occupied with no income provided; as such this approach was not processed at this time.

Land Valuation

There are at least five (5) methods of land valuation used in appraisal practice. These are:

1. **The Sales Comparison Approach:** This technique calls for comparing, weighing and relating sale data to the land being appraised.
2. **The Income Capitalization Approach:** This technique is employed when the land is leased or has income producing potential.
3. **The Land Residual Method:** This technique capitalizes into value the residual income imputable to the land as derived from actual or hypothetical new and proper building improvement.
4. **The Anticipated Use or Development Method:** This technique, applicable chiefly to undeveloped land, for estimating the total value as if the land were subdivided and sold, and subtracting the development costs.
5. **The Distribution, Abstraction or Allocation Method:** This technique, calls for distribution between land and building values where the total price paid for the property is known and the price corresponds to value.

Of all methods #1 is considered the most reliable. It should be noted that the comparable sales and/or offerings do not provide independent evidence of the value of the subject, but rather are some of the transactions which have been taken into consideration to arrive at an opinion of value.

The Subject Site as is currently consists of 1 legal parcel which is a triangular shaped corner site. These parcels have a combined approximate $\pm 88.33'$ of frontage on the north side of West Grand Avenue and approximately $\pm 157'$ of frontage on the east side of Indian Boundary Road. The site is grass covered and has several trees, with utilities nearby. Dimensions of the site were taken from the Sidwell Tax Plat Map for a calculated area of approximately $\pm 6,580$ square feet or 0.15 Acres. The site has average accessibility and visibility at this location. Topography is level with adjacent improvements and at street grade and appears to have adequate drainage. All Public utilities of water, sewer, gas and electricity are available nearby or already connected to the site. According to the Federal Emergency Management Agency's the subject's **Flood Insurance Rate Map Panel # 170152-17031C0387J, Zone X500, AE Effective Date:** August 19, 2008. According to **the Village of River Grove Zoning Department the site is zoned OS use.** All public street improvements are in, to include: concrete public sidewalks, curbs, and gutters, with street lights.

Our investigation of the market indicated that the subject's immediate area is \pm primarily developed at this time. As a result we have expanded the generalized marketing area to extend beyond the immediate environs boundaries, included zoning restrictions other than the subject zoning use, extended marketing time, and other characteristics regarding vacant land which recent sold to determine the market value of the subject site "as though vacant" as of the effective date. In arriving at an opinion of the Market Value for the subject site, as if vacant, the following sales were considered most pertinent of the data reviewed. Each sale was compared to the subject and adjusted for differences as to market conditions, time, zoning, area, shape, topography, and relative location. The subject's land value has been developed via the sales comparison approach.

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

Land Valuation

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.
- The following characteristics were considered and judged to be influential to value;

Zoning:The public regulation of the character and extent of real estate use through police power; accomplished by establishing districts or areas with uniform restrictions relating to improvements; structural heights, areas, bulk uses, density of population; and other aspects of the use and development of private property. Zoning limits, use, type, density and development of a site. It is designed to protect surrounding property against incompatible use or development.

Location:A property's desirability is directly proportionate with its location. This is predicated on the property's proximity to users, labor, and consumers. General visibility, accessibility, market trends in the area, and the stage of life cycle of the immediate marketing area whether the area is in a growth, stability, decline or revitalization stage will affect the value.

Area: A property's area is directly proportionate with its' potential utility. Generally the larger the site the greater its' developmental potential within reason.

Shape:The shape of property can influence its' overall physical and functional developmental potential.

Topography:A property's surface configuration and gradients, elevations, slope, contour, lakes, and rivers can dramatically limit its' developmental potential. Surface gradations are classified as; flat, compound slope, gently sloping or rolling, hilly, undulating, steep, and very steep. The costs necessary to provide acceptable grade, assure proper drainage, adequate accessibility, and developmental potential will affect value.

Flood Plain:A property's location within a flood plain can restrict its' developmental potential. Areas subjected to runoff, overflow, inundation or deluging can experience certain temporary conditions which are adversary to its' market and marketability. Opposed to water front property which in certain situations can command a premium.

Utilities: The availability of utilities connected or accessible to a site can impact the value. Electricity, natural gas, telephone, television cable, water, and sewer are some of the utilities typically necessary for site development. Their presence can enhance the value of the site.

Situs: A property's physical location such as corner or interior situs can influence value depending upon potential development. Generally a corner situs will command a higher price over a similar interior situs all other factors being equal. This is due to the increased visibility and accessibility a corner situs provides.

Out-Lot: Often when industrial parks and business centers are initially developed more land is acquired than necessary regarding the planned improvements. This can include such market factors as assemblage or positive plottage, whereby a premium or positive plottage is paid to acquire or assembled enough land to support the development. Often over time this surplus or excess land is divided off as out-lots for sale to independents for additional either related or supportive uses to the center. These out-lots, depending upon the center's target market group, situs within the center, and proposed potential for development can affect value of the out-lot and additional land remaining undeveloped in the center.

Land Valuation

Improvements: An improved property can be acquired for the value of the underlying land "As Though Vacant." This may be true if the improvement are not the highest and best use but still contributes to the value property; or if the property as improved has "Excess or Surplus" land not necessary to support the current use or Highest and Best Use; or when the improvements actually detract from value of the property "As Though Vacant," in which case their removal will actually enhance the value of the property.

It has been my experience the sale prices on these properties or sites will typically exceed the sale price of similar vacant sites all other factors being equal. This as a result of demolition costs, salvage value, infrastructure and utilities which already connected to improved sites verses vacant land. My review of the immediate market indicates a number of sites which were improved when purchased for demolition and redevelopment. Sales of this nature do provide indication of general market trends in the area. However, special care must be exercised not to assume the sale price is the market value of just the land alone. Sales of this nature often require zoning changes for redevelopment which buyers assume. Buyers, often pay more for an improved property, due to the salvage value of improvements on-site being razed for the redevelopment. Most buyers also assume most if not all demolition costs. All of which typically result in higher values over a similar vacant site as a result of the residual contributory value the in-place improvements provide to the redevelopment or new structures.

Environmental Issues; A property's social, physical, political, economic, or potential hazardous/detrimental characteristics can affect its' value. Recently this issue has presented one of the most restrictive impacts on a site's overall value and use. Conditions, circumstances, and influences that surround an area, and/or immediately impact a site, will directly and indirectly effect all phases of use and value.

EPA/IEPA: Given the function of this assignment, we have assumed for the purpose of reporting, the site is free from any environmental issues and available for development.

Most Lending Institutions require a current Environmental Assessment by qualified experts prior to the sale of any property or committing to loaning funds for purchase or development of a property. USEPA and IEPA is concerned with any contaminates at a site which might present a threat to human health and the environment. These organizations typically required any location be free from potential hazards or cleaned up prior to any redevelopment.

EPA Audits are conducted in phases.

An EPA Phase I Audit focuses on the evidence of potential contamination;

An EPA Phase II Audit confirms the presence of contamination;

An EPA Phase III Audit describes the extent, type, and degree of contamination. It can also provide a possible remediation schedule and/or plan.

It may or may not include a (LUST #) if the property is encumbered by underground storage tanks. It may or may not have a "No further Action Letter" from the State Fire Marshall if the tanks are no longer utilized or pose any additional problems. (CERCLA 42 USC 9607 (1) and similar state and local laws. (ASTM). For the purpose and intended use of this assignment, I assumed no reasonable purchaser would pay more for a site than the market indicates, or the cost to clean a site to acceptable levels to assure it's marketability or developmental potential. I am not an expert in this field and therefore accept no responsibility for the condition of the subject or comparable sales beyond the reporting of certain information obtained from others. I do strongly recommend that prior to planning any sale or redevelopment of the subject that it be tested to assure it is not affected.

Comparable Land Sales

I have researched five comparable land sales for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources; observed and verified by a party to the transaction when possible.

Comp	Address City	Date Price	Land SF Price Per Land	Tax ID Price per Acre	Road Frontage Acres	
Subject	8678 West Grand Avenue River Grove	9/12/2018 TBD	6,580	12-26-300-013-0000	88 0.15	\$/ Per Front Foot
1	2612 Hessing Street River Grove	8/30/2015 \$67,500	3,750 \$18.00	12-26-411-025-0000 \$784,080	30 0.09	\$2,250
2	2535 North 75th Court Elmwood Park	8/10/2018 \$95,000	4,750 \$20.00	12-25-417-006-0000 \$871,200	38 0.11	\$2,500
3	2503 North 74th Avenue Elmwood Park	10/30/2017 \$175,000	6,250 \$28.00	12-25-424-007-0000 \$1,219,680	50 0.14	\$3,500
4	1813 West North Avenue Melrose Park	4/10/2018 \$102,000	9,375 \$10.88	12-34-306-072-0000 \$473,933	75 0.22	\$1,360
5	8465 West Grand Avenue River Grove	10/24/2017 \$600,000	55,016 \$10.91	12-26-309-063-0000 \$475,062	208 1.26	\$2,885

The subject area has an adequate amount of available vacant land remaining for development. As such potential for new development has been stagnant. Most acquisitions of land or sites in the immediate area are for redevelopment. As such, the price allocated to just the site is a factor of the total expenditure which includes the existing improvements or improvement demolition costs. This type of sale is often not a fair indication of the land value alone, without appropriate adjustments for conditions of sale. All the sales reviewed, transferred a Fee Simple Interest. All sales presented were either all cash sales or were conventionally financed at market terms. Each sale was individually analyzed for the effects of time, based upon their respective dates of sale to the effective date of valuation on the basis of their cash equivalent value and condition of each sale. Given the **amount** of vacant land and **present** demand in the area for land, the market conditions reviewed indicate an un-adjusted range from **\$10.88 to \$28.00 per square foot or \$473,933 to \$1,219,680 per acre or \$1,360 to \$3,500 per front foot.**

Land Comparable 1



Transaction

ID	2934	Date	8/30/2015
Address	2612 Hessing Street	Price	\$67,500
City	River Grove	Price Per Land SF	\$18.00
State	IL	Financing	Conventional
Tax ID	12-26-411-025-0000	View	Vacant
Grantor	Randy Beck	Days on Market	413
Grantee	BGM General Contractors	Verification Source	CoStar, Midwest Real Data,
Market	Cook/LeydenTwp/RiverGrove	Transaction Type	Warranty Deed
Conditions of Sale	None Reported	Property Rights	Fee Simple

Site

Acres	0.090	Topography	Level
Land SF	3,750	Zoning	R-1
Road Frontage	30	Zoning Type	Single Family
Shape	regular	Depth	125
Utilities	Nearby	Financing	Conventional
Property Class	AO 1-00	Encumbrance or Easement	None Reported

Comments

R-1 zoned single parcel vacant site located in River Grove on Hessing St. It was on the market for 413 days prior to selling for 84% of list price. It had interior situs some on-site paving/fencing and Single Family zoning.

Land Comparable 2



Transaction

ID	2935	Date	8/10/2018
Address	2535 North 75th Court	Price	\$95,000
City	Elmwood Park	Price Per Land SF	\$20.00
State	IL	Financing	Conventional
Tax ID	12-25-417-006-0000	View	Vacant
Grantor	Edward See	Days on Market	130
Grantee	JMS Management LLC	Verification Source	CoStar, Midwest Real Data,
Market	Cook/LeydenTwp/ElmwoodPark	Transaction Type	Warranty Deed
Conditions of Sale	None Reported	Property Rights	Fee Simple

Site

Acres	0.110	Topography	Level
Land SF	4,750	Zoning	R-1
Road Frontage	38	Zoning Type	Single Family
Shape	regular	Depth	125
Utilities	All Connected to Site	Financing	Conventional
Property Class	AO 1-00	Encumbrance or Easement	None Reported

Comments

R-1 zoned single parcel vacant site located in Elmwood Park on 75th Court. It was on the market for 130 days prior to selling for 54% of list price. It had interior situs some on-site paving, a small frame garage/fencing and Single Family zoning.

Land Comparable 3



Transaction

ID	2936	Date	10/30/2017
Address	2503 North 74th Avenue	Price	\$175,000
City	Elmwood Park	Price Per Land SF	\$28.00
State	IL	Financing	Conventional
Tax ID	12-25-424-007-0000	View	Vacant
Grantor	Cacucciolo Family Trust	Days on Market	300
Grantee	Elmpark Development Inc.	Verification Source	CoStar, Midwest Real Data,
Market	Cook/LeydenTwp/ElmwoodPark	Transaction Type	Trustee Deed
Conditions of Sale	None Reported	Property Rights	Fee Simple

Site

Acres	0.140	Topography	Level
Land SF	6,250	Zoning	R-1
Road Frontage	50	Zoning Type	Single Family
Shape	regular	Depth	125
Utilities	All Connected to Site	Financing	Conventional
Property Class	AO 1-00	Encumbrance or Easement	None Reported

Comments

R-1 zoned single parcel vacant site located in Elmwood Park on 74th Avenue. It was on the market for 300 days prior to selling for 87% of list price. It had interior situs some on-site paving/fencing and Single Family zoning.

Land Comparable 4



Transaction

ID	2937	Date	4/10/2018
Address	1813 West North Avenue	Price	\$102,000
City	Melrose Park	Price Per Land SF	\$10.88
State	IL	Financing	Conventional
Tax ID	12-34-306-072-0000	View	Vacant
Grantor	Forest Park National Bank	Days on Market	237
Grantee	Ronald Buczko	Verification Source	CoStar, Midwest Real Data,
Market	Cook/LeydenTwp/MelrosePark	Transaction Type	Warranty Deed
Conditions of Sale	None Reported	Property Rights	Fee Simple

Site

Acres	0.220	Topography	Level
Land SF	9,375	Zoning	E
Road Frontage	75	Zoning Type	Commercial
Shape	regular	Depth	125
Utilities	Electric and Gas to site	Financing	Conventional
Property Class	AO 1-00	Encumbrance or Easement	None Reported

Comments

E zoned single parcel vacant site located in Melrose Park on North Avenue. It was on the market for 237 days prior to selling for 51% of list price. It had interior situs some on-site paving and commercial zoning.

Land Comparable 5



Transaction

ID	2938	Date	10/24/2017
Address	8465 West Grand Avenue	Price	\$600,000
City	River Grove	Price Per Land SF	\$10.91
State	IL	Financing	Conventional
Tax ID	12-26-309-063-0000	View	Commerical Residential
Grantor	Library Plaza Partners LLC	Days on Market	360
Grantee	MIA Property Acquisitions	Verification Source	CoStar, Midwest Real Data,
Market	Cook/LeydenTwp/RiverGrove	Transaction Type	Warranty Deed
Conditions of Sale	None Reported	Property Rights	Fee Simple

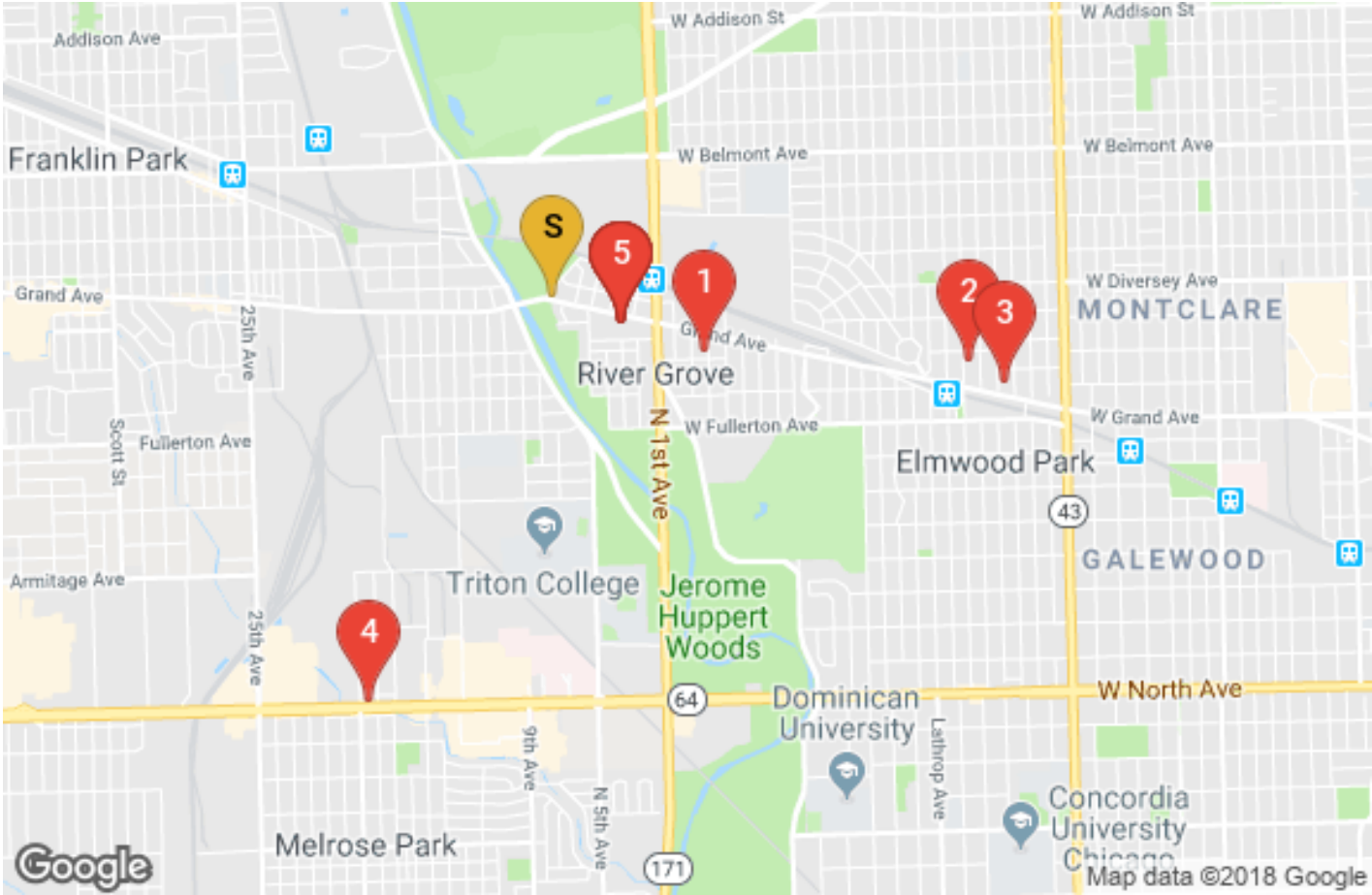
Site

Acres	1.260	Topography	Level
Land SF	55,016	Zoning	C-1
Road Frontage	208	Zoning Type	Commercial
Shape	irregular	Depth	295
Utilities	Connected	Financing	Conventional
Property Class	AO 5-32	Encumbrance or Easement	None Reported

Comments

C-1 zoned single parcel vacant site located in River Grove on Grand Avenue. It was on the market for 360 days prior to selling for 96% of list price. It had interior situs had been improved with a bowling alley, which was demolished, some on-site paving/fencing and Commercial zoning.

Comparable Land Sales Map



Land Value Analysis Grid

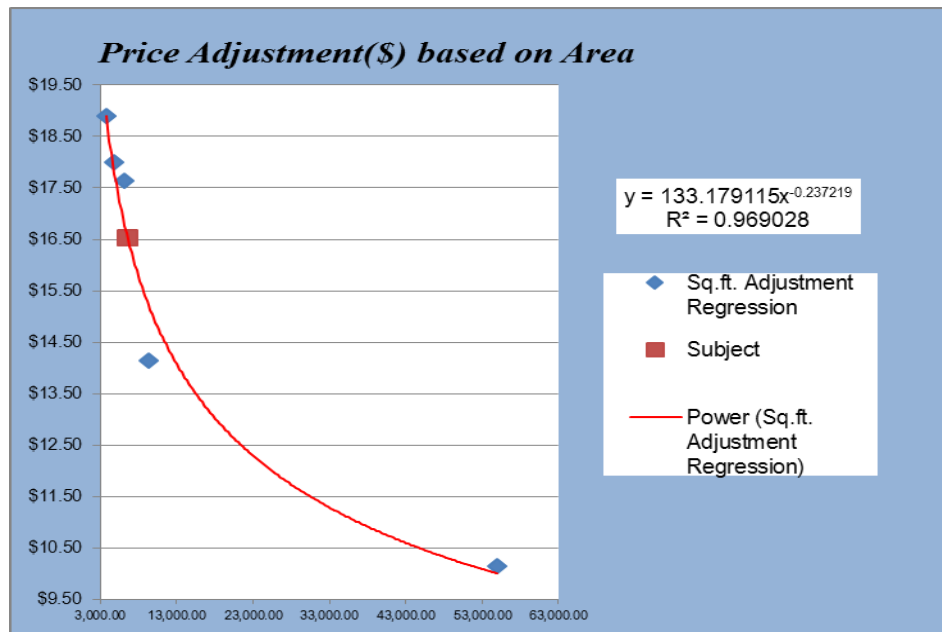
The land sales have been analyzed and compared with the subject property and adjustments were considered in the areas of the greatest differences. The following chart is a sales comparison grid displaying the subject property, the comparable and sales with the adjustments applied.

Land Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	
Address	8678 West Grand	2612 Hessing Street	2535 North 75th Court	2503 North 74th Avenue	1813 West North	8465 West Grand	
City	River Grove	River Grove	Elmwood Park	Elmwood Park	Melrose Park	River Grove	
Tax ID	12-26-300-013-0000	12-26-411-025-0000	12-25-417-006-0000	12-25-424-007-0000	12-34-306-072-0000	12-26-309-063-0000	
Date	9/12/2018	8/30/2015	8/10/2018	10/30/2017	4/10/2018	10/24/2017	
Price	TBD	\$67,500	\$95,000	\$175,000	\$102,000	\$600,000	
Land SF	6,580	3,750	4,750	6,250	9,375	55,016	
Land SF Unit Price	\$0.00	\$18.00	\$20.00	\$28.00	\$10.88	\$10.91	
Transaction Adjustments							
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%
Conditions of Sale	Cash	None Reported	0.0%	None Reported	0.0%	None Reported	0.0%
Adjusted Land SF Unit Price		\$18.00	\$20.00	\$28.00	\$10.88	\$10.91	
Market Trends Through	9/12/2018	0.0%	0.0%	0.0%	0.0%	0.0%	
Adjusted Land SF Unit Price		\$18.00	\$20.00	\$28.00	\$10.88	\$10.91	
Location	Grand/Corner	Similar	Superior	Superior	Similar	Similar	
% Adjustment		0%	-10%	-10%	0%	0%	
\$ Adjustment		\$0.00	-\$2.00	-\$2.80	\$0.00	\$0.00	
Utilities	Nearby	Nearby	Connected	All Connected to Site	Electric and Gas to site	Connected	
% Adjustment		0%	-25%	-25%	-15%	-25%	
\$ Adjustment		\$0.00	-\$5.00	-\$7.00	-\$1.63	-\$2.73	
Zoning	OS	R-1	R-1	R-1	E	C-1	
% Adjustment		0%	0%	0%	0%	0%	
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Road Frontage	88.33	30	38	50	75	208	
% Adjustment		5%	5%	3%	0%	-10%	
\$ Adjustment		\$0.90	\$1.00	\$0.84	\$0.00	-\$1.09	
Condition	Average	Similar	Similar	Similar	Inferior	Inferior	
% Adjustment		0%	0%	0%	25%	25%	
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$2.72	\$2.73	
Utility & Desirability	Average	Similar	Inferior	Superior	Inferior	Inferior	
% Adjustment		0%	20%	-5%	20%	3%	
\$ Adjustment		\$0.00	\$4.00	-\$1.40	\$2.18	\$0.33	
Adjusted Land SF Unit Price		\$18.90	\$18.00	\$17.64	\$14.14	\$10.14	
Net Adjustments		5.0%	-10.0%	-37.0%	30.0%	-7.0%	
Gross Adjustments		5.0%	60.0%	43.0%	60.0%	63.0%	

Land Valuation Conclusions

After applying all applicable adjustments for the differences in the comparable sales the resulting indicated sale prices per sq.ft. were graphed using the sq.ft. prices as the dependent variable(Y axis) and the lot sizes as the independent variable(X axis) from which the following power line regression to the adjusted prices for the appropriate square foot price for the subject based on area.

<i>Sq.ft. Adjustment Regression</i>	<i>Comp 1</i>	<i>Comp 2</i>	<i>Comp 3</i>	<i>Comp 4</i>	<i>Comp 5</i>	<i>Subject</i>
<i>Comparable Sales Areas(sq.ft.)</i>	3,750	4,750	6,250	9,375	55,016	6,580
<i>Adjusted Sq.Ft. Price (\$)</i>	\$18.90	\$18.00	\$17.64	\$14.14	\$10.14	\$16.55



The line on the graph represents the average relationship between square foot price and lot area. Real estate markets are imperfect and as such the line does not travel through all points. The above regression indicates an R² of 96.9% which means the regression has explained 97% of the variance in the sale prices per square foot of lot area.

The Sales selected and analyzed were considered the most comparable to the subject exhibiting the least unexplained variance from all considered. The unadjusted price in this data set ranged in raw Sale Price from \$67,500 to \$600,000 or a large total variance. The adjusted Sale Price per square foot ranged from \$10.14 to \$18.90/sq.ft..

Given the range in raw sale price units of comparison indicated from the Market for variance with the Subject for those factors which influence value indicates adjustments were deemed both necessary and applicable. All the individual adjustments made in this analysis were tempered by degree according to this appraiser's professional experience in valuing similar properties for the same reason. This is due in part to the fact the adjustment process is both objective and subjective.

After analyzing the preceding site sales and taking into consideration all facts felt to influence value, in our opinion these sales best indicate the market value of the subject site "As though Vacant." All of the sales are located in the general marketing area of the subject property. All sales have recently been acquired, within the past 1 to 3 years. Although, the sales presented have different respective zoning restrictions, the possibility for variance to accommodate the subject's current use is not unrealistic. The sales range from 3,750 square feet to 55,016 square feet in land area. It is our opinion with certain adaptation all could accommodate a use or development similar to the subject's present use. In our opinion if the subject site were "Vacant" and available for improvement or development as of September 12, 2018, it would command a price within the value ranges indicated by the preceding site sales presented.

Land Valuation Conclusions

CONCLUSION

The aforementioned sales were selected, from a number reviewed, as being the most representative of the market value for vacant land in the subject's general marketing area. We presented these preceding recent comparable site sales, conducted a **"Matched Paired Sales Analysis"** to reflect variances with the subject, for those factors that most influence value on the basis of **Sale Price: per square foot and per front foot** to reconcile a value conclusion for the Subject site **"As Though vacant"** as of the effective date of this appraisal. In our opinion the market value of the subject site **"As Though Vacant," "Free from any Contamination "and" Available for development"** would command a range indicated by these sales. These limiting assumptions and conditions in mind, the sales selected, and analyzed were the most comparable requiring the least adjustments. The following calculations were applied to reconcile a value for the Subject Site **"As Though Vacant"** as of the effective date **September 12, 2018**.

Land Sales Info Chart					
	Sale Price	Area	\$/Acre	Front Foot	\$/Sq.ft.
Low	\$67,500	3,750	\$473,933	\$1,360	\$10.88
High	\$600,000	55,016	\$1,219,680	\$3,500	\$28.00
Avg	\$207,900	15,828	\$764,791	\$2,499	\$17.56
Median	\$102,000	6,250	\$784,080	\$2,500	\$18.00
Unadjusted Unit \$			\$764,791	\$1,360	\$17.56
Subject Unadjusted \$			\$115,526	\$120,129	\$115,545

The adjusted values of the comparable properties after making all adjustment for the differences in the comparable sale and the subject except for lot area range from \$10.14 to \$18.90 the average is \$15.77. All of the value indications have been considered in the final analysis of the comparable land sales in arriving at my final reconciled per square foot value of \$16.55 if sold on the date of value.

Land Market Value	
Adjusted Indicated Value per Square Foot:	\$16.55
Subject Size:	6,580 Square Feet
Indicated Value:	\$108,870 Retail Sell Out Value
Reconciled Value:	\$110,000
	One Hundred Ten Thousand Dollars

Exposure & Marketing Times

In addition to researching Subject Area Demographic and Inferred Market Analyses I reviewed the general market conditions regarding current listings and sales of similar properties in the subject's market area to estimate an exposure, lease-up, and marketing times for the subject as required under *[S.R. 1-5 (a & b)] of USPAP* as of the effective date of valuation.

Exposure Time is defined as the time a property is on the market. This is an estimate of the time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of this appraisal. It assumes a reasonable, adequate, and sufficient time and effort are expended in the subject's area to market the property. My investigation and review of the Multiple Listing Services, Loop.net, Real Quest and Comps CoStar Service indicates there are presently **(15) similar properties** actively being marketed in the Subject's Immediate marketing area. The average exposure time of these listings is **401 days**. Based on my review of these listings the market exposure time preceding September 12, 2018 would have been 14 months to professionally market the subject as currently improved and utilized. Based upon these same sources, my recent on-site observation and visitation to the subject area, I made an investigation of the number of properties currently vacant and or being offered for rent to estimate a lease-up time for the subject.

Marketing Time is defined as the time it takes the property interest being appraised to sell on the market subsequent to the date of this appraisal. It is an estimate of the amount time to sell after the effective date of this appraisal. It assumes a reasonable pool of potential purchasers exists and it allows a reasonable time for negotiations. It anticipates due diligence will be exercised, and the price is supported by the current market conditions. These sources indicates there have been **(13)** closed sales of similar properties over the past three years in the subject's area. Based upon the sales an estimated marketing period as of September 12, 2018 is 49 months to close. The marketing time which may be greater or less than the exposure time is a function of price, time, use and anticipated market conditions which occur after the effective date of this appraisal. Sale prices on average were **10% to 15%** below the average list price.

SALES HISTORY

*Based upon discussions with ownership the Subject is **not** currently listed or offered for sale. The last sale involving the subject occurred more than three years prior to the effective date of this appraisal. To the best of my knowledge and confirmed by sources reviewed the subject is **not under contract for sale** and ownership is **not** considering selling the property. Although not independently conclusive this analysis of exposure, lease-up and marketing time within the subject's general marketing area was felt to verify my opinions, analysis, and conclusions concerning the subject's lease ability, market, and marketability. All properties presented in the Sales Approach confirms these estimates. All estimates assume that professional marketing techniques would be employed, and the market conditions researched will not dramatically change.*

Reconciliation & Final Value Conclusions

Special Note: Pursuant to your request I have provided this “*Appraisal in Summary Format*” under of [Standard Rule 2-2 (b) (xiii)] of the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, for the sole purpose of decision making regarding the possible purchase of the Subject Property as of the effective date. The **identified and intended users** of this report **must be aware** In my professional opinion it is **buyers and sellers** that ultimately **affect or influence supply and demand, negotiate or dictate price, and ultimately establish the value in exchange or Market Value (not the appraiser).** This appraisal in a summary format includes: **a Sales Comparison Approach.** Taking all of the data presented and analyzed into consideration the three approaches to value indicate the process of reconciliation involves the analysis of each approach to value. The quality of data applied the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

Value Indications

Sales Comparison Approach: \$110,000 “As Is”

Value Conclusion

This appraisal report is a summarization of data, analyses, opinions, and conclusions reached. Although, the three approaches indicate different value conclusions for the subject, I have weighed each approach for its importance in the reconciliation process. Of the approaches utilized the **Sales Comparison** best reflect the effects of interest's in the property, available financing, condition of sale, effects of time, anticipated returns on and of investment for the current use, location, situs, land-to-building & parking ratios, gross building area, condition, desirability and utility (C.D.U.) of sales and/or asking prices of similar properties, market trends in the area, and other factors which tend to affect or influence value.

This report further recognizes that any **Value in Use** the subject property may provide the **owner, user, tenant or potential purchaser** may be different and **not necessarily synonymous** with Subject's **Market Value "As Is," which** is based upon what: **physically exists, is legally permissible, and excludes all assumptions concerning hypothetical market conditions, possible re-zoning or prospective changes in the property's use as of the effective date.** Based upon these facts inclusive of all Extraordinary Assumptions and Hypothetical Conditions presented under [S. R. 1-2 (g & h)] the current the "**Real Property Rights**" of the "**Retrospective Market Final Value As Reconciled**" of the Real Estate as set forth under 12 CFR 34.42 as of the effective date **September 12, 2018:**

**RETROSPECTIVE MARKET
FINAL VALUE \$110,000 "As Reconciled"**

**Respectfully Submitted,
S.A.S. Incorporated**



**Michael Gilligan, MAI
Certified General Appraiser Licensed IL
IL-553.001562, Expiration date September 30, 2019**

Certification Statement

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved. I have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results. 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 estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- No one provided significant real property appraisal assistance to the person(s) signing this certification. I certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.

The appraiser has not performed any prior services regarding the subject.

- Michael Gilligan has made an observation of the subject property.

Appraiser Certification

The undersigned, representing SAS Inc. do hereby certify that to the best of my knowledge and belief: The statements of fact contained in this appraisal report, upon which the analysis, opinions, and conclusions expressed herein are based, are true and correct and no important facts have been withheld or overlooked. The reported analyses, opinions and conclusions are limited by the reported extraordinary assumptions and hypothetical conditions, and represent my personal, unbiased, professional analyses, opinions and conclusions.

I have no present or prospective interest in the property that is the subject of this appraisal report, nor any personal interest or bias with respect to the parties involved. 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 any stipulated result, occurrences or subsequent events from use of the report. The analysis, opinions, conclusions, and values developed, in this report have been prepared, in conformity with, and are subject to, the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation under which it was written. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Any review conducted of this report, must comply with **S.R. 3-1 (c) of USPAP**. If such a review is made, the reviewer must, at minimum, conform with **S.R. 3 (d-g)**. It must be conducted by an equally ***Certified, Licensed and/or Designated*** professional with the necessary experience and understanding under the Bylaws and Regulations of the Appraisal Institute, IAAO and Review Standards and Guidelines of the USPAP.

The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan or appeal results. The following person from among the undersigned has made a personal observation of the property that is the subject of this appraisal report on the date indicated:

Michael Gilligan, MAI

September 12, 2018

No one other than the undersigned provided significant professional assistance in the preparation of this appraisal report. The Appraiser for this assignment is currently certified under the voluntary continuing education program of the IAAO and Appraisal Institute. He is also licensed by the Office of Banking and Real Estate (OBRE) in the state in which the Subject is located.

As of the date of this report the appraisers for this assignment have completed the requirements under continuing education program of the Appraisal Institute. Should any information provided by others, or sources utilized in the course of my investigation be found to be inaccurate after the writing of this report, the Right of Review is Reserved by this appraiser.

Michael Gilligan, MAI
IL-553.001562



Addenda

STATEMENT OF QUALIFICATIONS
MICHAEL T. GILLIGAN, MAI

PROFESSIONAL CERTIFICATIONS

A.S.I.	ILLINOIS DEPARTMENT OF PROFESSIONAL REGULATIONS Certified General Appraiser
ILLINOIS LICENSE	ID #553-001562 EXP. DATE 09/30/2019
W.C.G.L.A	WISCONSIN DEPT. REG. & LICENSING Certified General Appraiser
WISCONSIN LICENSE	ID # 1862-10 EXP. DATE 12/14/2019
INDIANA LICENSE	INDIANA PROFESSIONAL LICENSING AGENCY General Certified Appraiser ID # CG41200025 EXP DATE 06/30/2018

PROFESSIONAL DESIGNATIONS

MAI #438491	APPRAISAL INSTITUTE MEMBER APPRAISER INSTITUTE
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Professional Experience

Schlitz Appraisal Services Chicago, IL (1999 -Present)

- Contract Appraiser responsible for appraising all types of residential, commercial and industrial properties throughout Illinois, Wisconsin, & Indiana .
- Competency In Appraisals for Bank/Sale/Loan/Court/Tax Appeal/IRS/Investment on deadline basis.

GTG Development Chicago, IL (2003-Present)

- Owner and operator
- Real Estate Development Company Specializing Commercial Appraisals
- Responsible for all aspects of business from estimating cost, material management, hiring subcontractors, time management, accounting and finance management.

Xact Appraisals Chicago, IL (2011 - 2013)

- Contract Appraiser responsible for appraising all types of residential, commercial and industrial properties throughout Illinois.
- Competency In Appraisals for Bank/Sale/Loan/Court/Tax Appeal/IRS/Investment on deadline basis.

Education

UNIVERSITY OF ILLINOIS Champaign, IL

College of Liberal Arts & Science
Bachelor of Arts in English

Appraisal Courses

Appraisal Institute

Advance Income Capitalization	Residential Case Study
Advanced Concepts & Case Studies	Appraisal Principles
General Demonstration Report Writing	Basic Income Capitalization
Business Practices and Ethics	Small Hotel/Motel Valuation
Complex Litigation Appraisal Case Studies	Advanced Spreadsheet Modeling for Valuation
The Discounted Cash Flow Model: Concepts, Issues, and Apps.	
Real Estate Appraisal Basic Income Capitalization	
Real Estate Finance, Statistics and Valuation Modeling	
Report Writing & Valuation Analysis	
Regression Analysis in Appraisal Practice: Concepts & Applications	
General Appraiser Market Analysis & Highest and Best Use	
Rates & Ratios: Making Sense of GIM's, OAR's and DCF's	
Nuts & Bolts of Tax Appeal Tax Seminar	
National USPAP Course	
Evaluating Commercial Construction	

As a member of the Appraisal Institute, **MAI Appraisers** have an advanced level of expertise and experience in the valuation of commercial, industrial, residential, and other types of properties and may advise clients on real estate decisions. Stringent membership requirements demand that members have a minimum of three years of appraisal experience, pass a series of course exams, including a comprehensive examination, and receive a passing grade on a demonstration appraisal report. Designated members must also hold an undergraduate degree from an accredited educational institution (or an approved alternative) and abide by strict industry standards and a Code of Professional Ethics.

APPRAISAL AND CONSULTATION EXPERIENCE

Expert Witness experience before - State & County Boards of Review, PTAB - Circuit Courts, Zoning Board - concerning Real Property value & issues. Various types of real estate appraised include the following –

- Agricultural Land & Farms
- Airport Leaseholds
- Apartment Buildings & Complexes
- Automobile Dealerships
- Auto Repair & Service
- Banks
- Car-Washes
- Cemeteries
- Churches
- Condemnation Appraisals
- Condo-Conversions
- Condominiums
- Cooperatives
- Cost Estimates
- Department Stores
- Discounted Cash Flow Analysis Investment
- Distribution/Warehouses
- Divorce Litigation Appraisals
- Estate & IRS Valuations
- Extended Stay Facilities
- Expert Witness Circuit & Federal Court
- Federal Land (Yellow Book)
- Forest & Recreational Land
- Funeral Homes
- Gas Stations
- Golf Courses
- Grocery Stores
- Hotels/Motels
- Hospitals
- Indemnification Appraisals
- Insurance Appraisals
- Lease Analysis
- Lumber Yards
- Manufacturing
- Market Analysis All Types of Property
- Mixed-Use Commercial with Residential
- Multi-Family Buildings & Complexes
- Multiple Regression Analysts
- Neighborhood - Analysis
- Office Buildings
- Residential Property All Types
- Residential Subdivision Development
- Restaurants
- Retail Location Study
- Shopping Centers All Types
- Single Family Residences
- Subdivision Impact
- Subdivisions
- Truck Terminals & Service Facilities
- Vacant Land
- Various Commercial Properties
- Various High-Rise Office Properties / Various Industrial Properties
- Various World Class Properties
- Warehouse Cold Storage
- Warehouse Distribution
- Warehouse Dry Storage, Zoning Variances & Litigation

Glossary

This glossary contains the definitions of common words and phrases, used throughout the appraisal industry, as applied within this document. Please refer to the publications listed in the **Works Cited** section below for more information.

Works Cited:

- Appraisal Institute. *The Appraisal of Real Estate*. 14th ed. Chicago: Appraisal Institute, 2013. Print.
- Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 5th ed. 2010. Print.

Band of Investment

A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment. (Dictionary, 5th Edition)

Common Area

1. The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities.
2. In a shopping center, the walkways and areas onto which the stores face and which conduct the flow of customer traffic. (ICSC) (Dictionary, 5th Edition)

Common Area Maintenance (CAM)

1. The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.
 - CAM can be a line-item expense for a group of items that can include maintenance of the parking lot and landscaped areas and sometimes the exterior walls of the buildings.
 - CAM can refer to all operating expenses.
 - CAM can refer to the reimbursement by the tenant to the landlord for all expenses reimbursable under the lease. Sometimes reimbursements have what is called an administrative

load. An example would be a 15% addition to total operating expenses, which are then prorated among tenants. The administrative load, also called an administrative and marketing fee, can be a substitute for or an addition to a management fee.

2. The amount of money charged to tenants for their shares of maintaining a center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. The area maintained in common by all tenants, such as parking lots and common passages. The area is often defined in the lease and may or may not include all physical area to be paid for by all tenants. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenances, snow removal, security, and upkeep. (ICSC) (Dictionary, 5th Edition)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service (DCR = NOI/Im), which measures the relative ability of a property to meet its debt service out of net operating income; also called debt service coverage ratio (DSCR). A larger DCR indicates a greater ability for a property to withstand a downturn in revenue, providing an improved safety margin for a lender. (Dictionary, 5th Edition)

Discount Rate

A yield rate used to convert future payments or receipts into present value; usually considered to be a synonym for yield rate. (Dictionary, 5th Edition)

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. (Dictionary, 5th Edition)

Effective Date

1. The date on which the analyses, opinion, and advice in an appraisal, review, or consulting service apply.
2. In a lease document, the date upon which the lease goes into effect. (Dictionary, 5th Edition)

Exposure Time

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised 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; a retrospective estimate based on an analysis of past events assuming a competitive and open market. (Dictionary, 5th Edition)

External Obsolescence

An element of depreciation; a diminution in value caused by negative externalities and generally incurable on the part of the owner, landlord, tenant. (Dictionary, 5th Edition)

Extraordinary Assumption

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2010-2011 ed.) (Dictionary, 5th Edition)

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary, 5th Edition)

Functional Obsolescence

The impairment of functional capacity of a property according to market tastes and standards. (Dictionary, 5th Edition)

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. (The Appraisal of Real Estate, 13th Edition)

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region. (Dictionary, 5th Edition)

Gross Leasable Area (GLA)

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (Dictionary, 5th Edition)

Highest & Best Use

The reasonably probable and legal use of vacant land or an improved property that 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. Alternatively, the probable use of land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value. (Dictionary, 5th Edition)

Highest and Best Use of Land or a Site as Though Vacant

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. (Dictionary, 5th Edition)

Highest and Best Use of Property as Improved

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one. (Dictionary, 5th Edition)

Hypothetical Condition

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary, 5th Edition)

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease). (Dictionary, 5th Edition)

Market Area

The area associated with a subject property that contains its direct competition. (Dictionary, 5th Edition)

Market Rent

The most probably rent that a property should bring is a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). (Dictionary, 5th Edition)

Market Value

The major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined.

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash, or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, for self-interest, and assuming that neither is under duress.
2. Market value is described in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal. (USPAP, 2010-2011 ed.) USPAP also requires that certain items be included in every appraisal report. Among these items, the following are directly related to the definition of market value:
 - Identification of the specific property rights to be appraised.
 - Statement of the effective date of the value opinion.
 - Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.
 - If the appraisal is conditioned upon financing or other terms, specification as to whether the financing or terms are at, below, or above market interest rates and/or contain unusual conditions or incentives. The terms of above—or below—market interest rates and/or other special incentives must be clearly set forth; their contribution to, or negative influence on, value must be described and estimated; and the market data supporting the opinion of value must be described and explained.
3. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and the 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:
 - Buyer and seller are typically motivated;
 - Both parties are well informed or well advised, and acting in what they consider their best interests;
 - A reasonable time is allowed for exposure in the open market;
 - Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
 - 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. (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

The International Valuation Standards Council defines market value for the purpose of international standards as follows: The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion. (International Valuation Standards, 8th ed., 2007)

4. Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure of time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. (Uniform Standards for Federal Land Acquisitions) (Dictionary, 5th Edition)

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time). (Dictionary, 5th Edition)

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. (Dictionary, 5th Edition)

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. (Dictionary, 5th Edition)

Parking Ratio

A ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios of various land uses are often stated in zoning ordinances. (Dictionary, 5th Edition)

Regression Model Analysis (Linear)

Statistical measure of the relation between the mean value of one variable (e.g., \$, output) and corresponding value of another variable (e.g., size, time or cost). This is an approach for modeling the relationship between a scalar dependent variable y and one or more explanatory variables (or independent variable) denoted X . Regression modeling is the process of building a statistical model to explain or predict where a unit would be located within a field of data points on a graph.

Regression Model Analysis (Multiple Linear)

Statistical measure of the relation between the mean value of one variable (e.g., \$, output) and corresponding values of two or more other variables (e.g., size, time and cost). **Multiple Linear Regression - MLR'** is a statistical technique that uses several explanatory variables to predict the outcome of a response variable. The goal of **multiple linear regression (MLR)** is to model the relationship between the explanatory and response variables.

Rentable Area

For office buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice. (Dictionary, 5th Edition)

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. (Dictionary, 5th Edition)

Scope of Work

The type and extent of research and analyses in an assignment. (Dictionary, 5th Edition)

Stabilized Occupancy

An expression of the expected occupancy of a property in its particular market considering current and forecasted supply and demand, assuming it is priced at market rent. (Dictionary, 5th Edition)

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed and paid for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. (Dictionary, 5th Edition)

Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income reductions due to vacancies, tenant turnover, and non-payment of rent; also called vacancy and credit loss or vacancy and contingency loss. Often vacancy and collection loss is expressed as a percentage of potential gross income and should reflect the competitive market. Its treatment can differ according to the interest being appraised, property type, capitalization method, and whether the property is at stabilized occupancy. (Dictionary, 5th Edition)