



AN APPRAISAL OF THE

Office Low Rise Property

LOCATED AT

24-30 South Shumway Avenue
Batavia, Illinois 60510

EFFECTIVE DATE OF VALUE

April 1, 2023 (Prospective "Upon Stabilization" Market Value)
April 1, 2022 (Current "As Is" Market Value)

DATE OF REPORT

April 11, 2022

PREPARED FOR

Mr. Bob Masterson
30 Shumway Ave #2E
Batavia, Illinois 60510

PREPARED BY

Real Property Consultants
6086 North Sauganash Avenue
Chicago, Illinois 60646

April 11, 2022

Mr. Bob Masterson
30 Shumway Ave #2E
Batavia, Illinois 60510



Re: File No. 2022-036
Six-Unit Office Low Rise Property
24-30 South Shumway Avenue
Batavia, Illinois 60510

Dear Mr. Bob Masterson

According to our engagement, the above-captioned property was appraised, utilizing best practice appraisal principles for this property type. The Appraisal Report satisfies the Scope of Work and requirements agreed upon by Bob Masterson and Real Property Consultants.

At the Client's request, this Appraisal is presented in an Appraisal Report format as defined by the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rule 2-2(a). Our appraisal format provides a detailed description of the appraisal process, Subject and market data, and valuation analyses.

The purpose of the Appraisal is to develop an opinion of the Prospective Market Value "Upon Stabilization" of the Leased Fee Interest as of April 1, 2023, and the Current Market Value "As Is" of the Leased Fee Interest as of April 1, 2022. Bob Masterson is the Client and only Intended User of this report. The Intended Use of the report is to aid in understanding the market value for a listing price. No additional Intended Users or Intended Uses are identified or intended by the appraisers.

Value Type	Value Premise	Value Perspective	Interest Appraised	Effective Date	Indicated Value
Market Value	Upon Stabilization	Prospective	Leased Fee	4/1/2023	\$1,525,000
Market Value	As Is	Prospective	Leased Fee	4/1/2022	\$1,475,000

The global outbreak of a "novel coronavirus," known as COVID-19, was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. Accordingly, the reader is cautioned and reminded that the conclusions presented in this appraisal report apply only as of the effective date indicated. As part of our market analysis, we have interviewed brokers, developers, and other market participants and reviewed various reports to understand COVID-19's effect on the office real estate market. The interviews and other data reviewed indicate that there has not been any measurable impact on the office market to date.

The Subject is a two-story, six-unit office building located at 24-30 South Shumway Avenue in Batavia, Illinois. The building was constructed in 1870, is of fair to good construction quality, and contains approximately 13,424 square feet of gross building area and 12,754 square feet of rentable building area. The improvements are situated on a 0.32-acre (13,939-square foot) site. This multi-tenant property was 64.2% owner and tenant-occupied on the date of observation.

The analyses, opinions, and conclusions communicated within this Appraisal Report were developed based on the requirements and guidelines of the current USPAP, the Code of Professional Ethics requirements, and the Standards of Professional Appraisal Practice of the Appraisal Institute and American Society of Appraisers. The report is intended to conform to the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) standards and the appraisal guidelines of Bob Masterson.

This Appraisal is subject to Assumptions and Limiting Conditions and any extraordinary assumptions or hypothetical conditions that follow. USPAP defines an Extraordinary Assumption as "an assignment-specific assumption, as of the effective date regarding uncertain information used in an analysis, which, if found to be false, could alter the appraiser's opinions and conclusions." USPAP defines a Hypothetical Condition as "a condition directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis."

Extraordinary Assumptions

The following extraordinary assumption is consistent with the following: 1.) the use of the extraordinary assumptions is required to develop credible opinions and conclusions properly; 2.) the appraisers have a reasonable basis for the extraordinary assumption; 3.) use of the extraordinary assumption results in, credible results; 4.) the appraisers comply with the disclosure requirements.

- 1.) The condition of the property is similar to the date it was observed on July 28, 2021, with the expectation of the improvements identified in the Capital Improvements section in the addenda of this report.

Hypothetical Conditions

This Appraisal is not subject to any Hypothetical Conditions.

This Appraisal is for the Client's sole use; however, the Client may provide complete, final copies of the Appraisal Report in its entirety (but not parts) to third parties who shall review such reports in connection with the intended use. The appraisers are not required to explain or testify as to the appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the Appraisal prepared by Real Property Consultants or portions of such Appraisal to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on the condition that Real Property Consultants will be provided an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to Real Property Consultants, by a party satisfactory to Real Property Consultants. Real Property Consultants does consent to the Client's submission of the report to rating agencies, loan participants, or the Client's auditors in its entirety (but not parts) without the need to provide Real Property Consultants with an Indemnification Agreement and/or Non-Reliance letter.

Real Property Consultants hereby grants to the Client the right to copy the Appraisal, in its entirety (but not parts), and distribute it to other parties in the transaction for which the Appraisal has been prepared, including employees of the Client, other lenders in the transaction, and the borrower, if any.

Our opinion of value reflects the current conditions and the anticipated action of market participants as of the effective date of value. It is based on the available information gathered and provided to us, as presented in the report, and does not predict future performance. Changing market or property conditions can and will likely affect the Subject's value.

The signatures below indicate our assurance to the Client that the development process and extent of our analysis for this assignment adhere to the Scope of Work requirements and the Intended Use of the Appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Real Property Consultants can be of additional assistance, please contact the individuals below.

Respectfully submitted,



Ben Branca
Certified General Appraiser
Illinois License No. 553.002653
Exp. Date - 9/30/2023
ben@rp-con.com



Matthew Magdziarz, MAI, AI-GRS, ASA
Certified General Appraiser
Illinois License No. 553.001438
Exp. Date - 9/30/2023
matt@rp-con.com

TABLE OF CONTENTS

PART I - INTRODUCTION.....	1
SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS.....	2
PHOTOGRAPHS.....	3
SCOPE OF WORK.....	7
PURPOSE OF THE APPRAISAL.....	9
PROPERTY RIGHTS APPRAISED.....	9
EFFECTIVE DATES OF VALUE.....	9
INTENDED USE AND USER OF THE APPRAISAL.....	9
IDENTIFICATION OF THE PROPERTY.....	9
LEGAL DESCRIPTION.....	9
APPRAISER COMPETENCY.....	9
DEFINITION OF MARKET VALUE.....	10
TYPE OF VALUE.....	10
PART II – FACTUAL DATA.....	11
PROPERTY HISTORY.....	12
AREA ANALYSIS.....	13
OFFICE MARKET ANALYSIS.....	18
SUBMARKET ANALYSIS.....	22
SITE DATA AND ANALYSIS.....	23
IMPROVEMENT DATA AND ANALYSIS.....	28
ZONING AND LAND USE PLANS.....	30
TAX AND ASSESSMENT ANALYSIS.....	31
PART III – ANALYSIS AND CONCLUSIONS.....	32
THE VALUATION PROCESS.....	33
HIGHEST AND BEST USE ANALYSIS.....	34
SALES COMPARISON APPROACH.....	36
INCOME CAPITALIZATION APPROACH.....	45
RECONCILIATION.....	53
CERTIFICATION.....	54
APPRAISAL CONDITIONS.....	55
ADDENDA.....	59
DEFICIT RENT VALUATION.....	60
"AS IS" DEDUCTIONS.....	62
INTERIOR PHOTOGRAPHS.....	63
BUILDING SKETCH.....	66
LEGAL DESCRIPTION.....	68
CAPITAL IMPROVEMENTS.....	70
FLOOD MAP.....	71
QUALIFICATIONS OF BENJAMIN P. BRANCA.....	72
QUALIFICATIONS OF MATTHEW M. MAGDZIARZ, MAI, AI-GRS, ASA.....	74
END.....	77

PART I - INTRODUCTION

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS
Property

Property Type	Office, Office Building
Location	24-30 South Shumway Avenue, Batavia, Illinois 60510

Land

Land Acres	0.32
Land (SF)	13,939
Usable Acres	0.32
Usable Land (SF)	13,939
Zoning Code	DMU, Downtown Mixed-use
Flood Zone	X Zone (Low Flood Risk)
Topography	Gently Sloping
Utilities	All available
Highest and Best Use (Vacant)	Hold for Future Commercial Development

Improvements

Gross Building Area (SF)	13,424
Net Rentable Area (SF)	12,754
Year Built	1870
Land to Building Ratio	1.04
Highest and Best Use (Improved)	Continued use

Value Indications

Cost Approach	N/A
Sales Comparison Approach	\$1,425,000
<u>Income Capitalization Approach</u>	<u>\$1,575,000</u>

Market Value "Upon Stabilization" \$1,525,000

Less Stabilization Costs \$50,000

Market Value "As Is" \$1,475,000

Extraordinary Assumptions

The following extraordinary assumption is consistent with the following: 1.) the use of the extraordinary assumptions is required to develop credible opinions and conclusions properly; 2.) the appraisers have a reasonable basis for the extraordinary assumption; 3.) use of the extraordinary assumption results in, credible results; 4.) the appraisers comply with the disclosure requirements.

- 1.) The condition of the property is similar to the date it was observed on July 28, 2021, with the expectation of the improvements identified in the Capital Improvements section in the addenda of this report.

Hypothetical Conditions

This Appraisal is not subject to any Hypothetical Conditions.

PHOTOGRAPHS



Front Scene - Facing Northeasterly



Front Scene - Facing Southeasterly



Rear Scene - Facing Southwesterly



Rear Scene - Facing Northwesterly



Patio



Street Scene - Facing Southerly Along South Shumway Avenue



River Scene - Facing Northerly Along the Fox River

SCOPE OF WORK

The Scope of Work includes all steps taken in the development of the Appraisal, and these steps include the following: 1.) The extent to which the property is identified; 2.) The extent to which tangible property is inspected and examined; 3.) The type and extent of data researched; 4.) The type and extent of analysis applied.

The Extent to Which the Property Is Identified

Physical Characteristics

- Ben Branca viewed the interior and exterior of the Subject's improvements to gather information about the physical characteristics that are relevant to the valuation problem.
- We utilized lease/rent roll information and architectural drawings to calculate the building areas. Photos of these drawings can be found on page 66 of this report.

Legal Characteristics

- The Client identified the Subject via a location. Bob Masterson, a representative of the ownership entity, confirmed the identification of the property.
- Online maps and data were used as a source to identify the legal characteristics (future land use and zoning, permissible uses, etc.).
- We obtained information about the Subject's zoning and the likelihood of a zoning change from the City of Batavia's online zoning and future land use maps.

Economic Characteristics

- Economic and neighborhood data and characteristics are from our observation, demographics, and review of other sources as presented and referenced herein. The market data is from various sources, including CoStar, LoopNet, or MLS, the appraiser's files, interviews with market participants, public records, and sources referred to herein, as well as a comparison of properties with similar locational and physical characteristics.
- We examined all of the leases between the lessor and the lessee concerning the Subject to identify its terms and conditions.
- We analyzed the historical operating statement of the Subject and researched the operating expenses of comparable properties to estimate operating expenses for the Subject.

The Extent to Which the Property Is Inspected and Examined

Physical Characteristics

- Ben Branca viewed the interior and exterior of the Subject's improvements to gather information about the physical characteristics that are relevant to the valuation problem.
- We used information from county records, the owner's comments, and the assessor's records to identify the characteristics of the Subject that are relevant to the valuation problem.

Type and Extent of the Data Researched

- We researched data on comparable improved sales using CoStar, MRED, CMCPEX, county records, and data from our files. The area searched covered Kane County and included a two-year period. We verified or attempted to verify each sale with one or both parties to the transaction and/or their real estate agents. (See individual data sheets for specific verification sources.)
- We researched data on comparable improved leases using CoStar, MRED, CMCPEX, and data from our files. The area searched covered the City of Batavia and included a three-year period. We verified or attempted to verify each lease with one or both parties to the transaction and/or their real estate agents.
- We researched data on comparable improved and leased sales using CoStar, MRED, CMCPEX, and data from our files to used as capitalization rate comparables. The area searched covered Kane and McHenry Counties and included a three-year period. We verified or attempted to verify each sale and income and expense information with one or both parties to the transaction and/or their real estate agents.

Type and Extent of Analysis Applied

- To determine the highest and best use, we completed a survey of the market, noted supply and demand factors, and examined the feasibility of alternative uses.
- The appraisal problem did not warrant an intensive study of the highest and best use. Given the nature of the Subject, our conclusion of the highest and best use was based on logic and observed evidence.
- Due to the age of the improvements and lack of land sales, the most likely buyer would not rely on the Cost Approach in making their purchase decision. Therefore, the Cost Approach has not been developed.
- There are enough sales that bracket the characteristics of the Subject, and the Sales Comparison Approach is applicable for development.
- The Subject is an income-producing property, and there is adequate data to develop a value estimate by the Income Capitalization Approach.

PURPOSE OF THE APPRAISAL

The purpose of the Appraisal is to estimate a credible opinion of the Prospective Market Value "Upon Stabilization" of the Leased Fee Interest and the Current Market Value "As Is" of the Leased Fee Interest in the Subject.

PROPERTY RIGHTS APPRAISED

This property is appraised as wholly-owned in leased fee interest ownership. The Appraisal Institute defines leased fee interest as:

"The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires."

(Source: The Appraisal Institute, The Dictionary of Real Estate Appraisal, Sixth Edition, Chicago, 2015, Page 128.)

EFFECTIVE DATES OF VALUE

Dates of Value:

- Prospective Market Value as of April 1, 2023
- Current Market Value as of April 1, 2022

Date of Report: April 11, 2022

Inspection Date: July 28, 2021

INTENDED USE AND USER OF THE APPRAISAL

This Appraisal was prepared for use by the Client to aid in understanding the market value for a listing price. No additional Intended Users are identified or intended by the appraisers.

IDENTIFICATION OF THE PROPERTY

The Subject consists of the following tax parcel: 12-22-257-008

LEGAL DESCRIPTION

See the addenda for the full legal description.

APPRAISER COMPETENCY

No steps were necessary to meet the competency provisions established under USPAP. Please refer to the Qualifications of the Appraisers in the addenda.

DEFINITION OF MARKET VALUE

The Interagency Appraisal and Evaluation Guidelines define Market Value as:

"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 seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Interagency Appraisal and Evaluation Guidelines, December 10, 2010, Federal Register, Volume 75, Number 237, Page 77472).

TYPE OF VALUE

"Prospective Opinion of Value" - A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.¹

(Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015)).

"As Is" Market Value - The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

(Source: Proposed Interagency Appraisal and Evaluation Guidelines, OCC-4810-33-P 20%).

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PART II – FACTUAL DATA

PROPERTY HISTORY

Owner of Record

According to Public Records, the current owner of the Subject is Nancy S Masterson.

Sales History

The Subject has not sold in the three years preceding the effective date of this Appraisal.

Capital Additions and Modernization Expenditures

See the addenda for the full list of existing and proposed capital improvements.

Financial Data

We requested financial data, and the following was provided: 1.) Rent roll; 2.) Tax Return Schedule E's 2018-2020.

Prior or Current Listing Agreements or Offerings

Based on our interview with Bob Masterson, there have not been any current or recent contracts, offerings, or listing agreements.

Encumbrances, Encroachments, or Title Issues

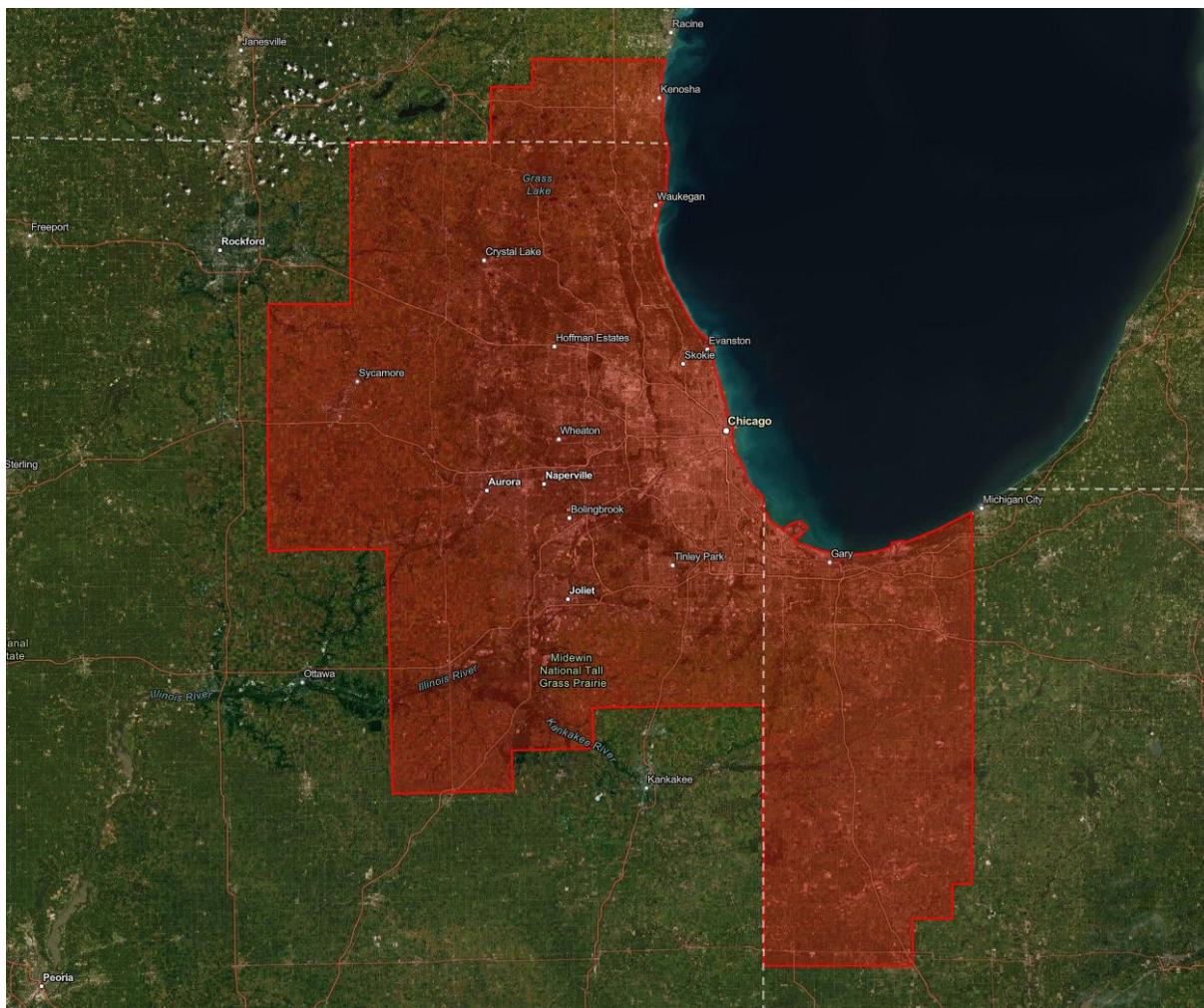
We requested a title policy and a spotted survey, but neither was provided. We assume that there are no known adverse conditions, covenants, restrictions, encumbrances, encroachments, or other issues.

Historical Lease and Rental Information

On the effective date of value, this multi-tenant property was 64.2% owner and tenant-occupied. As a request by the Client, in our analysis, the owner-occupied space (Harbour International, Inc.) has been entered at market levels. As of the effective date of this report, the Landlord is in talks with a potential tenant to occupy the 4,200-square foot space. Please refer to the Income Capitalization Approach for specific data about lease and rental information.

AREA ANALYSIS

The Subject is located within the Chicago-Naperville-Joliet Metropolitan Statistical Area, which corresponds to the area shown on the map below. This area includes Lake County, McHenry County, DeKalb County, Kane County, DuPage County, Kendall County, Will County, Grundy County, Cook County in Illinois, and Kenosha County in Wisconsin, and Lake County, Porter County, Newton County, and Jasper County in Indiana.



The Chicago MSA had a population of 9.58 million residents as of the 2020 census, ranking the MSA the third largest in the country behind New York and Los Angeles. Chicago's suburbs have experienced significant growth since the 1960s, which has largely contributed to the development of the Chicago MSA. The area includes four of the five largest cities in Illinois. This area includes Chicago, Aurora, Joliet, and Naperville. Elgin, Waukegan, and Cicero are in the state's top ten, giving the MSA seven of the ten spots. The MSA demographics tend to follow the same geographic patterns as the city of Chicago, with the northern suburbs being comparatively more affluent and the southern suburbs being comparatively less affluent. The one exception is the western suburbs, which contain some of the area's most affluent communities. Key demographic characteristics for the Chicago MSA have been summarized on the following page.

Key Demographic Characteristics for the Chicago-Naperville-Joliet MSA

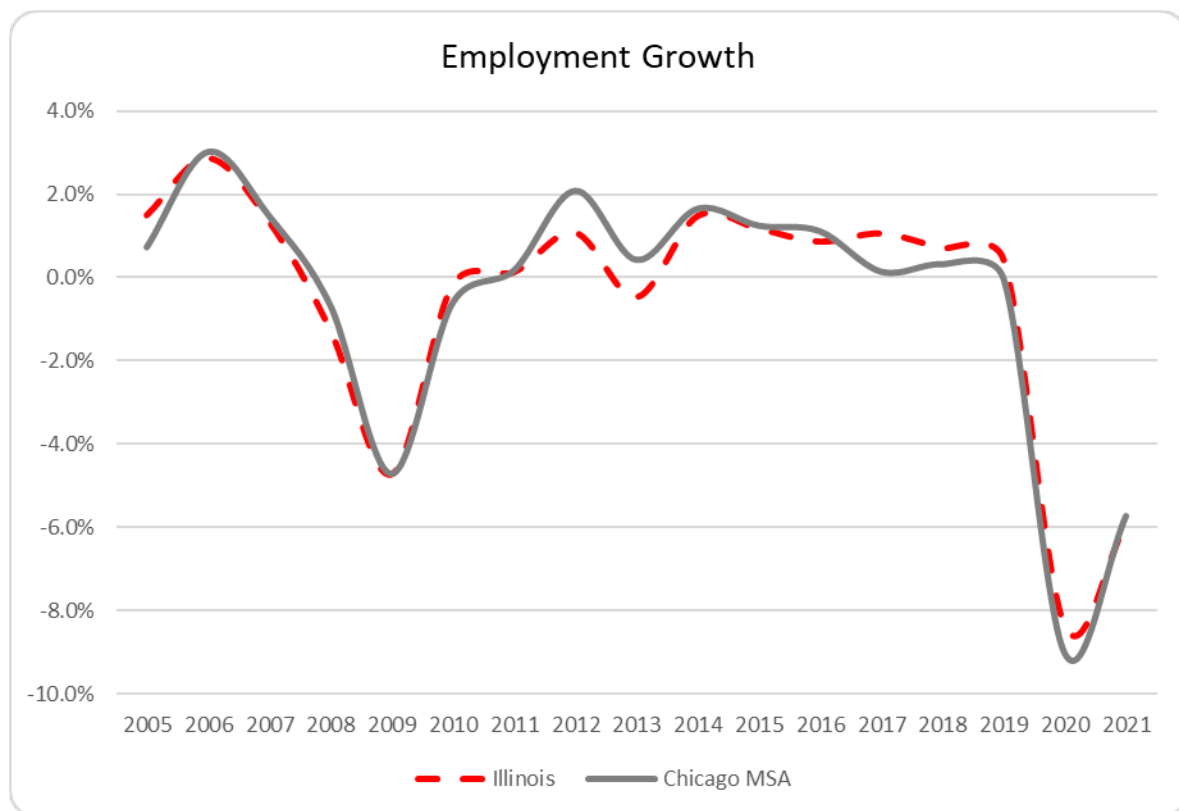
Demographic	2000	2010	2021	2026	% Change	
					2000-2010	2021-2026
Total Population	9,098,316	9,461,105	9,506,045	9,498,830	3.99%	-0.08%
Population Density	1,264	1,315	1,321	1,320		
Total Households	3,280,055	3,475,726	3,536,711	3,545,004	5.97%	0.23%
Total Housing Units	3,462,197	3,797,247	3,881,839	3,945,954	9.68%	1.65%
Average Household Income			\$104,625	\$116,943		2.35%
Median Household Income			\$76,081	\$84,091		2.11%
Per Capita Income			\$38,998	\$43,716		2.42%

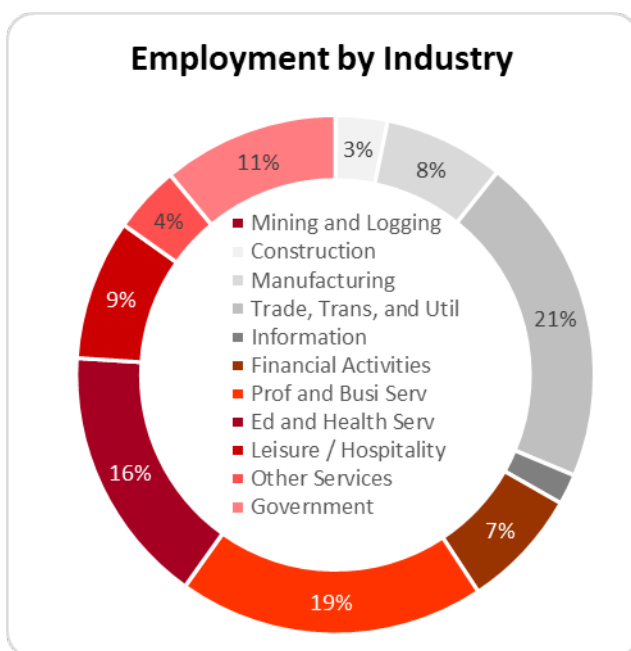
Source: ESRI

MSA Employment and Unemployment

MSA Employment Growth and Top Employers

The Chicago MSA suffered significant declines in employment during the recession that began in 2008. The current recession, which started in the second quarter of 2020, precipitated by the COVID-19 pandemic, is affecting employment more dramatically than the 2008 financial crisis. The effects of COVID-19 are expected to be short-term, but there is still uncertainty.





The Trade, Transportation, and Utility sector constitutes the largest employment sector, employing 21% of the workforce. The second-largest is the Professional and Business Services sector with 19%. The others contributing more than 10% are Education (16%) and Government (11%). The manufacturing industry has declined from its peak in the late 1990s and is primarily attributed to manufacturing jobs moving overseas and southern U.S. locations with lower labor costs. Overall, the MSA has a generally diversified employment base, as shown in the chart to the left.

Source: U.S. Bureau of Labor Statistics (January 2020)

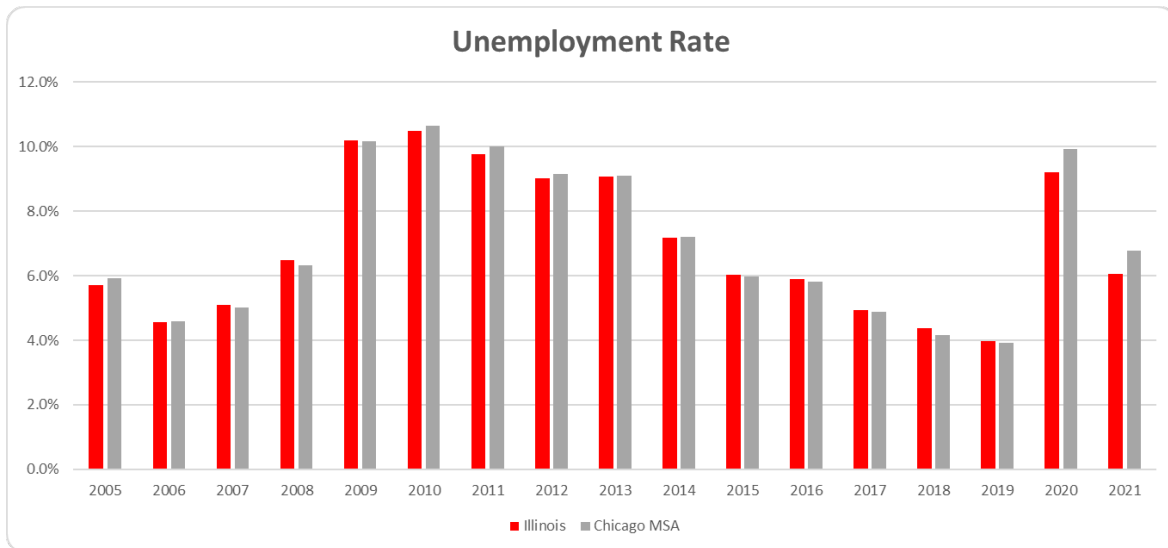
Employment by Industry (January 2020 to March 2021)

The most significant effect of COVID-19 is being felt in the Leisure and Hospitality and Other Services, as demonstrated by the significant declines. This sector has recently rebounded and is anticipated to reach pre-pandemic levels in the coming year. The Trade, Transportation, and Utility sector, the most significant economic sector, ticked upward after posting declines in the two previous years.

Summary of Increases by Industry

Industry	% Δ
Mining and Logging	18.2
Construction	2.8
Manufacturing	1.5
Trade, Trans, and Util	3
Information	6.5
Financial Activities	0.8
Prof and Busi Serv	5.4
Ed and Health Serv	1.5
Leisure / Hospitality	38.6
Other Services	5.7
Government	4.5

MSA Unemployment



Source: U.S. Bureau of Labor Statistics, compiled by Real Property Consultants

The Chicago MSA has continued to be steady and within a close margin of the State of Illinois in percent of unemployed. As indicated by the chart above, the Chicago MSA provides the impetus for statewide unemployment. The economy has received a shock from the spread of COVID-19. Unemployment more than doubled from March to June 2020. Chicago's unemployment rate is declining at a similar rate to Illinois's and is projected to come down to a more normal level in 2023.

Area Analysis Conclusion

The Chicago MSA is underperforming the national averages, and this has been the historical trend for this market since the decline in manufacturing employment beginning in the early 2000s. The Chicago MSA has many locational attributes that have developed the market into an international center for transportation, manufacturing, banking, securities, technology, services, and wholesale and retail trade. Additionally, Chicago is one of the leading global financial centers for commodities, financial futures, and derivative products, with the largest futures, exchange globally the Chicago Mercantile Exchange. O'Hare International ranks as one of the busiest airports globally, connecting the area to some critical international business centers in Europe, Asia, and the Middle East.

Chicago is the second-largest industrial market in the U.S., with nearly 1.2 billion square feet of inventory, second only to the Greater Los Angeles industrial market. The Chicago industrial market remains the most influential in the Midwest due to its growing prominence as an inland port and its diverse, comparatively low-cost labor force. It has the second-largest workforce in the country and is the largest manufacturing market. Chicago's strategic location and transportation infrastructure make it the most critical transportation center.

The Real Estate Roundtable's Current Conditions Index (Economic Sentiment) indicates the following for commercial real estate in the US:

- The Q1 2022 Real Estate Roundtable Sentiment Index registered a score of 66, a decrease of seven points from the fourth quarter of 2021 but a seven-point increase over Q1 2021. While optimistic about the economic outlook going forward, inflation concerns and a rising interest rate environment were frequently cited as potential headwinds for the industry.
- Survey respondents' outlook varied between asset classes and location; most participants felt that real estate assets, particularly single and multifamily housing and industrial, remain largely "priced to perfection" with limited supply being chased by seemingly "boundless" capital.
- This supply-demand imbalance has generally led to compressed cap rates across favorable asset classes and perceptions that valuations will remain elevated.
- Participants cited a continued abundance of debt and equity capital and strong investor demand for real estate.

The survey respondents' outlook varied between asset classes and location; most participants felt that real estate assets, particularly single and multifamily housing and industrial, remain largely "priced to perfection" with limited supply being chased by seemingly "boundless" capital.

(Source: The Real Estate Roundtable Q1 2022 Economic Sentiment Index)

OFFICE MARKET ANALYSIS

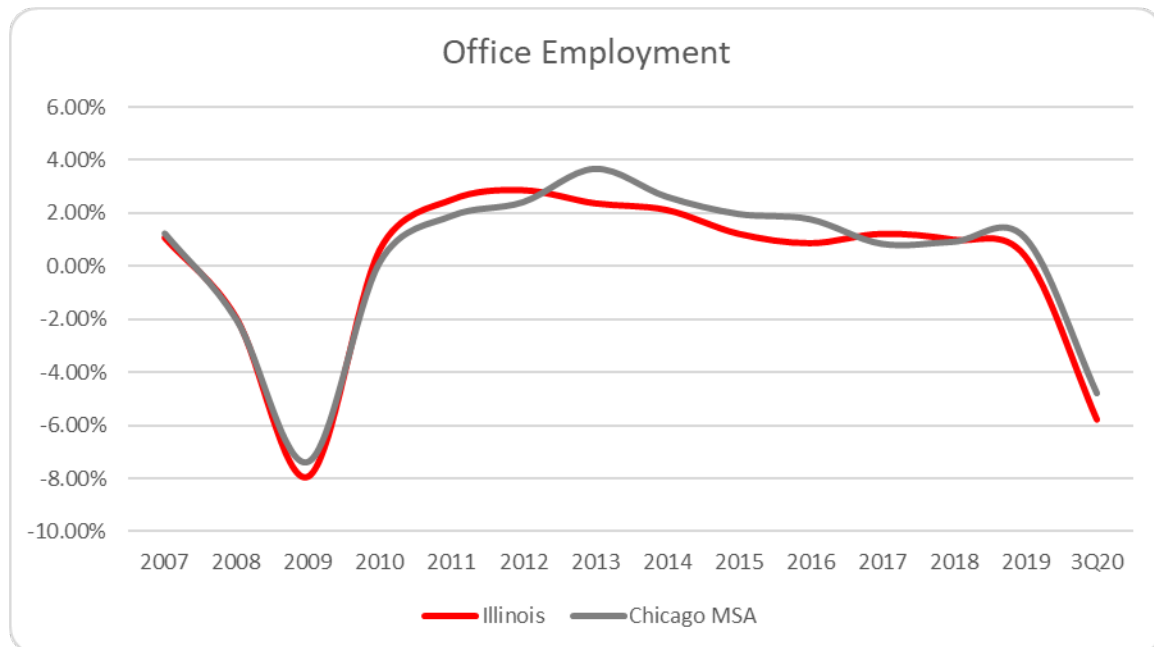
Chicago MSA

Overview

The Area Analysis indicated that the overall economy is not performing to its potential, but a rebound was expected in 2021. This section will also focus on the Chicago MSA. Discussions specific to the Subject's local and direct competitive market are presented in the Submarket Analysis section that follows.

Employment Demand

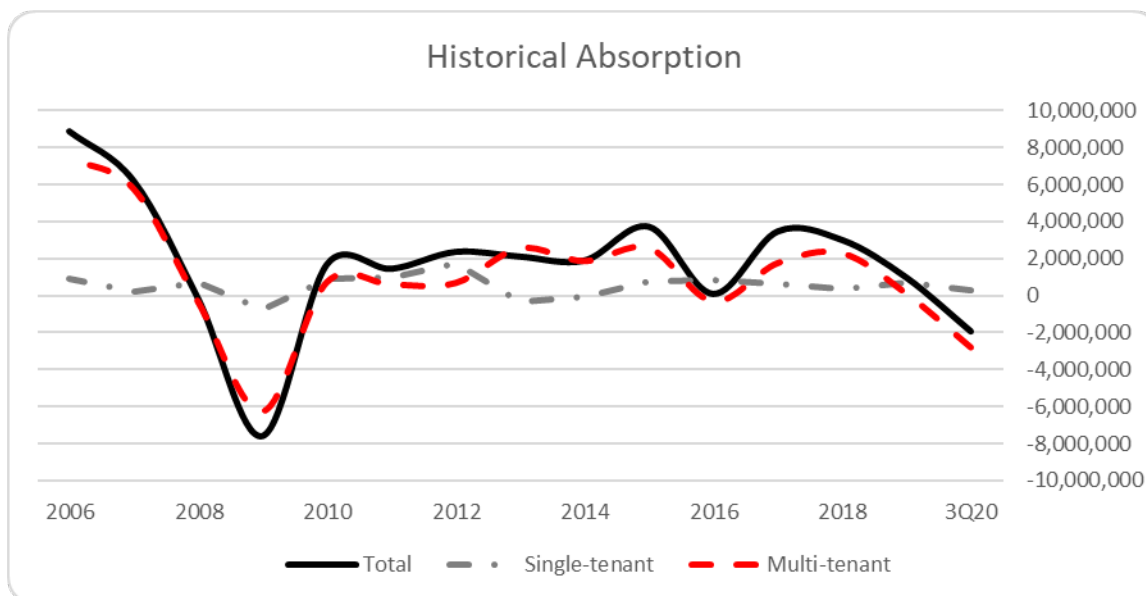
The chart below compares white-collar employment for Chicago MSA to Illinois. Chicago MSA's market was reporting positive gains from 2010 until 2020, when it turned negative. The rate of increase in 2019 (0.39%) was the lowest reported since 2010, signaling the market was weakening before COVID-19. The 1Q2020 exhibited a gain of 2.29% over FY2019, while the 2Q2020 resulted in a decline of 5.78% compared to Q12020, but 3Q2020 rebounded to show an increase of 3% over 2Q2020.



The current decline is more significant than the 2009 financial crisis, but the rebound is anticipated to be more rapid, considering the massive stimulus package implemented. There are mixed opinions on what impact COVID-19 will have on the overall office market. Some believe that demand will decrease due to more stay-at-home work situations, and others believe the overall demand for office space will be stable to increase due to more space being required per employee. Also, migration from the more densely populated cities to suburban areas is underfoot. Still, it is unknown if the trend will continue or reverse once a vaccine or herd immunity is realized for COVID-19.

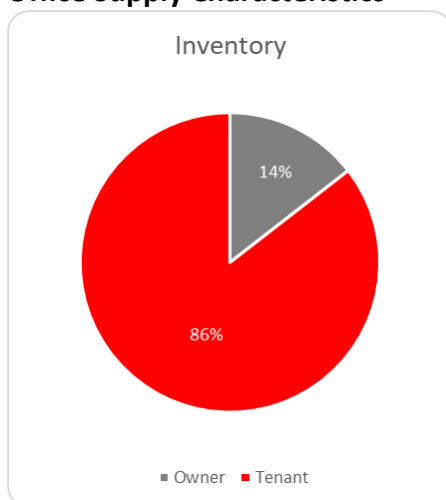
Net Absorption (Office Area)

The graph below illustrates the total market's net absorption for both single and multi-tenant properties for the past fifteen years. As demonstrated in the chart, the net absorption was positive from 2010 until 2019. The magnitude of the increase declined from 2017 until it turned negative in 2020. Net absorptions for single-tenant properties have generally been level. Net absorption for multi-tenant properties has been declining since 2017, and this trend is anticipated to continue.



Source: Costar, compiled by Real Property Consultants

Office Supply Characteristics

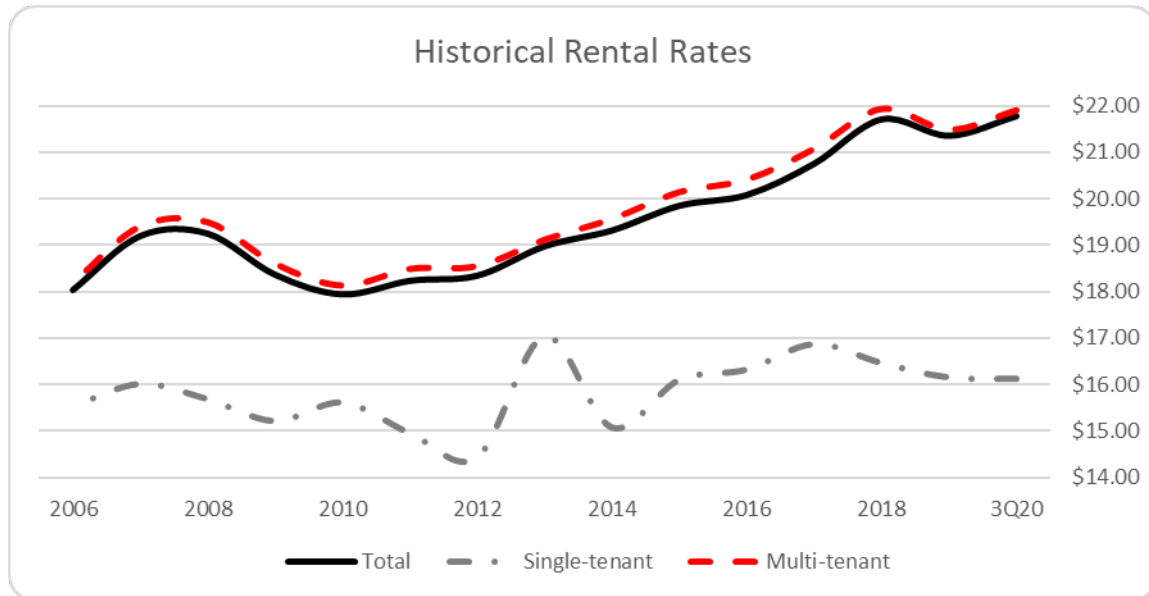


This chart illustrates that most of the demand in this market is for tenant-occupied properties. There is a total inventory of 503,414,898 square feet. This market is primarily tenant-occupied, with only 14% being reported as owner-occupied. The new construction over the past 15 years has been 79% multi-tenant and 21% single-tenant. This trend also holds for construction over the past 15 years, with 79% being tenant-occupied and 21% owner-occupied.

Source: Costar, compiled by Real Property Consultants

Rental Rates (Costar)

The chart that follows illustrates the rental rate differential between single and multi-tenant properties. The trend for single-tenant rental rates has fluctuated between \$14 and \$17 with a central tendency of \$16. On the other hand, multi-tenant rental rates have been increasing since 2010. Conversations with brokers active in the market indicate that there has been a decline in inactivity, which will ultimately translate into lower rental rates.



Source: Costar, compiled by Real Property Consultants

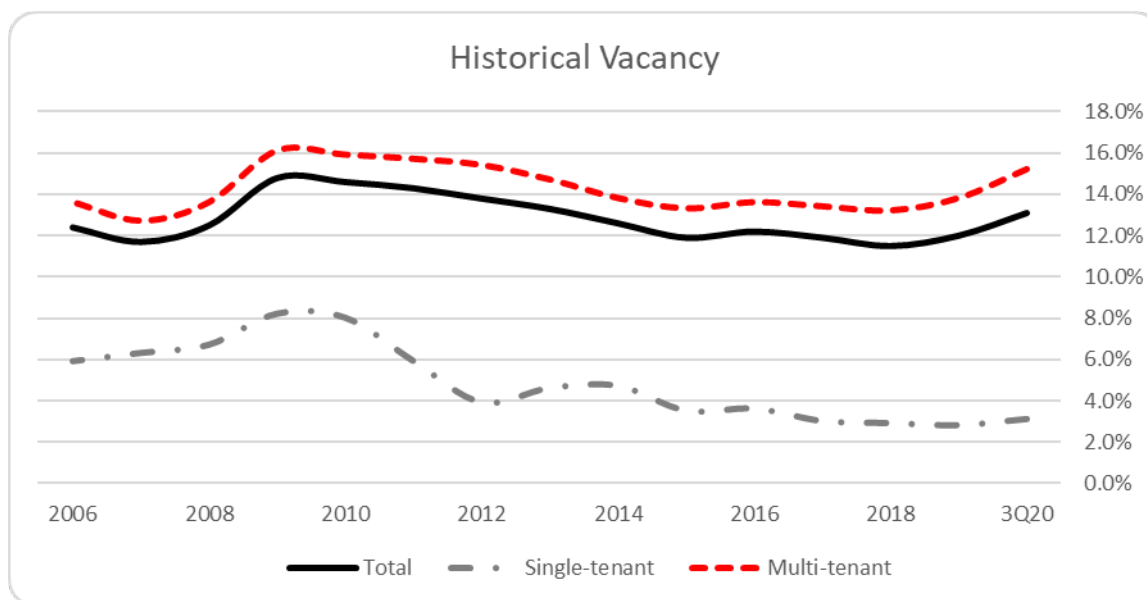
Rental Rates (REIS)

Asking rents declined 0.5% in both Q1 and Q2. These declines were the first since the financial crisis. Rental rates should continue to decline in the foreseeable future. Mass distribution of a vaccine will help the market return to a more normal

REIS is reporting a contract rent discount of 5.6% below the asking rental rates with 3.3 months of free rent. The average lease term is 3.6 months, with a leasing commission of 7.7% and tenant improvements of \$46.20.

Office Property Vacancy Characteristics

The graph below illustrates the vacancy rates for the fifteen years analyzed. The market vacancy reached a high of 14.8 percent in 2009 and declined to 11.5 percent in 2018. The rate has since increased from 1.5 percent to a current rate of 13.1 percent. Based on conversations with office property owners and brokers active in the market, the vacancy rates for single-tenant properties cannot go much lower. Still, the multi-tenant space should continue to decline.



Source: Costar, compiled by Real Property Consultants

REIS indicates a vacancy rate of 18.3 percent. This rate is significantly higher than that reported by Costar. Greater weight is given to the Costar data because the number of properties surveyed is considerably more than that of REIS.

Conclusion

Office employment rates were down significantly in 2Q2020 but rebounded in 3Q2020. Rental began weakening in 2018 but showed some signs of resiliency in 1Q2020. Rental rates are forecast to decline, and vacancy should continue to increase until the market's operations return to normal. The ultimate impacts of COVID-19 are unknown, but recent data on renegotiated contract prices suggests a limited effect to date.

SUBMARKET ANALYSIS

The Subject's submarket includes all office properties within the City of Batavia. The following information from CoStar Analytics pertains to office properties in this submarket.

Rents

The current market rental rate is \$19.32 per square foot, which is slightly up from \$19.12 per square foot a year earlier but above the ten-year average rental rate of \$17.85 per square foot. Rental rates are forecast to decline at a slow pace.

Vacancy

The current vacancy rate is 4.66%, which is down from 5.46% a year earlier but below the ten-year vacancy rate of 9.19%. Vacancy rates are forecast to increase at a slow pace.

Absorption/New Construction

There was a positive absorption of 7,422 square feet, which is above the ten-year average absorption of 4,309 square feet. This increase is due to a combination of market strengthening and no construction of additional space. There was a total of no new construction brought to the market in the past year.

Capitalization Rates

The current average capitalization rate in this submarket is 8.31%, which is the same as a year ago but above the ten-year average of 8.01%. The capitalization rates are forecast to decline at a slow pace.

Conclusion

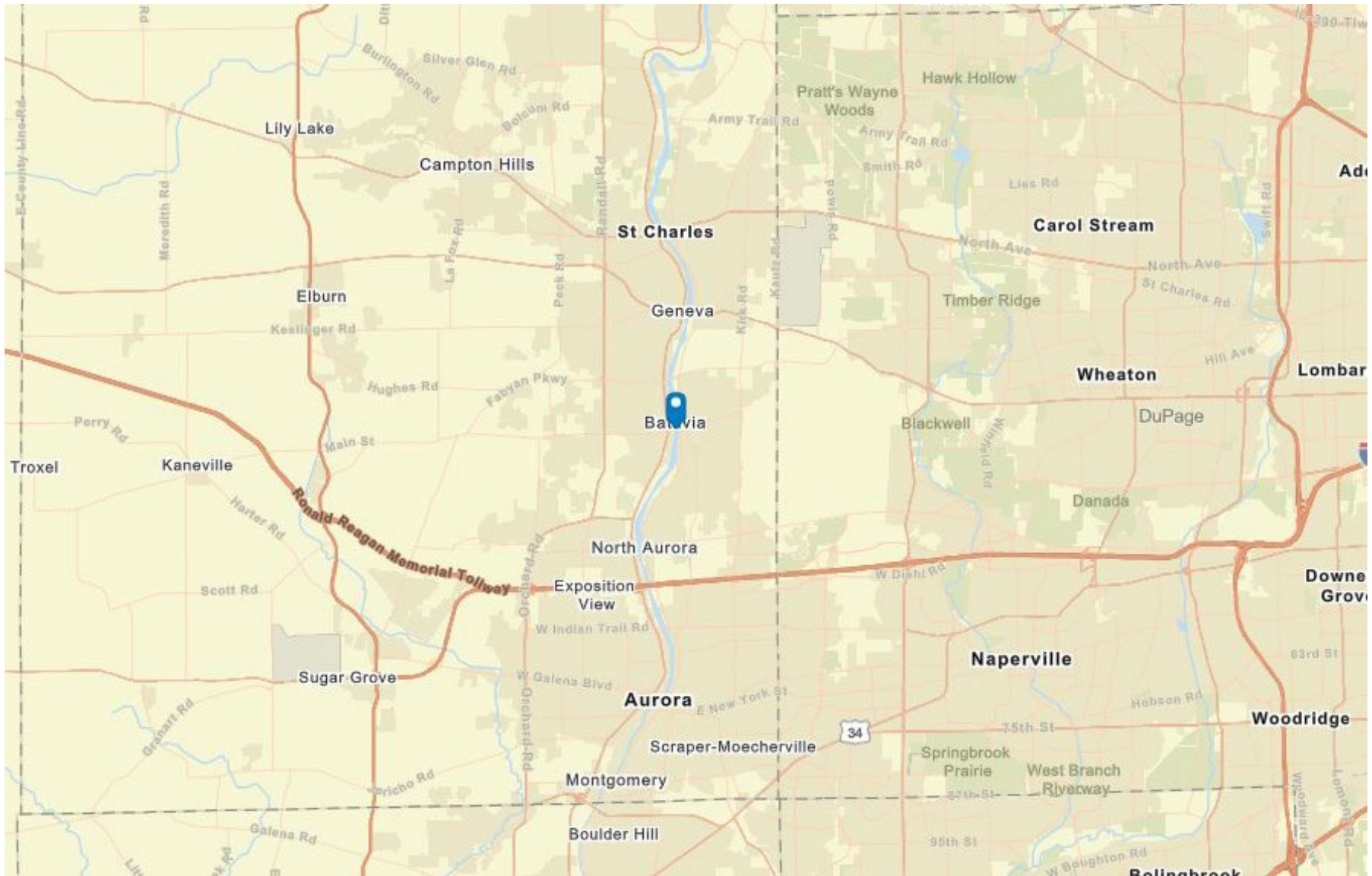
The overall economy entered into a recession at the beginning of the second quarter of 2020. The economy was heading in this direction, as signaled by the yield curve inverting in 2019. Every recession that has occurred since 1975 has been preceded by the yield curve inverting. COVID-19 caused this recession to occur sooner and also caused it to be more significant. The Subject's submarket is projected to strengthen as the population is vaccinated for COVID-19.

SITE DATA AND ANALYSIS

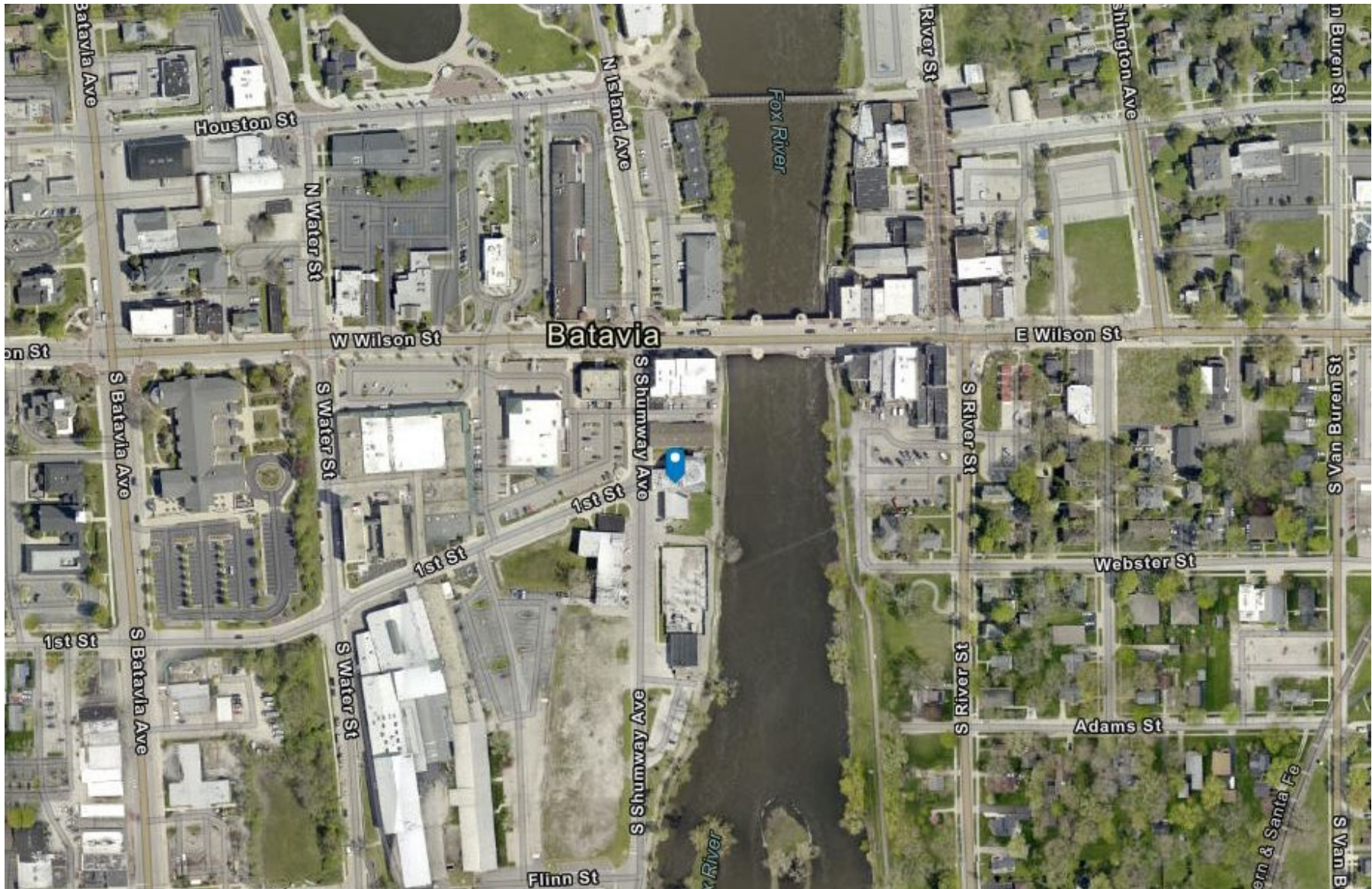
Street Frontage	The property has a frontage of 156 feet along the east side of South Shumway Avenue. There is no average daily traffic count along South Shumway Avenue.
Area and Shape:	The site reportedly contains $\pm 13,939$ -square feet or ± 0.32 -acres. The site is irregular in shape and can best be described by viewing the plat on page 27. The site's net usable area is $\pm 13,939$ -square feet or ± 0.32 -acres.
Location:	The Subject is located along the east side of South Shumway Avenue in Batavia, Illinois.
Topography and Elevation variation:	The site generally has gently sloping topography.
Drainage, Soil, and Subsoil conditions:	The site has typical drainage, and the soils appear to be suitable for commercial use. Based on observation of surrounding properties, there are no signs of soil or subsoil conditions that will hinder development. However, soil borings have not been provided for analysis.
Access:	The major thoroughfares that provide access to the Subject's market area are Interstate 88 (East/West), Lincoln Highway, and South River Street (North/South). The Subject is granted access along the east side of South Shumway Avenue. These streets provide safe and adequate ingress and egress to the Subject.
Location of Building Improvements:	The building improvements are constructed on the south side of the site. Visibility is fair to good from South Shumway Avenue. The building's location does not allow for the expansion of the building without using current parking areas.
Utilities:	The site has access to all available. To the best of our knowledge, the services have sufficient size to adequately support the current and common alternative uses.

Site Improvements:	The site is improved with asphalt parking and drives with concrete curbs and gutters. There are a total of 8 parking spaces or 0.60 spaces per 1,000 square feet of building area. This is typical in a Downtown setting where there is an abundance of public parking. Concrete walks provide pedestrian access to the improvements.
Landscaping:	The site has minimal but typical landscaping for this property type and location.
Nuisances, Hazards, Detrimental Influences, and Environmental Issues:	There are no known nuisances, hazards, detrimental influences, or environmental issues regarding this site.
Flood Zone:	According to FEMA flood map panel 17089C0331H dated August 3, 2009, the site is located in an area of X Zone (Low Flood Risk). The appropriate area of this map is in the addenda on page 71 of this report.
Excess/Surplus Land:	The site has no excess or surplus land.
Surrounding Uses:	The uses surrounding the Subject are as follows: North - office (to be remodeled into a brewery); South -City Building; East -Fox River; West -Walgreens.
Easements, Encroachments, Covenants, Conditions, and Restrictions:	Other than typical utility easements, there are no other known issues. Neither a title policy nor a spotted survey has been provided for analysis. The site does not have any known adverse encroachments, covenants, conditions, and/or restrictions.
Functional Utility:	The site characteristics are adequate for development with a commercial type use.
Conformity and Conclusion:	The site characteristics conform to other downtown mixed-use zoned properties in the market area, and there are no adverse conditions that would make developmental concerns.

AREA MAP



LOCATION MAP



PLAT



IMPROVEMENT DATA AND ANALYSIS

Building Type:	Office, office building
Architectural Style:	Two Story
Building Dimensions:	Refer to the sketches in the addenda on page 66.
Area:	GBA 13,424-square feet (per Rent Roll/Drawings) NRA 12,754-square feet (per Rent Roll/Drawings)
Efficiency Ratio (NRA/GBA)	95.01%
Height:	The building has ceiling heights ranging from 8' to 15' feet.
Number and Type of Units:	The building is designed to accommodate six tenants.
Construction Details:	The improvement is a Class C - Masonry office building that is of fair to good quality. There is an insulated pitched-style roof that has a metal covering.
Interior Finish:	The finish consists of carpet and vinyl tile, floor coverings, masonry/painted drywall walls, and drop and exposed ceilings.
Electrical Service:	The building is equipped with individual 100 amp electrical panels. Lighting is provided by a mixture of lighting.
HVAC:	The building is heated by a gas-fired, forced air furnace and is cooled by central air conditioning units.
Plumbing:	The plumbing appears adequate, with fair to good quality fixtures.
Equipment and Fixtures:	This Appraisal does not include furniture, fixtures, or equipment.
Other Building Improvements:	The building contains a working elevator. Also, there is a patio/break area on the north side of the property.
Floor Plan:	A floor plan drawing was provided. A sketch of the building improvements is on page 66 in the addenda.

Actual Age: The building was constructed in 1870. The building has an actual age of 152 years.

Quality and Workmanship: The Subject was constructed with fair to good quality materials and workmanship.

Condition Survey

Short-Lived Items:	Floor coverings	Fair to Good
	Walls	Fair to Good
	Ceilings	Fair to Good

Long-Lived Items:	Roof	\pm 20 years
	Exterior	\pm 152 years

Considering these factors, the overall condition assessment for the property is fair to good.

Deferred Maintenance: The building does not suffer from any significant deferred maintenance.

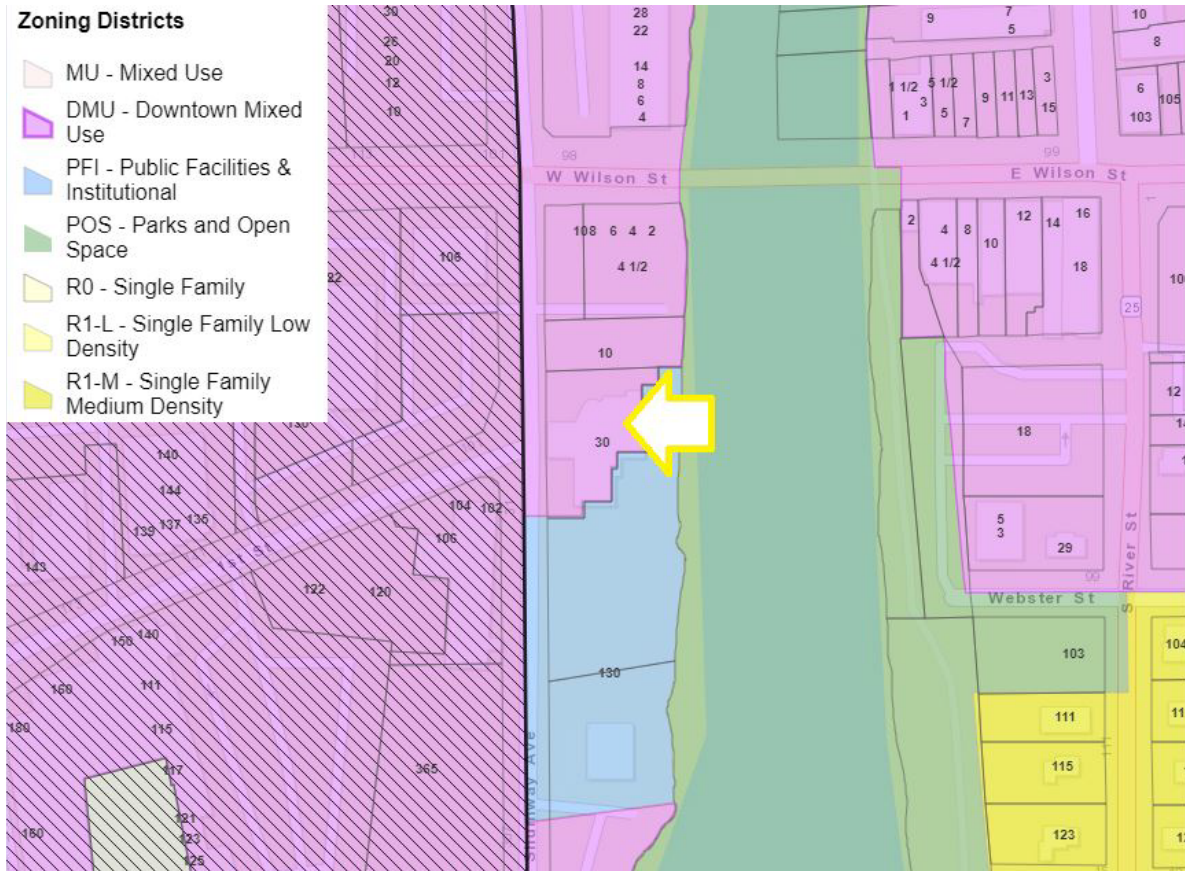
Analysis of Functional Utility: The Subject's improvements have fair to good functional utility, as demonstrated by the generally similar characteristics of competing properties in the market.

ZONING AND LAND USE PLANS

Zoning District

DMU, Downtown Mixed-use

Zoning Map



Governance

The City of Batavia regulates the zoning and land use plans for the Subject's location.

Conclusion of the conformity or non-conformity of the site or property to public or private restrictions

Based on our analysis, the Subject appears to be following the current zoning requirements. A title policy for the Subject was not available for our analysis, so we assumed there were no adverse legal considerations. Furthermore, a spotted survey of the Subject was not available for our analysis. A zoning letter of compliance can be obtained from the City of Batavia to confirm zoning compliance.

TAX AND ASSESSMENT ANALYSIS

Properties in the State of Illinois outside of Cook County are assessed at 1/3rd of their estimated value, as determined by the local Township Assessor. The Subject is in Kane County, and the following tax information is for 2020. The Subject is assessed for \$186,694, a full tax market value of \$560,088, and a tax rate of 9.044268%, which results in real estate taxes of \$16,885. Based on the value estimated in this Appraisal, the Subject is under-assessed. However, the tax comparables shown below indicate that the property fits within the range of taxes per square foot and is fairly assessed.

Property Identification Number 12-22-257-008

Summary Table

Tax Year	Parcel Number	Assessor's Land Value	Assessor's Building Value	Assessor's Total Value	Assessment Ratio	Assessed Value	Tax Rate (%)	Tax Rate Per	Total Taxes
2020	12-22-257-008	\$87,258	\$472,830	\$560,088	33.33%	\$186,694	9.04427	\$100	\$16,885

Tax Comparables

No.	Address	Year Built	Building Size (SF)	Assessor's Fair Market Value	FAV / SF	Taxes	Taxes / SF
1	40W117 Campton Crosings I	2006	5,000	\$472,293	\$94.46	\$12,024	\$2.40
2	34 N Island Ave	1985	7,000	\$796,992	\$113.86	\$24,027	\$3.43
<u>3</u>	<u>1885 N Farnsworth Ave</u>	<u>1980</u>	<u>14,020</u>	<u>\$751,950</u>	<u>\$53.63</u>	<u>\$15,484</u>	<u>\$1.10</u>
4	314 N Lake St	1955	14,348	\$281,646	\$19.63	\$8,789	\$0.61
5	100 N Lincolnway	1974	10,000	\$585,639	\$58.56	\$17,176	\$1.72
	Average	1980	10,074	\$577,704	\$68.03	\$15,500	\$1.85
	Subject	1870	13,424	\$560,088	\$41.72	\$16,885	\$1.26

There are no known special assessments or pending special assessments, or other potential adverse effects on value.

PART III – ANALYSIS AND CONCLUSIONS

THE VALUATION PROCESS

The valuation process is an orderly procedure for appraisers to gather social, economic, governmental, and environmental data that create and influence value. The nature and the quantity of the data necessary to develop the analysis are dependent on the property type and its marketability. Upon gathering the comparable data, the information is analyzed and correlated to the Subject. The site and improvements, if any, are described and analyzed to determine the property's ability to satisfy the wants and needs of market participants.

The next step is to estimate the highest and best use of the site or land - as if it were vacant - and available for use, and of the property as if it is improved or proposed construction is pending. This analysis assists appraisers in the selection of comparable data and in selecting the appropriate appraisal techniques necessary to value the property.

Appraisers generally value real estate by developing three approaches to value: The Cost, Sales Comparison (market), and Income Capitalization Approaches. These approaches are subject to the economic principle of substitution: *A knowledgeable purchaser will not pay more for a property than it would cost to acquire an equally desirable property, assuming there is no undue delay in acquiring the alternative property.*

In the Cost Approach, we estimated the depreciation and deducted it from the cost new. Then the depreciated value is added to the site value to indicate a value for the property as a whole. The Sales Comparison Approach is used to value the Subject's site. Due to the age of the improvements and lack of land sales, the most likely buyer would not rely on the Cost Approach in making their purchase decision. Therefore, the Cost Approach has not been developed.

We valued the improved property through the development of the Sales Comparison Approach. We analyzed sales of comparable properties for similarities and differences in the Subject. We adjusted these comparable sales for the differing items. There are enough sales that bracket the characteristics of the Subject, and the Sales Comparison Approach is applicable for development.

In the Income Capitalization Approach, the appraiser analyzes the relationship between the net income property can produce and its value. We converted the anticipated benefits of ownership of the Subject to a present value opinion by developing a capitalization technique. Since this approach measures the anticipated future quantity, quality, and durability of net income, it is extremely critical that the net income, future value changes, and capitalization rate be appropriately supported. The Subject is an income-producing property, and there is adequate data to develop a value estimate by the Income Capitalization Approach.

The final step in the development of an appraisal is reconciliation and correlation of the value estimates into a Market Value opinion for the property. Reconciliation is the process of evaluating the various data, value indications, analyses, and approaches developed. The appraiser must ensure that the development is relevant and unbiased. Special care must be given to reconciliation because the appraiser must reflect the reasoning and actions of the market participants (buyers, sellers, and financiers).

The final step in the valuation process is the communication of the Appraisal to the Client. This *Appraisal Report* conforms to the reporting standards of Standards Rule 2-2 (a) of the USPAP and the requirements of the Appraisal Institute.

HIGHEST AND BEST USE ANALYSIS

The Appraisal Institute defines the highest and best use as:

"The reasonably probable use of a property 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."

(Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015))

The highest and best use analysis first determines the highest and best use of the Subject as though vacant. This analysis results in the conclusion of the "ideal" improvement for the Subject's land. The existing improvements are then compared to this "ideal" improvement to conclude the highest and best use as improved.

Analysis of Highest and Best Use "As If Vacant"

Legally Permissible Use

The zoning office is strict in the enforcement of zoning regulations. Since improved properties in this market area are predominantly commercial, it is not probable that a zoning change or a variance would be granted to allow non-commercial uses. Therefore, it is our opinion that the remaining legally permissible and probable use for this site - as if vacant - would be for a commercial use permitted by the current zoning. A title policy has not been provided for analysis.

Physically Possible Use

This site's physical characteristics include size, shape, topography, soil conditions, location, available utilities, and required setback lines. This site has sufficient size for many commercial-type uses. The topography is gently sloping and at grade with respect to the streets. Soil conditions and the availability of utilities, and public ingress and egress make this site physically possible for development with a legally permissible use.

Financially Feasible Use

Because of an oversupply in the market, the market is not demanding the construction of additional office space at this time. This is demonstrated by the very limited construction over the past several years. It is not within the scope of work for this assignment to test alternative highest and best use scenarios.

Conclusion of Highest and Best Use "As If Vacant" (Maximally Productive Use)

Considering the adjoining and competing properties, the maximally productive use of this site - if vacant - would be to hold the site vacant for future development with a commercial type use. It is not likely that development would occur for at least three to five years. The ideal improvement would be new, functional and it would conform to local market design requirements. The most probable purchaser at this time would likely be a land speculator.

Analysis of Highest and Best Use of the Property "As Improved"

Legally Permissible Use

Analyzing the Subject as improved, the improvements are a legal conforming use. There are no known violations of zoning requirements, and there are no known private deed restrictions that adversely affect the value or marketability of this property. However, a title policy has not been provided for analysis.

Physically Possible Use:

The improvements meet the criteria for the physically possible uses of this site as the improvements are fully situated on the site, and there do not appear to be any encroachments onto or from adjoining properties. There is an insufficient site size that allows for on-site parking. However, this is typical in a Downtown setting where there is an abundance of public parking. A spotted survey has not been provided for analysis.

Financially Feasible Use:

The existing use is financially feasible at the value estimated in this report. This is supported by market analysis and the existence of similar uses in the market area. The building has an acceptable design, and there are no adverse factors other than physical depreciation and external obsolescence caused by weak economic conditions.

Conclusion of Highest and Best Use "As Improved" (Maximally Productive Use)

The building improvements conform to the highest and best use of the site - as if vacant - except for physical depreciation and both functional and external obsolescence. The timing of use of the property by the purchaser is projected to be immediate. The most likely buyer of the property is an investor. The most likely users of the property are local professional companies. Because the value of this property as improved is significantly higher than the value of the site as if vacant, it is our opinion that maintaining the improvement as is represents the maximally productive use of this property.

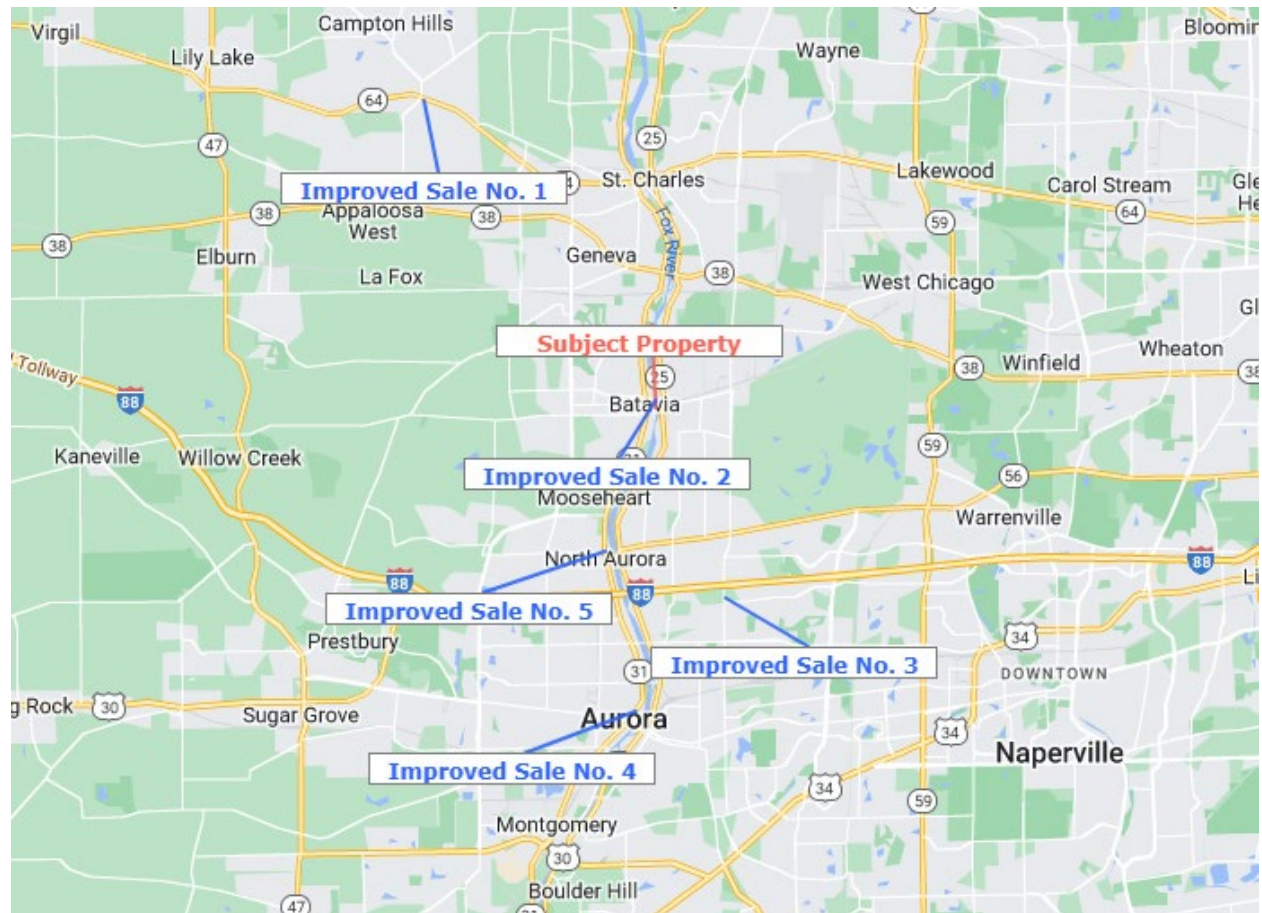
SALES COMPARISON APPROACH

A search of the market area provided data on sales that are like the Subject. The sales occurred within an adjustable period, and they are relevant for the development of this approach. Consideration is given for property rights conveyed, financing, conditions of sale, market conditions, location, physical characteristics, economic characteristics, use, and non-reality components. A summary description of the data and the valuation of the Subject follow.

IMPROVED SALES SUMMARY TABLE

No.	Address	Sale Date	Sale Price	Size (SF)	Price / SF
1	40W117 Campton Crosings Dr	08/13/21	\$570,000	5,000	\$114.00
2	34 N Island Ave	05/28/21	\$950,000	7,000	\$135.71
3	1885 N Farnsworth Ave	01/21/21	\$1,290,000	14,020	\$92.01
4	314 N Lake St	12/16/20	\$975,000	14,348	\$67.95
5	100 N Lincolnway	07/06/20	\$675,000	10,000	\$67.50

IMPROVED SALES LOCATION MAP



COMPARABLE 1**LOCATION INFORMATION**

Address 40W117 Campton Crosings Dr
 City, State, Zip Saint Charles, Illinois 60175
 County Kane
 MSA Chicago
 PIN 08-23-281-014

SALE INFORMATION

Seller Ed Kling
 Buyer Thomas Dohery
 Sale Date August 13, 2021
 Sale Status Recorded
 Sale Price \$570,000
 Finance Terms Adj. \$0
 Cond. of Sale Adj. \$0
 Expenditures Adj. \$0
 Non-realty Adj. \$0
 Adj. Sale Price \$570,000
 Rights Transferred Leased Fee
 Financing Cash to Seller
 Conditions of Sale Arm's Length

PHYSICAL INFORMATION

Gross Building Area 5,000
 Net Rentable Area 5,000
 Year Built 2006
 Construction Quality Fair to Good
 Construction Class D - Wood Frame
 Condition Good
 Structure Wood frame
 Exterior Brick/Aluminum
 Site Size (SF/Acres) 6,534 / 0.15
 L to B Ratio 1.31
 Zoning PUD
 Shape Rectangular
 Topography Level
 Access Fair to Good
 Visibility Fair to Good

**OFFICE RELATED INFORMATION**

No. of Tenants 3
 Parking Ratio (NRA) 1.20
 Occupancy at Sale 100.0%

OPERATING DATA

NOI \$40,612

ANALYSIS INFORMATION

Price per SF (GBA) \$114.00
 Adj. Price per SF GBA \$114.00
 Price per SF (NRA) \$114.00
 Adj. Price per SF NRA \$114.00
 Capitalization Rate 7.12%

CONFIRMATION

Confirmed by Ben Branca
 Confirmed with Michael Carpenter (Listing Broker)
 Confirmation Date 03-25-2022

PRIOR SALE INFORMATION

There have not been any sales in the 12 months before this sale.

CURRENT SALE REMARKS

During a conversation with Michael Carpenter, it was learned that this was an arm's length transaction with no atypical sale conditions.

COMPARABLE 2**LOCATION INFORMATION**

Address 34 N Island Ave
 City, State, Zip Batavia, Illinois 60510-1971
 County Kane
 MSA Chicago
 PIN 12-22-202-015

SALE INFORMATION

Seller Wendy A Lee
 Buyer Brandt Sartell
 Sale Date May 28, 2021
 Sale Status Recorded
 Sale Price \$950,000
 Finance Terms Adj. \$0
 Cond. of Sale Adj. \$0
 Expenditures Adj. \$0
 Non-realty Adj. \$0
 Adj. Sale Price \$950,000
 Rights Transferred Leased Fee
 Financing Cash to Seller
 Conditions of Sale Arm's Length

PHYSICAL INFORMATION

Gross Building Area 7,000
 Net Rentable Area 7,000
 Year Built 1985
 Construction Quality Fair to Good
 Construction Class C - Masonry
 Condition Good
 Structure Masonry
 Exterior Brick
 Site Size (SF/Acres) 33,541 / 0.77
 L to B Ratio 4.79
 Zoning DMU
 Shape Irregular
 Topography Gently Sloping
 Access Fair to Good
 Visibility Fair to Good

**OFFICE RELATED INFORMATION**

No. of Tenants 6
 Parking Ratio (NRA) 4.57
 Occupancy at Sale 100.0%

OPERATING DATA

Rent Income \$159,266
 Other Income \$0
 PGI \$159,266
 V & C Loss \$28,827
 EGI \$130,439
 Expenses \$40,368
 NOI \$90,071
 Reserves \$2,800
 NOI after Reserves \$87,271

ANALYSIS INFORMATION

Price per SF (GBA) \$135.71
 Adj. Price per SF GBA \$135.71
 Price per SF (NRA) \$135.71
 Adj. Price per SF NRA \$135.71
 Capitalization Rate 9.48%
 Cap. Rate after Res. 9.190%

CONFIRMATION

Confirmed by Ben Branca
 Confirmed with James Coleman (Listing Broker)
 Confirmation Date 08-03-2021

PRIOR SALE INFORMATION

There have not been any sales in the 12 months prior to this most recent sale.

CURRENT SALE REMARKS

During a conversation with the listing broker, James Coleman, it was learned that the transaction was a leased fee, cash to the seller, an arm's length transaction, with no expenditures immediately after the sale.

COMPARABLE 3**LOCATION INFORMATION**

Address 1885 N Farnsworth Ave
 City, State, Zip Aurora, Illinois 60505
 County Kane
 MSA Chicago
 PIN 15-12-101-004

SALE INFORMATION

Seller Lloyd Hammer LLC
 Buyer Marywood properties LLC
 Sale Date January 21, 2021
 Sale Status Recorded
 Sale Price \$1,290,000
 Finance Terms Adj. \$0
 Cond. of Sale Adj. \$0
 Expenditures Adj. \$0
 Non-realty Adj. \$0
 Adj. Sale Price \$1,290,000
 Rights Transferred Leased Fee
 Financing Cash to Seller
 Conditions of Sale Arm's Length

PHYSICAL INFORMATION

Gross Building Area 14,020
 Net Rentable Area 14,020
 Year Built 1980
 Construction Quality Fair to Good
 Construction Class D - Wood Frame
 Condition Fair
 Structure Wood frame
 Exterior Brick, mansard asphalt
 Site Size (SF/Acres) 42,876 / 0.98
 L to B Ratio 3.06
 Zoning B-3
 Shape Rectangular
 Topography Generally Level
 Access Fair to Good
 Visibility Fair to Good

**OFFICE RELATED INFORMATION**

No. of Tenants 4
 Parking Ratio (NRA) 4.28
 Occupancy at Sale 100.0%

ANALYSIS INFORMATION

Price per SF (GBA) \$92.01
 Adj. Price per SF GBA \$92.01
 Price per SF (NRA) \$92.01
 Adj. Price per SF NRA \$92.01

CONFIRMATION

Confirmed by Ben Branca
 Confirmed with Public Records
 Confirmation Date 08-03-2021

PRIOR SALE INFORMATION

There have not been any sales in the 12 months prior to this most recent sale.

CURRENT SALE REMARKS

Unable to verify the sales transaction with the buyer or the seller. Per public records, the transaction was a leased fee transaction, cash to the seller, an arm's length transaction, with no expenditures immediately after the sale.



COMPARABLE 4**LOCATION INFORMATION**

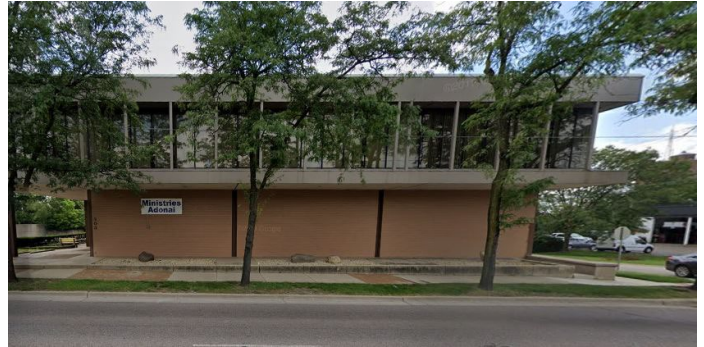
Address 314 N Lake St
 City, State, Zip Aurora, Illinois 60506-4160
 County Kane
 MSA Chicago
 PIN 15-22-154-010

SALE INFORMATION

Seller Thomas A Weber and Deborah Weber
 Buyer TBD Aurora LLC
 Sale Date December 16, 2020
 Sale Status Recorded
 Sale Price \$975,000
 Finance Terms Adj. \$0
 Cond. of Sale Adj. \$0
 Expenditures Adj. \$0
 Non-realty Adj. \$0
 Adj. Sale Price \$975,000
 Rights Transferred Leased Fee
 Financing Cash to Seller
 Conditions of Sale Arm's Length

PHYSICAL INFORMATION

Gross Building Area 14,348
 Net Rentable Area 14,348
 Year Built 1955
 Construction Quality Fair to Good
 Construction Class D - Wood Frame
 Condition Fair
 Structure Wood frame
 Exterior Brick
 Site Size (SF/Acres) 25,264 / 0.58
 L to B Ratio 1.76
 Zoning B-3
 Shape Irregular
 Topography Generally Level
 Access Fair to Good
 Visibility Fair to Good

**OFFICE RELATED INFORMATION**

No. of Tenants 9
 Parking Ratio (NRA) 2.44
 Occupancy at Sale 93.0%

ANALYSIS INFORMATION

Price per SF (GBA) \$67.95
 Adj. Price per SF GBA \$67.95
 Price per SF (NRA) \$67.95
 Adj. Price per SF NRA \$67.95

CONFIRMATION

Confirmed by August Magdziarz
 Confirmed with Public record -Ptax Form - Assessor
 Confirmation Date 05-12-2021

PRIOR SALE INFORMATION

There have not been any sales in the 12 months prior to this most recent sale.

CURRENT SALE REMARKS

During a conversation with Davis Offutt Aurora Township assessor, it was learned this was an arm's length sale with no atypical conditions of sale.



COMPARABLE 5**LOCATION INFORMATION**

Address 100 N Lincolnway
 City, State, Zip North Aurora, Illinois 60542
 County Kane
 MSA Chicago
 PIN 15-04-201-033

SALE INFORMATION

Seller Garbis Properties LLC
 Buyer DG Partners II, LLC
 Sale Date July 6, 2020
 Sale Status Recorded
 Sale Price \$675,000
 Finance Terms Adj. \$0
 Cond. of Sale Adj. \$0
 Expenditures Adj. \$0
 Non-realty Adj. \$0
 Adj. Sale Price \$675,000
 Rights Transferred Leased Fee
 Financing Cash to Seller
 Conditions of Sale Arm's Length

PHYSICAL INFORMATION

Gross Building Area 10,000
 Net Rentable Area 10,000
 Year Built 1974
 Construction Quality Fair to Good
 Construction Class D - Wood Frame
 Condition Fair
 Structure Wood frame
 Exterior Masonry, asphalt
 Site Size (SF/Acres) 33,541 / 0.77
 L to B Ratio 3.35
 Zoning 0
 Shape Irregular
 Topography Generally Level
 Access Fair to Good
 Visibility Fair to Good

**OFFICE RELATED INFORMATION**

No. of Tenants 1
 Parking Ratio (NRA) 5.40

ANALYSIS INFORMATION

Price per SF (GBA) \$67.50
 Adj. Price per SF GBA \$67.50
 Price per SF (NRA) \$67.50
 Adj. Price per SF NRA \$67.50

CONFIRMATION

Confirmed by Ben Branca
 Confirmed with Public Record
 Confirmation Date 05-12-2021

PRIOR SALE INFORMATION

There have not been any sales in the 12 months prior to this most recent sale.

CURRENT SALE REMARKS

Unable to verify the sales transaction with the buyer or the seller. Per public records, the transaction was a leased fee transaction, cash to the seller, an arm's length transaction, with no expenditures immediately after the sale.



Analysis of Sales

The sale prices of the sales are reduced to a price per square foot of gross building above grade, including land. Points of comparative analysis considered include, but are not limited to, the following elements of comparison: property rights conveyed, financing, conditions of sale, market conditions, location, physical, economic characteristics, use, and non-realty components. Consideration for these elements of comparison is given in estimating a value opinion for the Subject. There is insufficient market data available to extract quantitative adjustments for all factors. Therefore, the property is also analyzed qualitatively. Percentage adjustments are applied to give an indication of the relative weight of each item considered.

Non-realty Components

The sales did not include any non-realty components and did not require adjustment for this factor.

Property Rights Conveyed

The transfers were of the leased fee interests. Therefore, an adjustment for property rights conveyed is not necessary.

Financing

The transfers involved cash to the sellers with either cash or market-level financing. Therefore, an adjustment for financing is not necessary.

Conditions of Sale

Based on interviews with a party involved in each transaction, they are arm's length with no atypical conditions.

Market Conditions

There have not been any significant changes in market conditions over the period of time encompassed by the date of value and the dates of sales. Therefore, an adjustment for this factor is not necessary.

Location

Sale 1, Sale 3, Sale 4, and Sale 5 are not adjacent to the Fox River like the Subject, and upward consideration is necessary for these sales. Sale 2 has a similar location to the Subject, and no adjustment is necessary.

Physical Characteristics**Size**

The Subject contains 13,424-square feet. The sales range in size from 7,000 to 14,348-square feet with an average of 11,342-square feet. Sale 1 and Sale 2 are significantly smaller than the Subject and are given downward consideration. Sale 3, Sale 4, and Sale 5 are similar in size to the Subject, and no adjustment is necessary for these sales.

Physical Characteristics (Continued)

Age

The Subject was constructed in 1870. All the sales are older. Therefore, we have elected to adjust for the condition rather than age.

Condition

The Subject is in fair to good condition. The sales with differing conditions have been adjusted accordingly.

Construction Class

The Subject is a Class C - Masonry structure. Those sales with differing construction classes are adjusted accordingly. The magnitude of this adjustment is based on the differences in construction costs from Marshalls Valuation Service.

Functional Utility

Number of Stories – The Subject has two stories. Those properties with differing numbers of stories are adjusted accordingly. The ground floor area typically demands the greatest rent when all other factors are equal in this market area.

Use**Zoning**

The Subject has DMU, Downtown Mixed-use zoning. The sales have similar zoning and do not require an adjustment.

Type

The sales are similar type properties, and adjustment is not necessary.

Economic Characteristics

There are no differences in economic characteristics that require adjustment.

Conclusion

The sales indicate an adjusted value range from \$91.74 to \$124.22 per square foot of gross building area with an average of \$108.42 per square foot. The sales are given approximately equal weight. Therefore, we have reconciled a unit value towards the center of the range at \$108.00 per square foot. Based on the $\pm 13,424$ -square feet of gross building area minus the deficit rent, the resulting rounded estimate of value is \$1,425,000.

Office Buidling	13,424 SF	@ \$108.00 / SF =	\$1,449,792
<u>Less Deficit Rent</u>			<u>\$34,419</u>
Indicated Value			\$1,415,373
Rounded to			\$1,425,000

A summary adjustment grid is on the following page.

Summary Adjustment Grid (Sales)

Item	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Address:	24-30 South Shumway	40W117 Campton	34 N Island Ave	1885 N Farnsworth Ave	314 N Lake St	100 N Lincolnway
City, State:	Batavia, Illinois	Saint Charles, Illinois	Batavia, Illinois	Aurora, Illinois	Aurora, Illinois	North Aurora, Illinois
Sale Price:	N/A	\$570,000	\$950,000	\$1,290,000	\$975,000	\$675,000
Date of Sale:	N/A	8/13/2021	5/28/2021	1/21/2021	12/16/2020	7/6/2020
Building Size:	13,424	5,000	7,000	14,020	14,348	10,000
Usable Land Size:	13,939	6,534	33,541	42,876	25,264	33,541
Usable Land to Building Ratio:	1.038	1.307	4.792	3.058	1.761	3.354
Price Per S.F.	N/A	<u>\$114.00</u>	<u>\$135.71</u>	<u>\$92.01</u>	<u>\$67.95</u>	<u>\$67.50</u>
Transactional Adjustments						
Property Rights Conveyed:		Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Financing:		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Conditions of Sale:		Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Market Conditions:	<u>Average</u>	<u>Similar</u>	<u>Similar</u>	<u>Similar</u>	<u>Similar</u>	<u>Similar</u>
Adjusted Price:	N/A	\$570,000	\$950,000	\$1,290,000	\$975,000	\$675,000
Adjusted Price Per S.F.	N/A	<u>\$114.00</u>	<u>\$135.71</u>	<u>\$92.01</u>	<u>\$67.95</u>	<u>\$67.50</u>
Property Adjustments						
Location	Batavia	Saint Charles	Batavia	Aurora	Aurora	North Aurora
Adjustment	N/A	10.0%	0.0%	10.0%	10.0%	10.0%
Size	13,424	5,000	7,000	14,020	14,348	10,000
Adjustment	N/A	-5.0%	-5.0%	0.0%	0.0%	0.0%
Condition	Fair to Good	Good	Good	Fair	Fair	Fair
Adjustment	N/A	-10.0%	-10.0%	10.0%	10.0%	10.0%
Construction Class	C - Masonry	D - Wood Frame	C - Masonry	D - Wood Frame	D - Wood Frame	D - Wood Frame
Adjustment	N/A	15.0%	0.0%	15.0%	15.0%	15.0%
Number of Stories	2	1	1	2	2	2
Adjustment	N/A	-5.0%	-5.0%	0.0%	0.0%	0.0%
Total Gross Adjustment	N/A	45.0%	20.0%	35.0%	35.0%	45.0%
Total Net Adjustment	N/A	5.0%	-20.0%	35.0%	35.0%	45.0%
Adjusted Price Per S.F.	NA	\$119.70	\$108.57	\$124.22	\$91.74	\$97.88

INCOME CAPITALIZATION APPROACH

Methodology

The Income Capitalization Approach is based on the principle of anticipation. Value is the present worth of the anticipated future benefits or income forecast to be derived from ownership of the property rights being appraised. The Income Capitalization Approach involves the capitalization of the net operating income to produce an indication of value.

Direct capitalization

Direct capitalization involves converting the stabilized net operating income for a property into an indication of value by dividing it by an appropriate overall capitalization rate (R_o). The net operating income applicable to the Subject is generally referred to as economic or market rental, and direct comparisons with similar properties are used to estimate it. Each comparable rental is analyzed and compared to the Subject and a series of direct comparisons; a market rental rate applicable to the Subject is then estimated.

Subject's Lease Information

#	Lessee	Suite No.	Lease Type	SF	Current Rent/SF	% of Total	Lease Start	Lease End
1	Harbour International, Inc.		Mod. Gross	3,245	\$23.50		1/21/2021	3/20/2023
2	Bird is the Word		Mod. Gross	2,028	\$15.50		3/31/2022	3/30/2023
3	Project Consulting		Mod. Gross	1,675	\$14.59		1/31/2022	1/30/2023
4	Wide Eye Productions		Mod. Gross	1,246	\$11.56		1/31/2022	12/30/2022
5	Vacant		Mod. Gross	4,200	\$0.00			
6	Vacant		Mod. Gross	360	\$0.00			

*In our analysis, the owner-occupied space, Harbour International, Inc., has been entered at market levels. As of the effective date of this report, the Landlord is in talks with a potential tenant to occupy the 4,200-square foot space. They are in talks with the Landlord to possibly return in the near future.

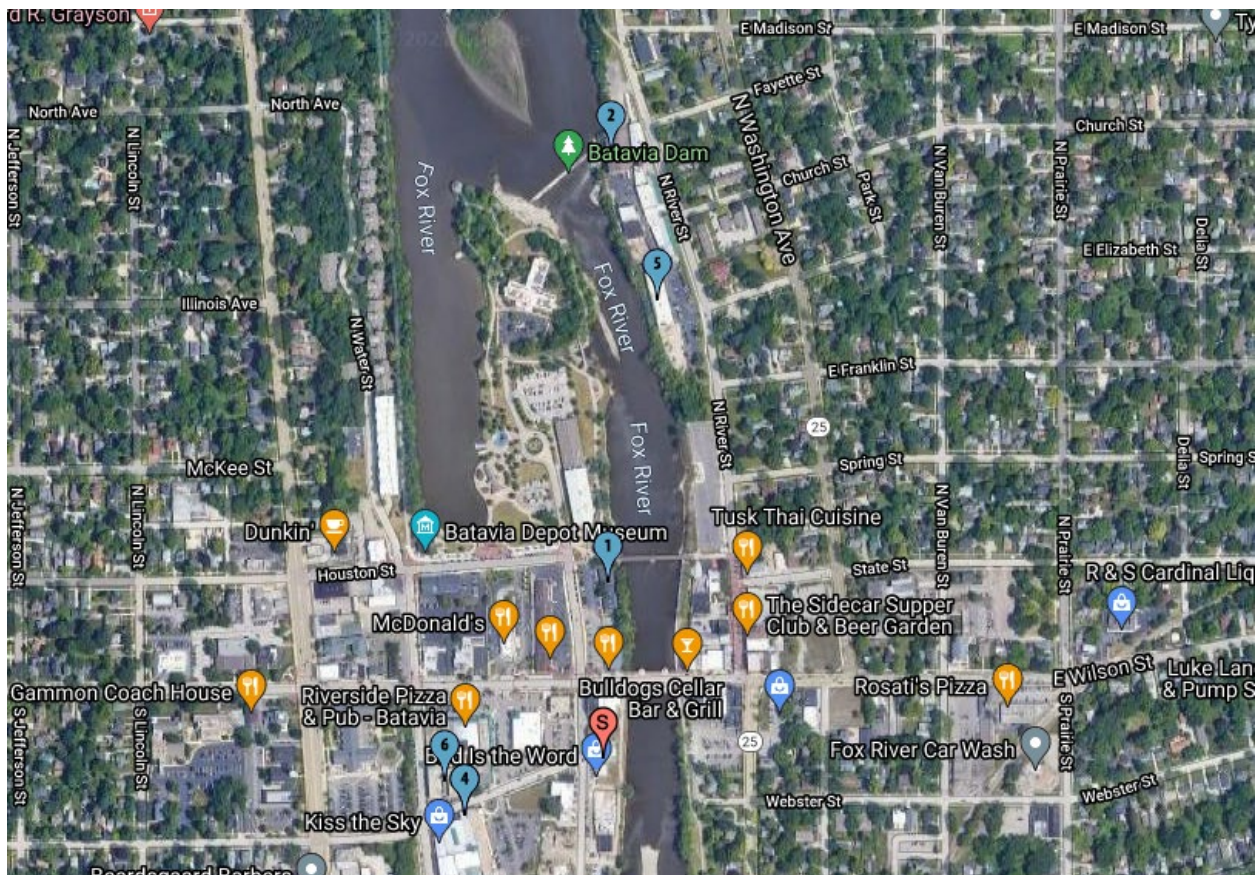
Market Rental Analysis

We have considered current market-rate leased properties in the Subject's general market area. Similar properties are leased on a modified gross or triple net basis. In a triple net lease, the tenant is responsible for rent and their proportionate share of real estate taxes, insurance, and common area maintenance, with the owner being responsible for the management expense and an allowance for replacement reserves. A modified gross lease falls between a gross and triple net. In modified gross leases typical of this market, the tenant is responsible for rent and utilities, with the owner being responsible for all other expenses. Competing space in this market is being leased or is being offered for lease for \$17.05 to \$22.40 per square foot of gross rentable area on a modified gross basis prior to consideration for differing factors. A summary of comparable rentals follows.

Rent Comparables

Rental	Address	Leased Area (SF)	Year Built	Type of Lease	Rental Rate	Occupancy Costs (\$/SF)	Mod. Gross
1	34 N Island Ave	750	1985	Mod. Gross	\$22.40	\$0.00	\$22.40
2	525 N River St	1,160	1860	Mod. Gross	\$21.00	\$0.00	\$21.00
3	150 1st St	4,200	1950	NNN	\$18.00	\$2.05	\$20.05
4	150 1st St	1,750	1950	NNN	\$15.00	\$2.05	\$17.05
5	335 N River St	953	1890	Mod. Gross	\$19.00	\$0.00	\$19.00
6	143 1st St	5,270	1890	NNN	\$15.00	\$3.01	\$18.01

Rent Comparables Location Map



Office Low Rise

Rental Adjustment Grid

Item	Subject	Rental 1	Rental 2	Rental 3	Rental 4	Rental 5	Rental 6
Address:	30 South Shumway Avenue	34 N Island Ave	525 N River St	150 1st St	150 1st St	335 N River St	143 1st St
City, State	Batavia, Illinois	Batavia, Illinois	Batavia, Illinois	Batavia, Illinois	Batavia, Illinois	Batavia, Illinois	Batavia, Illinois
Annual Rent Per SF	23.49707	\$22.40	\$21.00	\$18.00	\$15.00	\$19.00	\$15.00
Lease Date	01/21/21	05/01/21	03/01/21	09/01/20	09/01/20	09/01/19	04/01/19
Leased / Available Space (SF)	2,126	750	1,160	4,200	1,750	953	5,270
Land to Building Ratio	1.040	4.790	1.970	2.500	2.500	4.020	2.230
Lease Type	Mod. Gross	Mod. Gross	Mod. Gross	NNN Gross	NNN Gross	Mod. Gross	NNN
CAMIT (Passthrough) Per SF		\$0.00	\$0.00	\$2.05	\$2.05	\$0.00	\$3.01
<u>Mod. Gross Rent Per SF</u>	<u>N/A</u>	<u>\$22.40</u>	<u>\$21.00</u>	<u>\$20.05</u>	<u>\$17.05</u>	<u>\$19.00</u>	<u>\$18.01</u>
Transactional Adjustments							
<u>Market Conditions</u>	<u>Average</u>	<u>Similar</u>	<u>Similar</u>	<u>Similar</u>	<u>Similar</u>	<u>Similar</u>	<u>Similar</u>
Adjusted Rent Per SF	N/A	\$22.40	\$21.00	\$20.05	\$17.05	\$19.00	\$18.01
Property Adjustments							
Location	Batavia	Batavia	Batavia	Batavia	Batavia	Batavia	Batavia
Adjustment	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Size	2,126	750	1,160	4,200	1,750	953	5,270
Adjustment	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Condition	Fair to Good	Good	Good	Good	Good	Fair to Good	Fair to Good
Adjustment	N/A	-10.0%	-10.0%	-10.0%	-10.0%	0.0%	0.0%
Parking Ratio GBA	0.60	4.57	1.24	1.71	1.71	1.20	2.36
Adjustment	<u>N/A</u>	<u>-5.0%</u>	<u>-2.5%</u>	<u>-2.5%</u>	<u>-2.5%</u>	<u>-2.5%</u>	<u>-2.5%</u>
Total Gross Adjustment	N/A	15.0%	12.5%	12.5%	12.5%	2.5%	2.5%
Total Net Adjustment	N/A	-15.0%	-12.5%	-12.5%	-12.5%	-2.5%	-2.5%
Adjusted Price Per SF (Mod. Gross)	N/A	\$19.04	\$18.38	\$17.54	\$14.92	\$18.53	\$17.56

Conclusion

The rental data are multi-tenant properties located in the Subject's market area, and they are leased on a modified gross basis. After analysis, the market rents range from \$14.92 to \$19.04, with an average of \$17.66. In our analysis, the owner-occupied space, Harbour International, Inc., has been entered at market levels. Bird is the Word is at market levels. Project Consulting and Wide Eye Productions are in a deficit of market rents. Based on whether the tenant has a river view and the condition of the space, we have adjusted the market rents accordingly in our proforma.

Historical Operating Expenses

	Actual 2018	Actual 2019	Actual 2020
Effective Gross Income	\$189,874	\$195,403	\$147,132
Fixed Expenses			
Real Estate Taxes	\$15,621	\$16,004	\$16,630
<u>Insurance</u>	<u>\$3,705</u>	<u>\$4,305</u>	<u>\$4,718</u>
Total Fixed Expenses	\$19,326	\$20,309	\$21,348
Variable Expenses			
Repairs and Maintenance	\$23,685	\$21,817	\$14,374
Utilities	\$10,299	\$8,814	\$9,094
<u>Management</u>	<u>\$2,466</u>	<u>\$2,102</u>	<u>\$1,467</u>
Total Variable Expenses	\$36,450	\$32,733	\$24,935
Total Expenses	\$55,776	\$53,042	\$46,283
Net Operating Income	\$134,098	\$142,361	\$100,849

Potential Gross Income (PGI)

The potential gross income for the Subject is based on a combination of rental and pass-through income as there is no other income. The gross potential income assumes 100% occupancy.

Rental Income

The potential rental income is estimated to be \$222,330.

Pass-through income

As stated earlier, the property is analyzed on a modified gross basis, and there is no pass-through income.

Total Potential Gross Income

The potential gross income is \$222,330.

Vacancy and Credit Allowance (V&C)

The Subject's location is above average. The Subject's submarket has an average vacancy rate of 4.66%. Prior to the largest tenant recently leaving due to COVID-19, the Subject has had high occupancy levels for many years. In considering these factors, along with data obtained from discussions with local commercial property managers and brokers, a vacancy rate of 7.5% or \$16,675 is reasonable for the Subject with typical marketing at or near the rental rate estimated above.

Effective Gross Income (EGI)

The effective gross income is calculated by deducting the vacancy and credit loss from the potential gross income. In this case, the effective gross income is \$205,655.

Estimate of Expenses

The estimate of expenses has been divided between fixed and variable expenses. Fixed expenses are expenses that are attributable to the improvements, and variable expenses are attributable to occupancy.

Fixed Expenses**Real Estate Taxes**

The real estate taxes are projected with consideration for the actual taxes and the tax comparables previously summarized in this report. The tax comparables indicate a range from \$0.61 to \$3.43, with an average of \$1.85. The tax comparables bracket the actual taxes. Therefore, this expense is forecast to be \$16,885 or \$1.26 per square foot at the current tax rate.

Insurance

The insurance expense is projected with consideration for the actual insurance amount and the expense comparables retained in our office file. The insurance expense is estimated to be \$0.35 per square foot of gross building area or \$4,698.

Variable Expenses**Maintenance**

The maintenance expense is projected with consideration for the actual maintenance amount and the expense comparables retained in our office file. The maintenance expense is estimated to be \$1.50 per square foot of gross building area or \$20,136.

Management

A survey of office managers in this market area indicates management expenses ranging from 3% to 8% of the effective gross income depending on the demands of the property. Those properties with smaller and multiple local tenants require higher management costs than those with a single tenant. The management expense is forecast to be 5.0% of the effective gross income.

Total Fixed and Variable Expenses

The total of the fixed and variable expenses is \$61,399, which represents \$4.57 per square foot or 29.9% of EGI.

Reserves for Replacements

The Realty Rates Investor Survey indicates a range from \$0.32 to \$0.85 per square foot with an average of \$0.61 per square foot for office replacement reserve allowances. A replacement reserve allowance of \$0.50 per square foot of gross building area or \$6,712 is reasonable for the Subject. In addition, the extraction of capitalization rates from comparable sales had similar deductions.

Total Operating Expenses

The total operating expenses estimated are \$68,111, which represents \$5.07 per square foot or 28.5% of EGI.

Net Operating Income

The net operating income is calculated by deducting the expenses from the EGI. The estimated effective gross income is \$205,655, and the estimated expenses are \$68,111. This results in a net operating income of \$137,544 or \$10.78 per square foot.

Proforma and Valuation
POTENTIAL GROSS INCOME

<u>Rental Income</u>	<u>Size (NRA)</u>	<u>Rent / SF</u>	<u>Annual</u>
Harbour International, Inc.	3,245	\$20.00	\$64,900
Bird is the Word	2,028	\$15.50	\$31,434
Project Consulting	1,675	\$16.00	\$26,800
Wide Eye Productions	1,246	\$16.00	\$19,936
Vacant	4,200	\$17.50	\$73,500
<u>Vacant</u>	<u>360</u>	<u>\$16.00</u>	<u>\$5,760</u>
Total Rental Income	12,754	\$17.43	\$222,330
TOTAL POTENTIAL GROSS INCOME			\$222,330
	<u>\$/SF (NRA)</u>	<u>% PGI</u>	
LESS VACANCY AND COLLECTION LOSS	\$1.31	7.50%	<u>\$16,675</u>
EFFECTIVE GROSS INCOME			\$205,655
EXPENSES			
<u>Fixed Expenses</u>	<u>\$/SF (GBA)</u>	<u>% EGI</u>	<u>Expenses</u>
Real Estate Taxes	\$1.26	8.2%	\$16,885
Insurance	\$0.35	2.3%	\$4,698
<u>Variable Expenses</u>			
Maintenance	\$1.50	9.8%	\$20,136
Utilities	\$0.70	4.6%	\$9,397
<u>Management</u>	<u>\$0.77</u>	<u>5.0%</u>	<u>\$10,283</u>
Total Fixed and Variable Expenses	\$4.57	29.9%	\$61,399
Replacement Reserves	<u>\$0.50</u>	<u>3.3%</u>	<u>\$6,712</u>
LESS TOTAL OPERATING EXPENSES	\$5.07	28.5%	<u>\$68,111</u>
	<u>\$/SF (NRA)</u>	<u>% EGI</u>	
NET OPERATING INCOME	\$10.78	66.9%	\$137,544

Overall Capitalization Rate Analysis

In estimating an appropriate overall capitalization rate applicable to the Subject, we have considered national investor surveys and market extracted overall capitalization rates. A summary of this data follows, along with the conclusion of the applicable overall capitalization rate for the Subject.

Market Extracted Rates

No.	Address	City	Sale Date	Year Built	Size	Rate
1	40W117 Campton Crosings Dr	Saint Charles	8/13/2021	2006	5,000	7.12%
2	34 N Island Ave	Batavia	5/28/2021	1985	7,000	9.19%
3	2363 Sequoia Dr	Aurora	12/13/2019	2007	39,519	9.36%
4	2452 Lake Shore Dr	Woodstock	11/30/2018	2007	5,322	8.37%

Summary and Reconciliation

Item	Min	Max	Avg
Realty Rates	5.47%	12.76%	9.29%
<u>Market Extraction</u>	<u>7.12%</u>	<u>9.36%</u>	<u>8.51%</u>
Averages	6.30%	11.06%	8.90%
Reconciled Rate		8.50%	

We have given the greatest weight to the overall rates derived by market extraction with secondary consideration to the rates published by the investor survey. We have reconciled an overall capitalization rate of 8.50% as being supported and applicable for the Subject.

Capitalization Process

The final step in deriving a conclusion of value through the income capitalization approach to value is to apply the appropriate market derived and supported rate to the net operating income by dividing the net operating income by the overall capitalization rate, as shown below.

Value =	Income / Rate
Value =	\$137,544 / 8.50%
Value =	\$1,618,168
<u>Less Deficit Rent</u>	<u>\$34,419</u>
Indicated Value	\$1,583,749
Rounded To:	\$1,575,000

RECONCILIATION

Overview

In the reconciliation of the Appraisal, the appraiser analyzes the various value estimates and conclusions and then selects a single value opinion from the value indications. In this section of the report, the appraiser draws upon knowledge, experience, expertise, and professional judgment to resolve any differences among the value indications derived from the application of the approaches to value. The appropriateness, accuracy, and quantity of the evidence in the entire appraisal report are drawn upon to reconcile the value conclusion. In the Appraisal of this property, the Sales Comparison and Income Capitalization Approaches to value were applicable for development. The resulting indications of value follow:

SUMMARY OF CONCLUSIONS

Cost Approach	N/A
Sales Comparison Approach	\$1,425,000
<u>Income Capitalization Approach</u>	<u>\$1,575,000</u>
Market Value "Upon Stabilization"	\$1,525,000
<u>Less Stabilization Costs</u>	<u>\$50,000</u>
Market Value "As Is"	\$1,475,000

Sales Comparison Approach

The value indicated by sales comparison is reflective of prices paid by purchasers of similar properties in the general market area. The quantity and quality of the data available for the development of this approach are good. However, this approach is given secondary consideration in our final value conclusion due to the most likely purchaser being an investor.

Income Capitalization Approach

The value indicated by income capitalization is reflective of prices being paid by investors for similar properties. There were sound data and support for the rent, expenses, and overall capitalization rate. This approach is given the most significant consideration in our final value conclusion due to the most likely purchaser being an investor.

Exposure and Marketing Time

We believe the concluded Prospective Market Value for the Subject is consistent with an anticipated marketing time of 9 months or less and an exposure period of 9 months. The comparable sales utilized in this appraisal report support these conclusions. These sales indicate marketing times ranging from 86 to 408 days, with an average of 247 days on the market. There have not been any significant changes in market conditions that would indicate that the exposure time would differ from the marketing time.

CERTIFICATION

We certify that to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have performed a prior appraisal, but no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three years immediately preceding acceptance of this assignment.
5. We have no bias concerning the property that is the subject of this report or the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the Client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this Appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Ben Branca has personally inspected the subject property. Matthew Magdziarz has not personally inspected the subject property.
10. No one provided significant real property appraisal assistance to the person signing this certification.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute and the American Society of Appraisers relating to review by their duly authorized representatives.
13. As of the date of this report, we have completed the continuing education program of the Appraisal Institute and the American Society of Appraisers.



Ben Branca
Certified General Appraiser
Illinois License No. 553.002653
Exp. Date - 9/30/2023



Matthew Magdziarz, MAI, AI-GRS, ASA
Certified General Appraiser
Illinois License No. 553.001438
Exp. Date - 9/30/2023

APPRAISAL CONDITIONS

This Appraisal and any other work product related to this engagement are limited by the following **Standard Assumptions**, except as otherwise noted in the report:

1. The title is marketable and free, and clear of all liens, encumbrances, encroachments, easements, and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos on the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction unless otherwise stated.
5. The property follows all applicable building, environmental, zoning, and other federal, state, and local laws, regulations, and codes unless otherwise noted.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This Appraisal and any other work product related to this engagement are subject to the following **Limiting Conditions**, except as otherwise noted in the report:

1. The conclusions stated in this Appraisal apply only as of the effective date of the Appraisal, and no representation is made as to the effect of subsequent events.
2. No changes in any federal, state, or local laws, regulations, or codes (including, without limitation, the Internal Revenue Code) are anticipated.
3. No environmental impact studies were either requested or made in conjunction with this Appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the Appraisal assumes that such a statement will be favorable and will be approved by the appropriate regulatory bodies.
4. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena, or attend any court, governmental, or other hearing regarding the property without compensation relative to such additional employment.

5. We have not completed a survey of the property and assume no responsibility for such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be scaled accurately for size. The Appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
6. No opinion is expressed as to the value of subsurface oil, gas, or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials unless otherwise noted in our Appraisal.
7. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability, and civil, mechanical, electrical, structural, and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations, and codes.
8. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
9. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media, or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
10. Information, estimates, and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
11. Any income and expense estimates contained in the appraisal report are used only for estimating value and do not constitute predictions of future operating results.
12. If the property is subject to one or more leases, any estimate of residual value contained in the Appraisal may be particularly affected by significant changes in the condition of the economy, the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
13. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.

14. The current purchasing power of the dollar is the basis for the values stated in the Appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
15. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
16. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment, and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
17. The Americans with Disabilities Act (ADA) became effective on January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues and render no opinion regarding the compliance of the Subject with ADA regulations. Because compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
18. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries, and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
19. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environmental hazards, including, without limitation, hazardous wastes, toxic substances, and mold. No representations or warranties are made regarding the environmental condition of the subject property. Real Property Consultants and/or any of their respective officers, owners, managers, directors, agents, subcontractors, or employees (the "RPC Parties") shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered an environmental assessment of the subject property.

20. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is in an identified Special Flood Hazard Area. We are not qualified to detect such areas and, therefore, do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
21. Real Property Consultants is not a building or environmental inspector. Real Property Consultants does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property, and a professional inspection is recommended.
22. It is expressly acknowledged that in any action which may be brought against any of the RPC Parties, arising out of, relating to, or in any way pertaining to this engagement, the appraisal reports, and/or any other related work product, the RPC Parties shall not be responsible or liable for any incidental or consequential damages or losses unless the Appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the RPC Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the Appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.
23. Real Property Consultants, an independently owned and operated company, has prepared the Appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity) to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
24. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The RPC Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. We are of the opinion that our findings are reasonable based on current market conditions, but we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.

ADDENDA

DEFICIT RENT VALUATION

There is deficit rent due to the contract rents being below market levels. It is necessary to determine the deficit rent over the period of the lease. This amount is then deducted from the fee simple Sales Comparison Approach and Income Capitalization Approach to arrive at a leased fee value. The Subject consists of two tenants that have deficit rents. The tenants, Project Consulting and Wide Eye Productions, have ten months and nine months remaining of below-market rents. The aggregate discounted present value of the rental loss over this period is \$34,419.

Discounted Cash Flow Analysis

Tenant	Project Consulting
Building Area	1,675
Contract Rent	\$14.59
Market Rent	\$16.00
Discount Rate	3%

Period	Rentable Area	Contract Rent	Market Rent	Deficit Rent	Discount Factor	P. V. Of Loss
1	1,675	\$24,438	\$26,800	(\$2,362)	0.8475	(\$2,001)
2	1,675	\$24,438	\$26,800	(\$2,362)	0.7182	(\$1,696)
3	1,675	\$24,438	\$26,800	(\$2,362)	0.6086	(\$1,437)
4	1,675	\$24,438	\$26,800	(\$2,362)	0.5158	(\$1,218)
5	1,675	\$24,438	\$26,800	(\$2,362)	0.4371	(\$1,032)
6	1,675	\$24,438	\$26,800	(\$2,362)	0.3704	(\$875)
7	1,675	\$24,438	\$26,800	(\$2,362)	0.3139	(\$741)
8	1,675	\$24,438	\$26,800	(\$2,362)	0.2660	(\$628)
9	1,675	\$24,438	\$26,800	(\$2,362)	0.2255	(\$532)
10	1,675	\$24,438	\$26,800	(\$2,362)	0.1911	(\$451)
					Total	(\$10,614)

Discounted Cash Flow Analysis

Tenant	Wide Eye Productions
Building Area	1,246
Contract Rent	\$11.56
Market Rent	\$16.00
Discount Rate	3%

Period	Rentable Area	Contract Rent	Market Rent	Deficit Rent	Discount Factor	P. V. Of Loss
1	1,246	\$14,404	\$19,936	(\$5,532)	0.8475	(\$4,688)
2	1,246	\$14,404	\$19,936	(\$5,532)	0.7182	(\$3,973)
3	1,246	\$14,404	\$19,936	(\$5,532)	0.6086	(\$3,367)
4	1,246	\$14,404	\$19,936	(\$5,532)	0.5158	(\$2,853)
5	1,246	\$14,404	\$19,936	(\$5,532)	0.4371	(\$2,418)
6	1,246	\$14,404	\$19,936	(\$5,532)	0.3704	(\$2,049)
7	1,246	\$14,404	\$19,936	(\$5,532)	0.3139	(\$1,737)
8	1,246	\$14,404	\$19,936	(\$5,532)	0.2660	(\$1,472)
9	<u>1,246</u>	<u>\$14,404</u>	<u>\$19,936</u>	<u>(\$5,532)</u>	<u>0.2255</u>	<u>(\$1,247)</u>
Total						(\$23,805)

"AS IS" DEDUCTIONS**Rental Loss**

Based on our previous analysis, we have projected a net operating income of \$10.78 per square foot and no expense loss due to the tenants having modified gross leases. We have projected the vacant space to be leased and occupied within a one-year period. The rental loss over this period has been discounted at a safe rate of three percent.

CALCULATION OF RENTAL / EXPENSE LOSS

Discount Rate	3%	NOI per Square Foot	\$10.78
Leasable Area	12,754	Quarterly NOI per Square Foot	\$2.70
Stabilized Occupancy	11,797	Expenses per Square Foot	\$0.00
Current Occupancy	49,090	Quarterly Expenses per Square Foot	\$0.00
Area To Be Leased	5,207		

<u>Period</u>	<u>To Be Leased</u>	<u>Quarterly Rental</u>	<u>Rental Loss</u>	<u>Quarterly Expenses</u>	<u>Additional Owner Exp.</u>	<u>Total Loss</u>	<u>Discount Factor</u>	<u>P. V. Of Loss</u>
1	5,207	\$2.70	\$14,039	\$0.00	\$0.00	\$14,039	0.9926	\$13,934
2	4,773	\$2.70	\$12,869	\$0.00	\$0.00	\$12,869	0.9852	\$12,678
3	4,339	\$2.70	\$11,699	\$0.00	\$0.00	\$11,699	0.9778	\$11,440
4	<u>3,905</u>	<u>\$2.70</u>	<u>\$10,529</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$10,529</u>	<u>0.9706</u>	<u>\$10,219</u>
Total					Discounted Rental Loss:			\$48,270
					Rounded			\$50,000

Conclusion

Currently, the Subject is not stabilized. The rental loss is calculated above using discounted cash flow analysis. In a one-year period using a discount rate or safe rate of three percent, this expense equates to \$48,270, rounded to \$50,000. This amount is deducted from the leased fee upon stabilization market values to arrive at the "As Is" values.

INTERIOR PHOTOGRAPHS



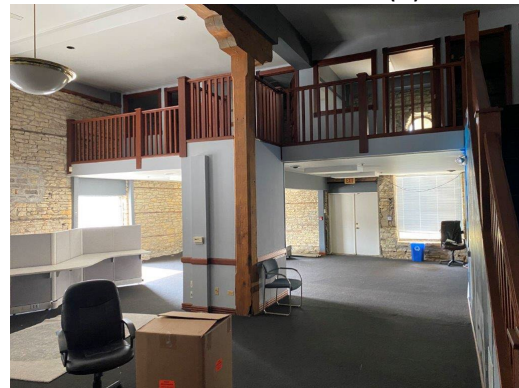
Harbor International (1)



Harbor International (2)



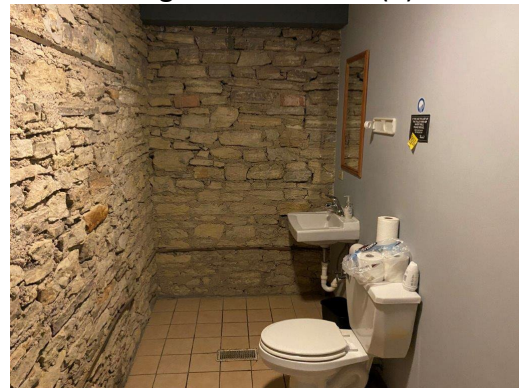
Harbor International (3)



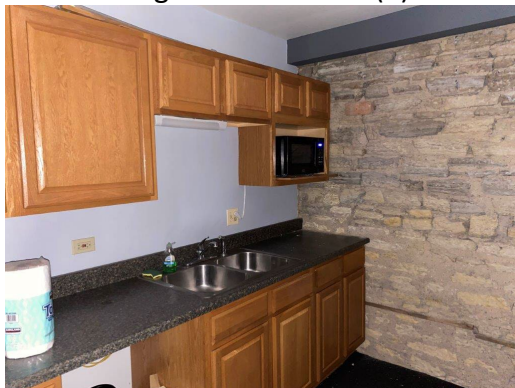
Large Office Vacant (1)



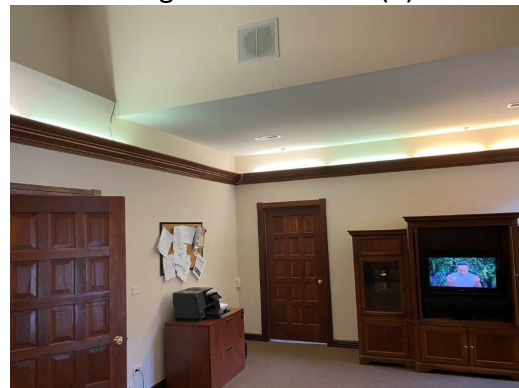
Large Office Vacant (2)



Large Office Vacant (3)



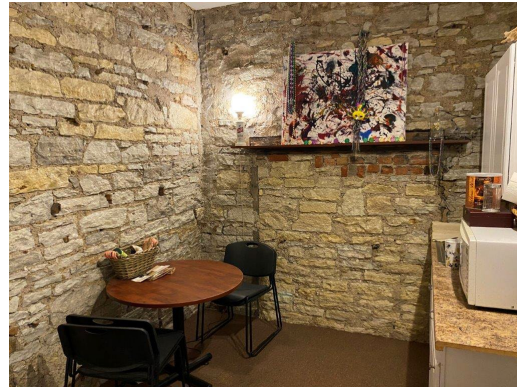
Large Office Vacant (4)



Project Consulting (1)



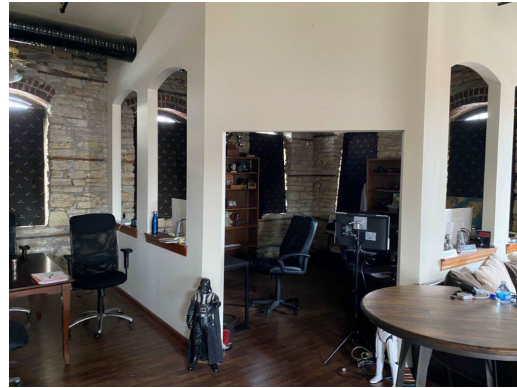
Project Consulting (2)



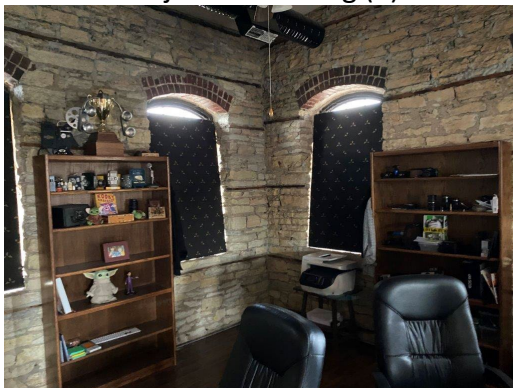
Project Consulting (3)



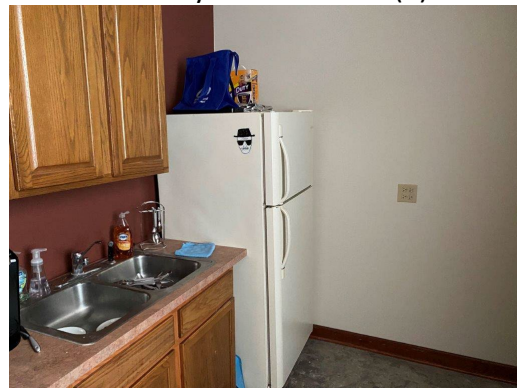
Project Consulting (4)



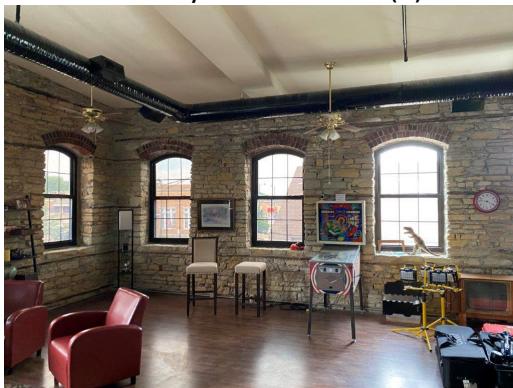
Wide Eye Productions (1)



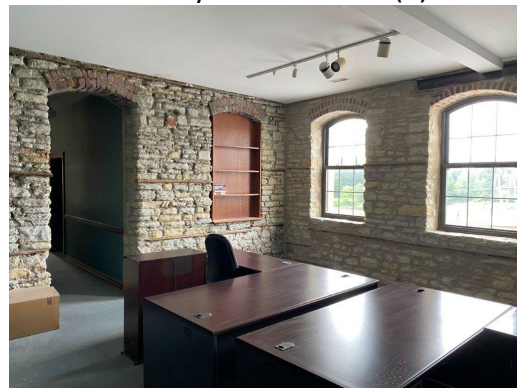
Wide Eye Productions (2)



Wide Eye Productions (3)



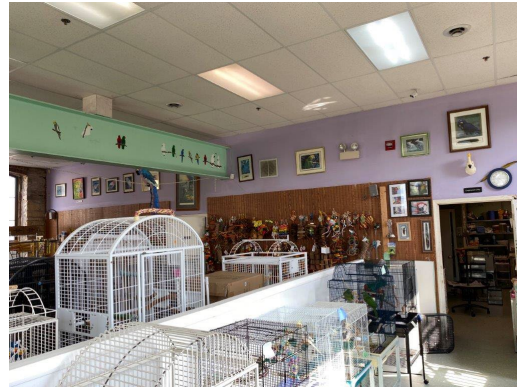
Wide Eye Productions (4)



Small Office Vacant



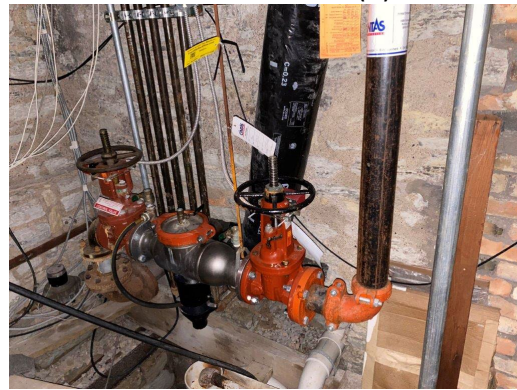
Bird is the Word (1)



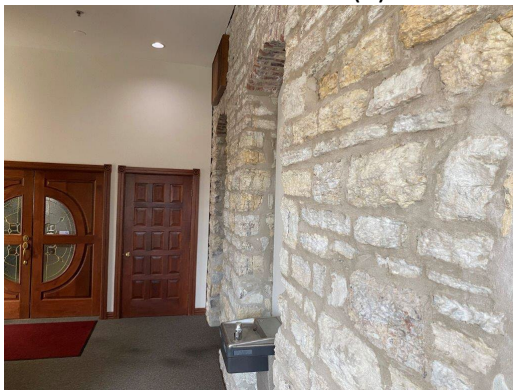
Bird is the Word (2)



Bird is the Word (3)



Sprinkler System



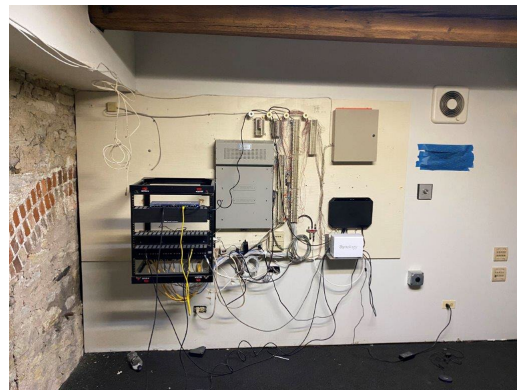
Common Area



Common Area Bathroom

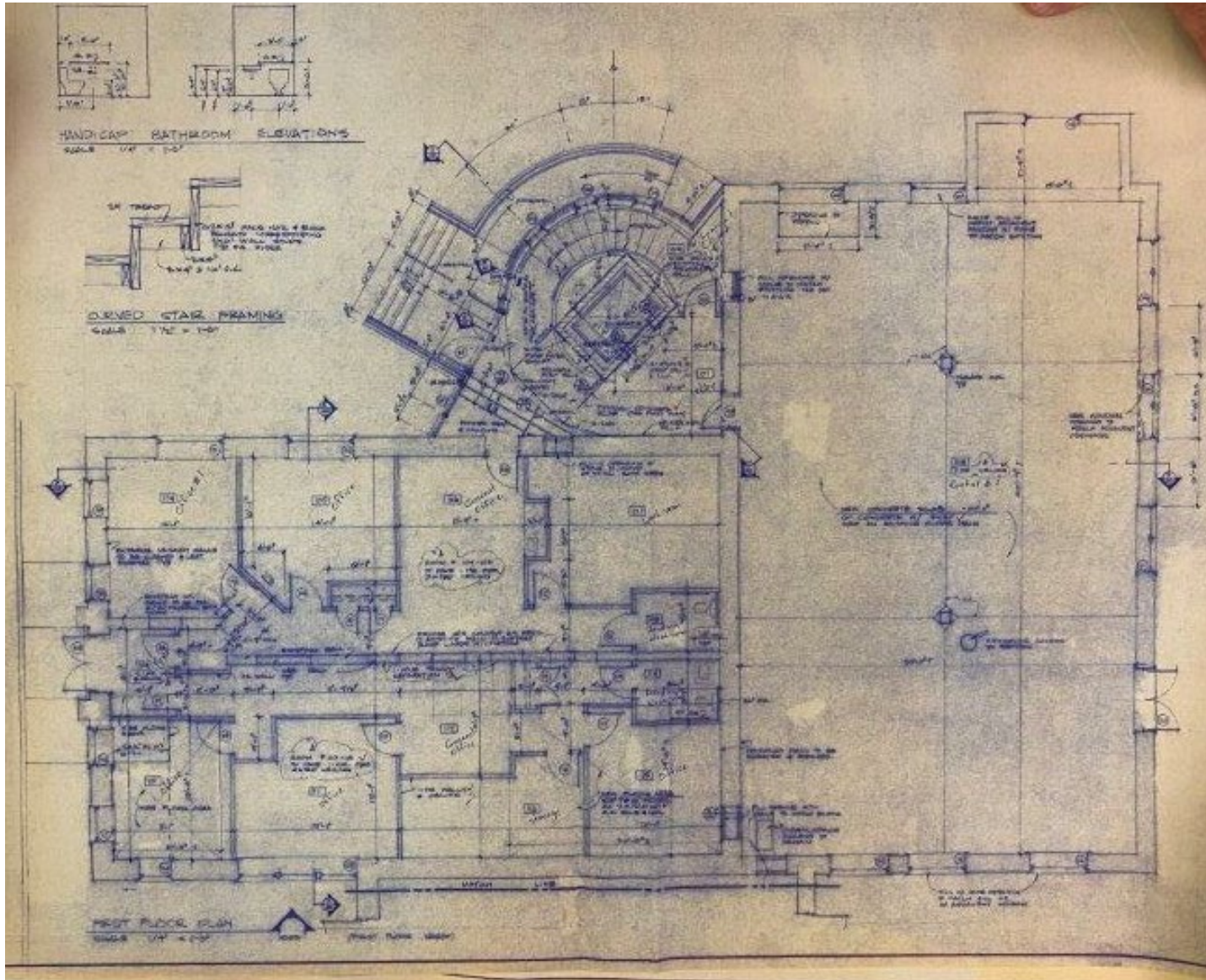


Mezzanine Mechanicals

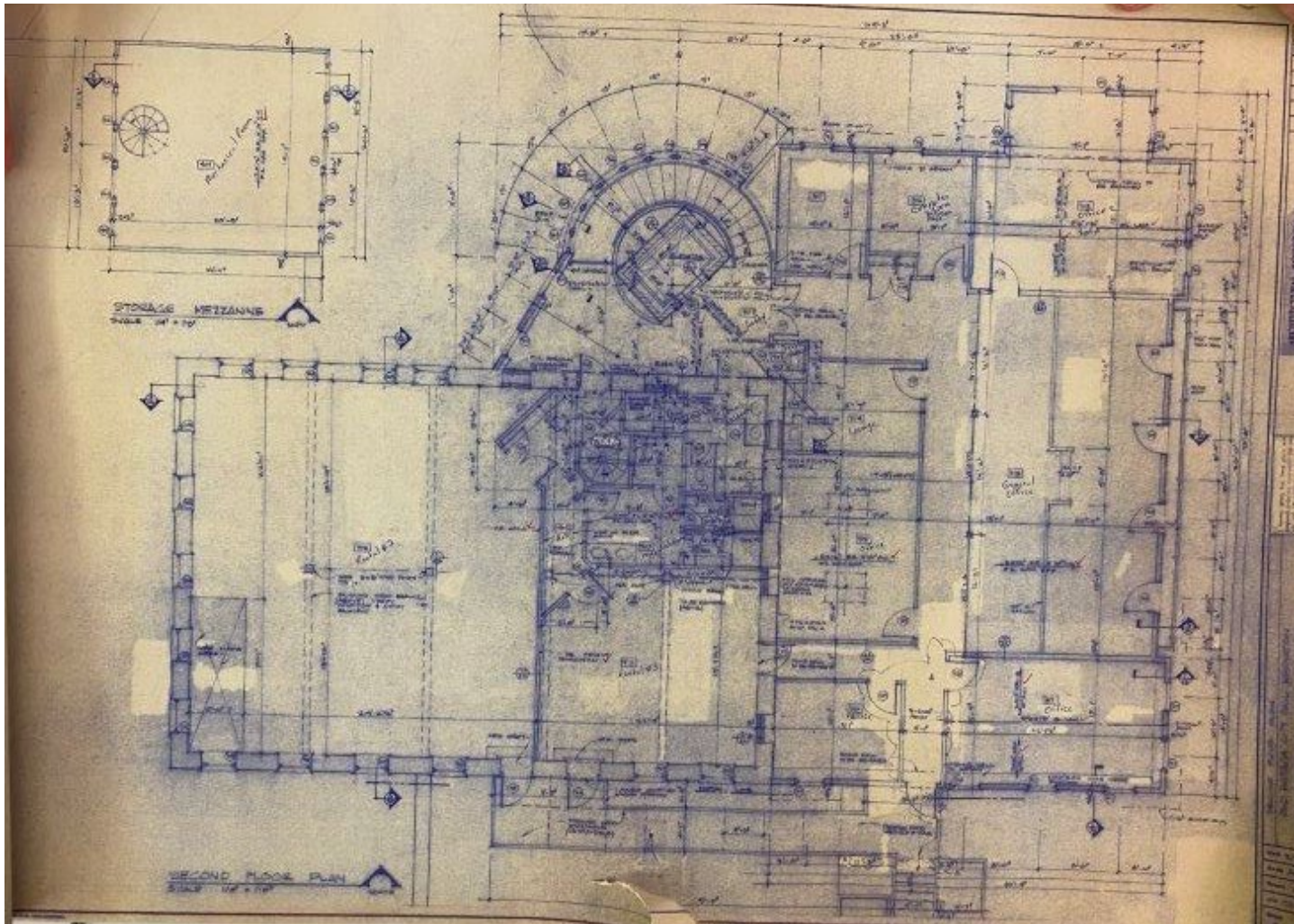


Server Room

BUILDING SKETCH



1st Floor



2nd Floor

LEGAL DESCRIPTION**PARCEL ONE:**

THAT PART OF BLOCK VII OF ISLAND ADDITION TO THE VILLAGE (NOW CITY) OF BATAVIA, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF SAID BLOCK; THENCE SOUTHERLY ALONG THE WESTERLY LINE AND WESTERLY LINE EXTENDED OF SAID BLOCK, BEING ALSO THE EAST LINE OF ISLAND AVENUE, 200.75 FEET FOR A POINT OF BEGINNING; THENCE NORTHERLY ALONG THE LAST DESCRIBED COURSE 158.70 FEET; THENCE EASTERLY ALONG A LINE FORMING AN ANGLE OF 89 DEGREES, 55 MINUTES, 00 SECONDS WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE (MEASURED CLOCKWISE THEREFROM) 119.0 FEET; THENCE SOUTHERLY PARALLEL WITH SAID EAST LINE 17.87 FEET; THENCE WESTERLY AT RIGHT ANGLES TO SAID EAST LINE 16.50 FEET; THENCE SOUTHERLY PARALLEL WITH SAID EAST LINE 48.50 FEET; THENCE EASTERLY AT RIGHT ANGLES TO SAID EAST LINE 6.0 FEET; THENCE SOUTHERLY PARALLEL WITH SAID EAST LINE 23.0 FEET; THENCE WESTERLY AT RIGHT ANGLES TO SAID EAST LINE 33.0 FEET; THENCE SOUTHERLY PARALLEL WITH SAID EAST LINE 17.0 FEET; THENCE WESTERLY AT RIGHT ANGLES TO SAID EAST LINE 5.50 FEET; THENCE SOUTHERLY PARALLEL WITH SAID EAST LINE 35.50 FEET; THENCE WESTERLY AT RIGHT ANGLES TO SAID EAST LINE 30.0 FEET; THENCE SOUTHERLY PARALLEL WITH SAID EAST LINE 17.0 FEET TO A LINE DRAWN AT RIGHT ANGLES TO SAID EAST LINE FROM THE POINT OF BEGINNING; THENCE WESTERLY AT RIGHT ANGLES TO SAID EAST LINE 40.0 FEET TO THE POINT OF BEGINNING, IN THE CITY OF BATAVIA, KANE COUNTY, ILLINOIS.

PARCEL TWO:

EASEMENT FOR INGRESS AND EGRESS CREATED BY DEED RECORDED NOVEMBER 5, 1990 AS DOCUMENT 90K58067 MADE BY CITY OF BATAVIA TO GARY-WHEATON BANK, AS TRUSTEE UNDER TRUST NUMBER 8518, FOR THE BENEFIT OF PARCEL ONE OVER THAT PART OF BLOCK VII, ISLAND ADDITION TO THE VILLAGE (NOW CITY) OF BATAVIA, KANE COUNTY, ILLINOIS DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWESTERLY CORNER OF SAID BLOCK; THENCE SOUTHERLY ALONG THE WESTERLY LINE OF SAID BLOCK, BEING ALSO THE EAST LINE OF ISLAND AVENUE, 42.05 FEET; THENCE EASTERLY ALONG A LINE FORMING AN ANGLE OF 89 DEGREES, 55 MINUTES, 00 SECONDS WITH THE LAST DESCRIBED COURSE (MEASURED CLOCKWISE THEREFROM) 130.43 FEET FOR A POINT OF BEGINNING; THENCE WESTERLY ALONG THE LAST DESCRIBED COURSE 11.43 FEET; THENCE SOUTHERLY PARALLEL WITH SAID WESTERLY LINE 17.87 FEET; THENCE WESTERLY AT RIGHT ANGLES TO SAID WESTERLY LINE 16.50 FEET; THENCE SOUTHERLY PARALLEL WITH SAID WESTERLY LINE 15.0 FEET; THENCE EASTERLY AT RIGHT ANGLES TO SAID WESTERLY LINE 14.0 FEET; THENCE SOUTHERLY PARALLEL WITH SAID WESTERLY LINE 19.0 FEET; THENCE WESTERLY AT RIGHT ANGLES TO SAID WESTERLY LINE 14.0 FEET; THENCE SOUTHERLY PARALLEL WITH SAID WESTERLY LINE 14.50 FEET; THENCE EASTERLY AT RIGHT ANGLES TO SAID WESTERLY LINE 6.0 FEET; THENCE SOUTHERLY PARALLEL WITH SAID WESTERLY LINE 23.0 FEET; THENCE WESTERLY AT RIGHT ANGLES TO SAID WESTERLY LINE 33.0 FEET; THENCE SOUTHERLY PARALLEL WITH SAID WESTERLY LINE 17.0 FEET; THENCE EASTERLY AT RIGHT ANGLES TO SAID WESTERLY LINE 33.0 FEET; THENCE SOUTHEASTERLY ALONG A LINE FORMING AN ANGLE OF 126 DEGREES, 38

MINUTES, 00 SECONDS WITH THE LAST DESCRIBED COURSE (MEASURED COUNTER-CLOCKWISE THEREFROM) 20.0 FEET; THENCE SOUTHERLY PARALLEL WITH SAID WESTERLY LINE 42.0 FEET; THENCE WESTERLY ALONG A LINE FORMING AN ANGLE OF 92 DEGREES, 05 MINUTES, 38 SECONDS WITH THE LAST DESCRIBED COURSE (MEASURED COUNTER-CLOCKWISE THEREFROM) 121.77 FEET TO THE EAST LINE OF SAID ISLAND AVENUE; THENCE SOUTHERLY ALONG SAID EAST LINE FORMING AN ANGLE OF 92 DEGREES, 55 MINUTES, 36 SECONDS WITH THE LAST DESCRIBED COURSE (MEASURED CLOCKWISE THEREFROM) 20.03 FEET TO A LINE DRAWN PARALLEL WITH AND 20.0 FEET SOUTHERLY OF THE LAST DESCRIBED COURSE, MEASURED AT RIGHT ANGLES THERETO; THENCE EASTERLY PARALLEL WITH THE PENULTIMATE DESCRIBED COURSE 132.07 FEET TO A LINE DRAWN PARALLEL WITH SAID WESTERLY LINE FROM THE POINT OF BEGINNING; THENCE NORTHERLY ALONG SAID PARALLEL LINE FORMING AN ANGLE OF 92 DEGREES, 05 MINUTES, 38 SECONDS WITH THE LAST DESCRIBED COURSE (MEASURED CLOCKWISE THEREFROM) 184.08 FEET TO THE POINT OF BEGINNING, IN THE CITY OF BATAVIA, KANE COUNTY, ILLINOIS.

Permanent Index Number: 12-22-257-008

Commonly known as: 24-30 S SHUMWAY, BATAVIA, IL 60119

Official

CAPITAL IMPROVEMENTS

Capital Improvement	Date	Cost
Capeting in Unit 1e	9/22/2017	\$7,000
Elevator Ladder	1/30/2019	\$3,834
Backflow on Water Sprinkler System	6/5/2019	\$5,990
Carpeting on Stairway	11/6/2019	\$3,210
New Air Conditioner	6/18/2019	\$5,927
New A/C - Unit 2W	7/20/2020	\$5,164
Tuck Pointing 2nd Floor	7/19/2021	Not Disclosed
Carpeting 2nd Floor/East Office	7/31/2021	Not Disclosed
Build Wall Between Offices	8/7/2021	Not Disclosed
Ceiling Damage/Re-painted	2022	Not Disclosed
Replace Fire Exit Stairs	Proposed	Not Disclosed

FLOOD MAP



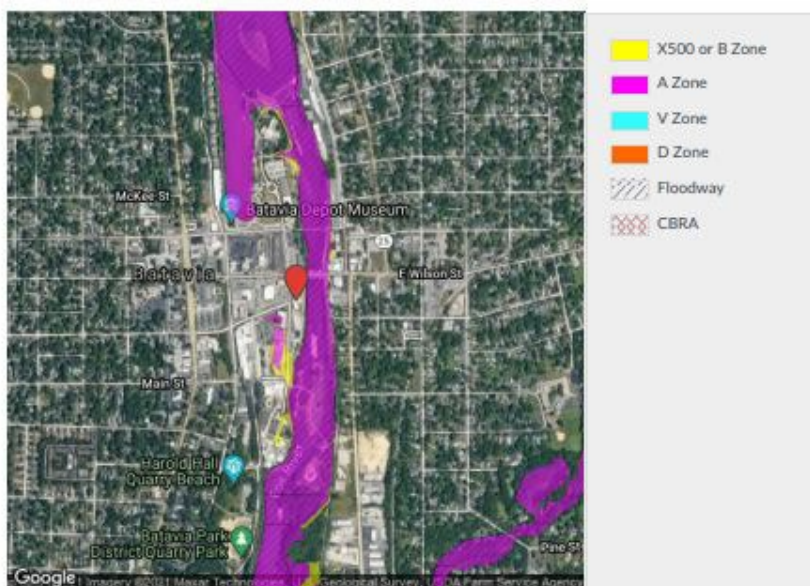
30 S SHUMWAY AVE BATAVIA, IL 60510-2499

LOCATION ACCURACY: ✔ Excellent

Flood Zone Determination Report

Flood Zone Determination: **OUT**

COMMUNITY	170321	PANEL	0331H
PANEL DATE	August 03, 2009	MAP NUMBER	17089C0331H



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Report generated Jul 27, 2021 by matt@integrated-realty.com

Page 2 of 2

QUALIFICATIONS OF BENJAMIN P. BRANCA

Real Property Consultants

Tel 872-903-1563 – Fax 815-425-3624

E-mail ben@rp-con.com – <http://therealpropertyconsultants.com>**OVERVIEW**

Real Property Consultants is organized to perform comprehensive services in real estate valuations, counseling, appraising, subdivision analysis, litigation, and complex real property assignments. Benjamin Branca is a Licensed Certified General Real Estate Appraiser in the State of Illinois.

EXPERIENCE

Benjamin Branca previously worked in commercial banking portfolio management for just over seven years with Illinois Bank & Trust and has been working in commercial real estate appraisal since 2014.

APPRAISAL INSTITUTE COURSES

Basic Appraisal Principles
 Basic Appraisal Procedures
 Uniform Standards of Professional Appraisal Practice
 General Appraiser Income Approach (Parts 1 and 2)
 General Appraiser Sales Comparison Approach
 General Appraiser Site Valuation and Cost Approach
 General Appraiser Market Analysis and Highest & Best Use
 Real Estate Finance Statistics and Valuation Modeling
 General Appraiser Report Writing and Case Studies
 Quantitative Analysis
 Advanced Income Capitalization
 National USPAP Update (2020-2021)

APPRAISAL INSTITUTE SEMINARS

Evaluating Commercial Construction
 Appraisal of Medical Office Buildings
 Analyzing Operating Expenses
 Appraisal of Industrial & Flex Buildings

EDUCATION

Bachelor of Science, Major in Economics with an emphasis in Business Administration, Illinois State University, 2007.

APPRAISAL LICENSES

Certified General Real Estate Appraiser

License Number

553.002653

Expiration Date

9/30/2023





QUALIFICATIONS OF MATTHEW M. MAGDZIARZ, MAI, AI-GRS, ASA

Real Property Consultants

Direct Line 872-999-8880 | Fax 815-425-3624

E-mail matt@rp-con.com – <http://therealpropertyconsultants.com>



OVERVIEW

Matthew M. Magdziarz has been a certified general appraiser since 2001 and received the MAI designation from the Appraisal Institute in 2010, the AI-GRS designation in 2019, and ASA designation from the American Society of Appraisers in 2020.

EXPERIENCE

<u>Type</u>	Valuation; Counseling; Management; Business and Property Brokerage;
<u>Property</u>	Quarries and Mines; Residential and Mixed Product Subdivisions; Commercial; Industrial; multi-family residential; offices; medical facilities; agricultural, and various special purpose properties;
<u>Product</u>	Appraisal Reports; Highest and Best Use Studies; Impact Studies; Blight Studies; Fractional Interest Studies; Consulting Reports; Litigation Support;
<u>Use</u>	Litigation; Assessment/Tax Matters; Buy and Sell Decisions; Eminent Domain/Condemnation; Mortgage Underwriting; Dissolution of Assets; and Investment Analysis;

PROFESSIONAL MEMBERSHIPS

MAI - Appraisal Institute, Chicago (Treasurer)
 ASA - American Society of Appraisers
 International Right of Way Association
 CCIM (Candidate)

AWARDS / RECOGNITION

Volunteer of Distinction (AI)
 Scipio "Skip" Del Campo Award (AI)

CLIENTELE SUMMARY

<u>Governmental</u>	Department of Justice; GSA; Department of the Interior; Illinois Department of Transportation; City of Rockford; City of Loves Park; Village of Machesney Park; Village of Roscoe; Village of Rockton; City of DeKalb; Rockford Park District; Winnebago County Forest Preserve; IL Dept. of Natural Resources; Rock River Water Reclamation District; Rockford Airport Authority; Univ. of Illinois.
<u>Financial</u>	JPMorgan Chase; Wells Fargo; Illinois Bank & Trust; Northwest Bank; Blackhawk Bank; Stillman Bank; Byron Bank; First National Bank & Trust; First National Bank of Omaha;
<u>Law Offices</u>	Hinshaw & Culberson LLP; Robbins Schwarts, WilliamsMcCarthy LLP; Holmstrom & Kennedy P.C.; BSLBV, LLP; Guyer & Enichen, P.C.; Hyzer & Hyzer; McGreevy Williams; Oliver, Close, Worden, Winkler & Greenwald, LLC;
<u>Corporations</u>	General Mills; Wal-Mart; NICOR; Commonwealth Edison; William Charles, Ltd.; Stenstrom; Kelly Williamson; Supplycore, Inc.; Lou Bachrodt Auto Group; Guardian Pipeline; TransCanada Pipeline; OSF Healthcare; UW Health;

APPRAISAL INSTITUTE COURSES

110 – Appraisal Principles	210 - Residential Case Study
120 – Appraisal Procedures	410 - Standards of Professional Practice
310 - Basic Income Capitalization	510 - Advanced Income Capitalization
520 – Adv. HBU and Market Analysis	530 - Advanced Cost and Sales Comparison
540 – Advanced Report Writing	550 – Advanced Applications
UASFLA	Market Analysis and Highest and Best Use
Valuation of Conservation Easements	Condemnation Appraising
Quantitative Analysis	Review Theory

EMPLOYMENT HISTORY

2011 to Present – Real Property Consultants (Chicago, IL)

1999 to 2010 – Appraisal Research, Inc. (Rockford, IL)

SEMINARS

C-Stores and Retail Fuel Properties	(Appraisal Institute)	06/29/2004
Analyzing Operating Expenses	(Appraisal Institute)	09/03/2007
Appraisal of Nursing Facilities	(Appraisal Institute)	09/05/2007
Subdivision Analysis, Views & Perspectives	(Appraisal Institute)	06/11/2008
Option Value	(Appraisal Institute)	09/15/2009
Small Hotel/Motel Valuation	(Appraisal Institute)	09/15/2009
Appraisal Engagement & Review	(Appraisal Institute)	02/24/2010
Hotel Valuation	(Appraisal Institute)	02/27/2010
Fundamentals of Separating Real Property, Personal Property and Intangible Assets	(Appraisal Institute)	12/16/2011
IFRS For the Real Property Appraiser	(Appraisal Institute)	10/22/2012
Marketability Studies (6-Step)	(Appraisal Institute)	06/04/2012
Evaluating Commercial Construction	(Appraisal Institute)	06/25/2013
Insurance Replacement Valuation	(Appraisal Institute)	10/08/2013
Appraising Cell Towers	(Appraisal Institute)	12/05/2013
USPAP	(Appraisal Institute)	01/30/2020
The Appraiser as an Exper Witness	(Appraisal Institute)	04/13/2021
Litigation Appraising	(Appraisal Institute)	04/16/2021

EDUCATION

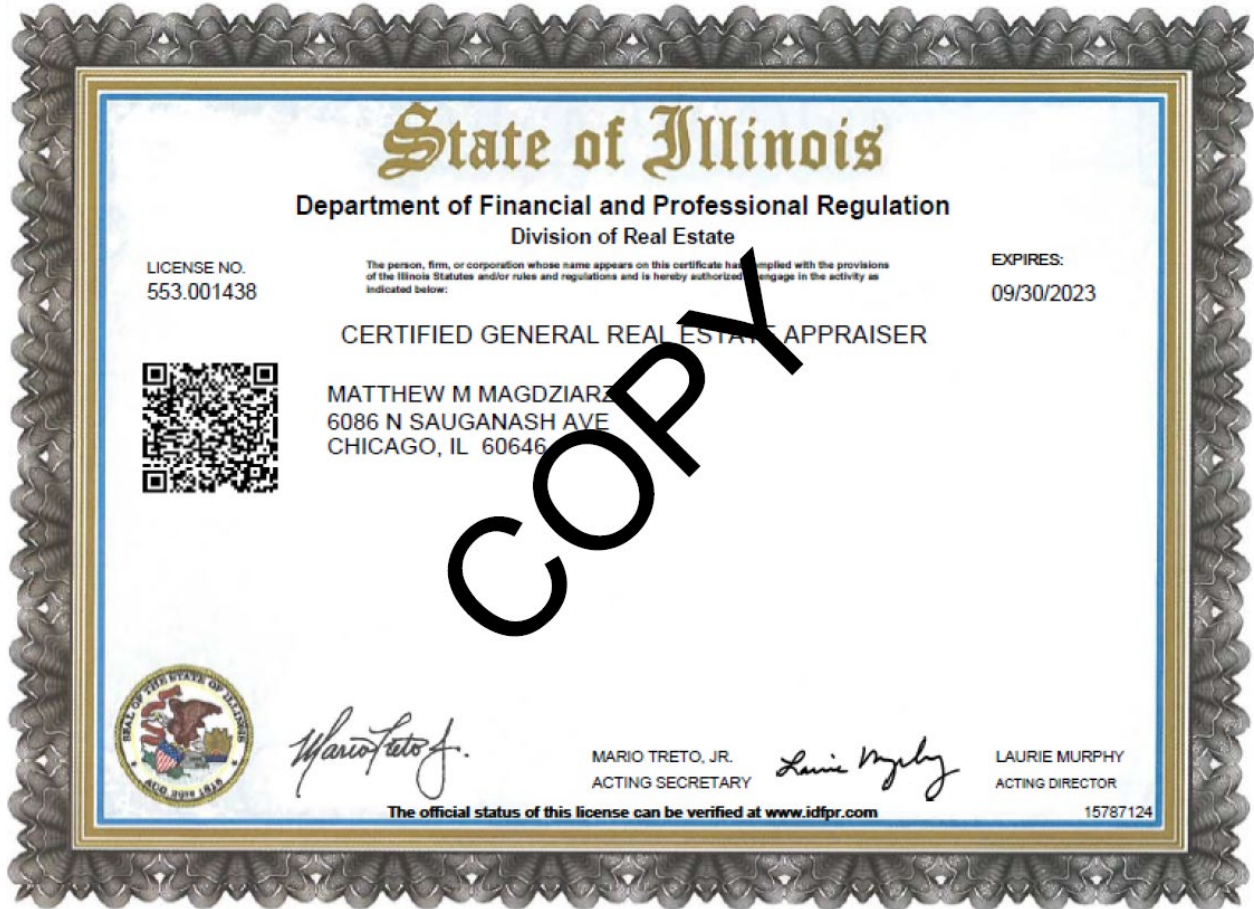
Bachelor of Arts, Economics Major with Finance Focus, Rockford College 1999

APPRAISAL LICENSES

	License Number	Expiration Date
Illinois Certified General Appraiser	553001438	09/30/2023
Wisconsin Certified General Appraiser	1331-10	12/14/2023
Indiana Certified General Appraiser	CG41900035	06/30/2022
Iowa Certified General Appraiser	CG03718	06/30/2023
Minnesota Certified General Appraiser	40782280	08/31/2023

REAL ESTATE BROKERS LICENSE

	License Number	Expiration Date
Illinois Managing Broker	471010051	04/30/2023



END