

PROPERTY VALUATION SERVICES

**7250 N. CICERO AVENUE
SUITE 106
LINCOLNWOOD, ILLINOIS 60712
(773) 777-4600**

APPRAISAL REPORT

OF

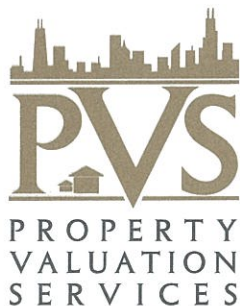
***ALLEY VACATION BETWEEN
201-211 HARRISON STREET AND
213-215 HARRISON STREET
WEST OF LOMBARD AVENUE
OAK PARK, ILLINOIS***

AS OF

DECEMBER 15, 2016

FOR

***HARRISON STREET VENTURES, LLC
27 FOREST LANE
SOUTH BARRINGTON, IL 60010***



tel: 773.777.4600 fax: 773.777.5977
www.pvsllc.com

January 6, 2017

Harrison Street Ventures, LLC
c/o Ms. Mona Navitsky
27 Forest Lane
South Barrington, IL 60010

RE: Alley vacation between
201-211 Harrison Street and
213-215 Harrison Street
West of Lombard Avenue
Oak Park, Illinois

Dear Ms. Navitsky:

Pursuant to your request, we have completed the attached appraisal report of the property at the above referenced location.

The subject site consists of the proposed vacation of the northern portion of the north/south alley west of Lombard Avenue and south of Harrison Street between 201-211 Harrison Street and 213-215 Harrison Street. The portion of the alley is 16 feet x 47 feet and consists of 752± square feet of land area. The site is in a zoning district B1/B2, General Business District in Oak Park, Illinois.

Market Value is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest;
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

(Continued on next page)

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: *The Appraisal of Real Estate*. 14th. Chicago: Appraisal Institute, 2013. Print.

The subject property has been inspected and we have made an investigation and analysis in order to arrive at a sound opinion of its market value for purposes as described herein.

The Sales Comparison Approach has been utilized in the following appraisal report. The Cost and Income Capitalization Approaches are not a typical method for the valuation of vacant land and are not applicable. The depth of discussion contained in this report is specific to the needs of the client and for their sole intended use in a potential purchase from the Village of Oak Park and for no other use. The appraiser is not responsible for unauthorized use of this report.

The accompanying report describes in detail the method of appraisal and contains data gathered in our investigation.

This appraisal report has been presented in conformance with the Uniform Standards of Professional Appraisal Practice, but is not intended for federally related financing purposes.

In our opinion, the Market Value of the subject property, expressly subject to all Assumptions and Limiting Conditions contained in this report, as of December 15, 2016, is:

NINETEEN THOUSAND FIVE HUNDRED DOLLARS
(\$19,500)

SUBJECT TO RESTRICTIONS ON FUTURE DEVELOPMENT OF THE SITE

Respectfully submitted,



Alan J. Rossell

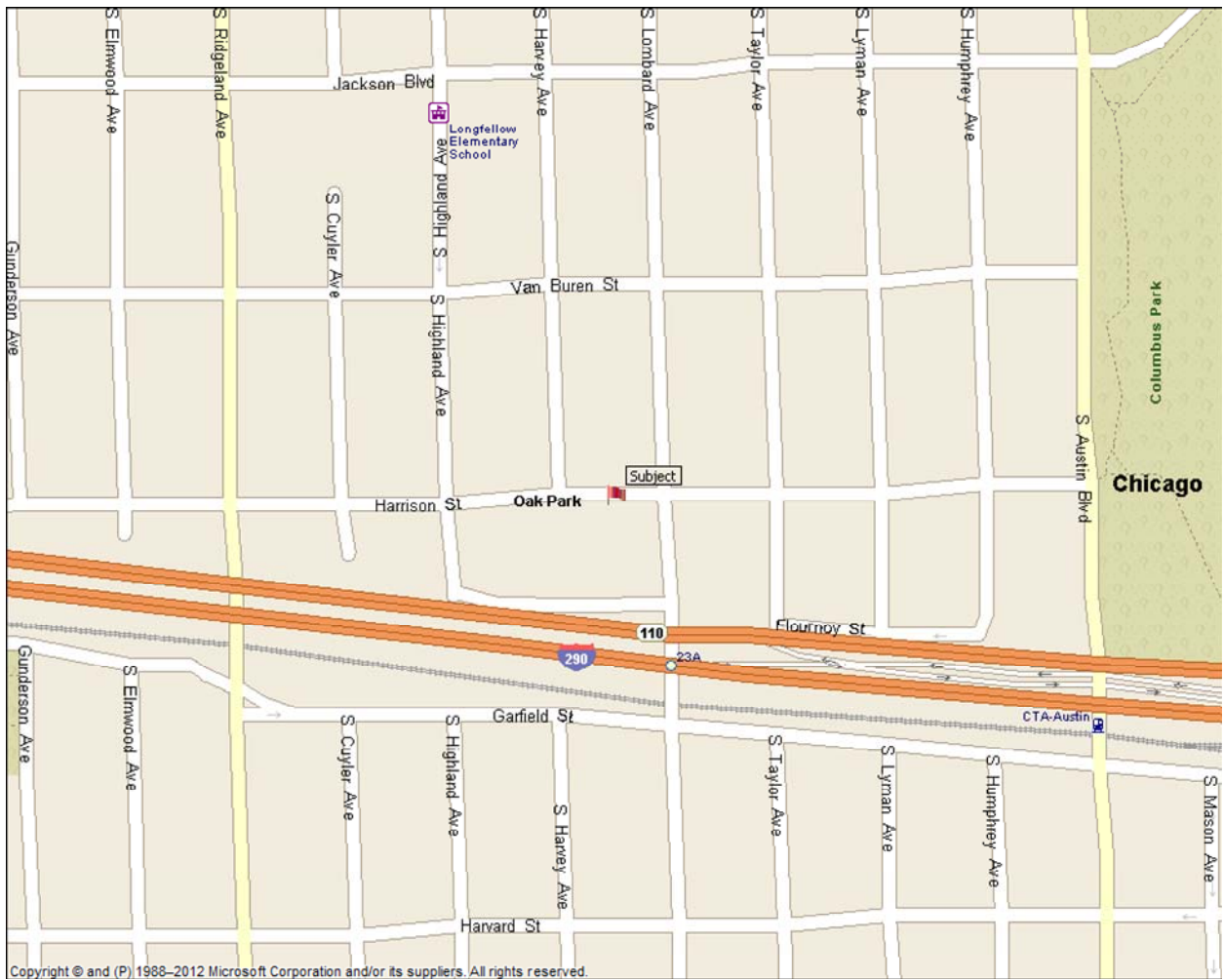
Certified General Real Estate Appraiser,
#553.001801, Expiration Date 09/17



Mitchell J. Perlow, MAI
Certified General Real Estate Appraiser,
#553.000338, Expiration Date 09/17

CONSULTING/
SUPERVISORY APPRAISER:

**ALLEY VACATION BETWEEN
201-211 HARRISON STREET AND
213-215 HARRISON STREET
WEST OF LOMBARD AVENUE
OAK PARK, ILLINOIS**



LOOKING NORTH ALONG ALLEY



EAST ON HARRISON



WEST ON HARRISON



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SUMMARY OF SALIENT FACTS

<u>ASSIGNMENT:</u>	To estimate the fee simple market value of the property as described herein as of the date below.		
<u>LOCATION:</u>	Alley vacation of a portion of the north/south alley west of Lombard Avenue between 201-211 Harrison Street and 213-215 Harrison Street in Oak Park, Illinois.		
<u>PROPERTY RIGHTS APPRAISED:</u>	Fee Simple Estate		
<u>PERMANENT INDEX NUMBER:</u>	None		
<u>LAND AREA:</u>	752± square feet		
<u>ZONING:</u>	B1/B2, General Business District		
<u>HIGHEST AND BEST USE:</u>	As Vacant: Assemblage with adjacent properties.		
<u>VALUE INDICATORS:</u>	Sales Comparison Approach:	\$	19,500
<u>FINAL OPINION OF VALUE:</u>	\$19,500 (Subject to restrictions on future development of the site).		
<u>EFFECTIVE DATE OF VALUE:</u>	December 15, 2016		
<u>DATE OF INSPECTION:</u>	December 15, 2016		
<u>DATE OF REPORT:</u>	The date of the report is consistent with the date found on the transmittal letter preceding this appraisal report.		

EXTRAORDINARY ASSUMPTIONS

The Uniform Standards of Professional Appraisal Practice defines an extraordinary assumption as “an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions.”

In preparation of this report, the following extraordinary assumptions were utilized in completing the assignment:

1. The alley under appraisal is proposed to be acquired by the adjoining land owner who owns properties on both sides of alley. The absorption of this alley into the property connects both parcels and, under the current zoning, would then allow an additional 4 dwelling units for a mixed-use development that would not be otherwise permitted. We have been advised that developmental restrictions will be imposed on the transfer to prevent the construction of any permanent units on or above the site, that there will be a provision of a public walkway and utility easements encumbering the parcel and that the land area cannot be included in the calculation for additional dwelling units. If no such restriction is imposed, a different and much higher value would be indicated. We assume that these restrictions will be properly recorded and will extend into perpetuity.

HYPOTHETICAL CONDITIONS

Hypothetical conditions are those which are contrary to what exists but is supposed for the purpose of analysis. In preparation of this report, the following hypothetical conditions were utilized:

1. That restrictions as described above on the development of the site have been ratified by the Village of Oak Park.

CLIENT

The client for this appraisal assignment is:

Harrison Street Ventures, LLC
c/o Ms. Mona Navitsky
27 Forest Lane
South Barrington, IL 60010

PURPOSE OF THE APPRAISAL/INTENDED USE/USER

The purpose of this appraisal is to provide our opinion of the Market Value of the real estate described in this report for the possible purchase of a portion of the alleyway from the Village of Oak Park. Use of this report is restricted to the client, its members, its attorney and the Village of Oak Park. Acceptance of, and/or use of this appraisal report constitutes acceptance of the Assumptions and Limiting Conditions contained in the addenda section of this report.

DEFINITION OF MARKET VALUE

Market Value is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

DEFINITION OF MARKET VALUE - Continued

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest;
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.

Sources: *The Appraisal of Real Estate*. 14th. Chicago: Appraisal Institute, 2013. Print.; *The Dictionary of Real Estate Appraisal*. 5th. Chicago: Appraisal Institute, 2010. Print.; "Code of Federal Regulations." *Title 12 Banks and Banking, Chapter I, Comptroller of the Currency, Department of the Treasury, Part 34, Real Estate Lending and Appraisals, 34.42, Definitions, (g) and Title 12 Banks and Banking, Chapter V, Office of Thrift Supervision, Department of the Treasury, Part 564, Appraisals, 564.2, Definitions, (g)*. 01 JAN 2004. National Archives and Records Administration. 16 Apr 2009 <<http://www.access.gpo.gov/cgi-bin/cfrassemble.cgi?title=200412>>. This definition is compatible with the RTC, FDIC, FRS and NCUA definitions of market value as well as the definition referenced in the *Uniform Standards of Professional Appraisal Practice (USPAP)*.

PROPERTY RIGHTS APPRAISED

The property rights considered in this appraisal make up the fee simple estate, "the absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."¹

DEFINITION OF EASEMENT

According to the Dictionary of Real Estate Appraisal, 5th Edition, an easement is defined as "The right to use another's land for a stated purpose".

The fee simple estate will be impacted by a perpetual easement for a public walkway which will convey use but not ownership of a portion of the property.

SCOPE OF WORK

The Uniform Standards of Professional Appraisal Practice, 2016-2017 Edition, page 4 defines scope of work as "the type and extent of research and analyses in an appraisal or appraisal review assignment."

¹ The Dictionary of Real Estate Appraisal, 5th Edition, page 78, Published 2010 by the Appraisal Institute.

SCOPE OF WORK - Continued

The following steps were followed in arriving at the final opinion of value included in the appraisal report of the subject property.

1. After receiving the assignment, a preliminary search of all available resources was made to determine market trends, influences and other significant factors pertinent to the subject property.
2. A physical inspection of the property was performed. Although care was exercised while at the subject, the appraiser is not an expert in such matters as pest control, structural engineering, hazardous waste, etc., and no warranty is given to these elements. As needed, inspections by various professionals within these fields might be recommended with the final opinion of value subject to their findings.
3. The subject under appraisal consists of a 16 foot by 47± foot portion of the north/south alley located west of Lombard Avenue between 201-211 Harrison Street and 213-215 Harrison Street. Our appraisal assignment is to estimate the market value of the 752± square foot portion of the north/south alley due to a contemplated sale from the Village of Oak Park to Harrison Street Ventures, LLC.
4. The site, being a public thoroughfare and right-of-way, in most instances, would typically be available to the adjacent property owners and as such, would have a limited if not non-existent market. The value is primarily the value that the site contributes to the adjacent property owners. Due to its very narrow width, utility is minimal. In this instance, the property owner of 201-211 Harrison Street and 213-215 Harrison Street are the same with a benefit as the joining of the two parcels and the increased land area of the alley would then allow (4) additional dwelling units under the current zoning ordinance for a mixed use development unless certain restrictions were imposed.
5. A second review of the data was then performed with the most relevant factors extracted and considered. The sales were examined and transfer information involved in the transactions were analyzed. Market factors were weighed and their influence on the subject property was determined.
6. Our appraisal assignment is to appraise vacant land. As such, only the Sales Comparison Approach to Value was utilized. The Cost and Income Capitalization Approaches to value are not applicable methods of valuation for land.
7. The appraisal report was then delivered to the client, Harrison Street Ventures, LLC, which constituted the completion of the assignment.

DATE OF INSPECTION

December 15, 2016

INTENT OF REPORT

The intent of this report is to comply with the 2016-2017 Uniform Standards of Professional Appraisal Practice, as adopted by the Appraisal Standards Board of the Appraisal Foundation.

COMPETENCY OF THE APPRAISERS

The appraisers have the appropriate knowledge and experience to complete this assignment competently. See attached qualifications of the appraisers in the addendum of this report.

PROHIBITED INFLUENCES

The appraisal assignment was not based upon a requested minimum valuation, specific valuation or approval of a loan. Employment of the appraiser was not conditioned upon the appraiser producing a specific value or value within a given range. Neither employment nor compensation is based upon approval of any related loan application.

PERSONAL PROPERTY

Any personal property involved in the transaction has been excluded from the valuation of the real property. Should a transaction which includes personal property of sufficient value to affect the market value of the real property be evident, a separate assessment of the real property only, excluding any F, F & E or intangible items will be included with the report as a separate valuation. No personal property is included in this report.

LEGAL DESCRIPTION

The following legal description was provided the appraiser. We would recommend verification prior to any use whatsoever.

THAT PART OF A 16 FOOT WIDE NORTH-SOUTH PUBLIC ALLEY DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF LOT 1 IN BLOCK 1 IN HARRISON STREET SUBDIVISION IN THE NORTH ½ OF THE NORTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 17, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN; THENCE SOUTH ALONG A WEST LINE OF SAID LOT 1 FOR A DISTANCE OF 33.62 FEET TO THE NORTHWEST CORNER OF SAID LOT 2 IN SAID BLOCK 1 OF HARRISON STREET SUBDIVISION; THENCE CONTINUING SOUTH ALONG THE WEST LINE OF SAID LOT 2 FOR A DISTANCE OF 13.38 FEET; THENCE WEST TO A POINT ON THE EAST LINE OF LOT 46 IN SAID BLOCK 1 OF HARRISON STREET SUBDIVISION 47.00 FEET SOUTH OF THE NORTHEAST CORNER OF SAID LOT 46; THENCE NORTH ALONG THE EAST LINE OF SAID LOT 46 FOR A DISTANCE OF 47.00 FEET TO THE NORTHEAST CORNER OF LOT 46; THENCE EAST 16.00 FEET TO THE NORTHWEST CORNER OF LOT 1 AND THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

HISTORY OF THE PROPERTY

The property is currently owned by the Village of Oak Park and utilized as a public right of way. The property has been considered excess to the villages needs and it is their intention to sell the property to the adjacent property owner for expansion of a new business. The northern portion of the alley is currently being utilized as a public alley and one means of ingress and egress to the rear of businesses located along Lombard Avenue by intersecting with the east/west alley. As such, divesture of this portion of the alley will not have an adverse effect on other properties.

MARKETING PERIOD AND EXPOSURE TIME

The Definition of Market Value requires that a reasonable time be allowed for exposure in the open market. This exposure time is presumed to have occurred prior to the date of the appraisal, while the estimated marketing period occurs after the date of appraisal.

Exposure time and marketing period could be the same, given a stable market environment with no change anticipated in market conditions.

However, in many instances, this is not the case. If the market is improving, the marketing period would most likely be less than the exposure period. If the market conditions were anticipated to worsen, however, the opposite may be true.

In this case, both market and exposure time are equal and are estimated to be six to nine months for a typical parcel of land. However, in this instance, the subject is a narrow piece of land with only limited utility to anyone other than adjoining property owners. It has a limited, if non-existent, market appeal and utility and an extended marketing time would be anticipated.

Regional Map



CHICAGOLAND REGIONAL INFORMATION

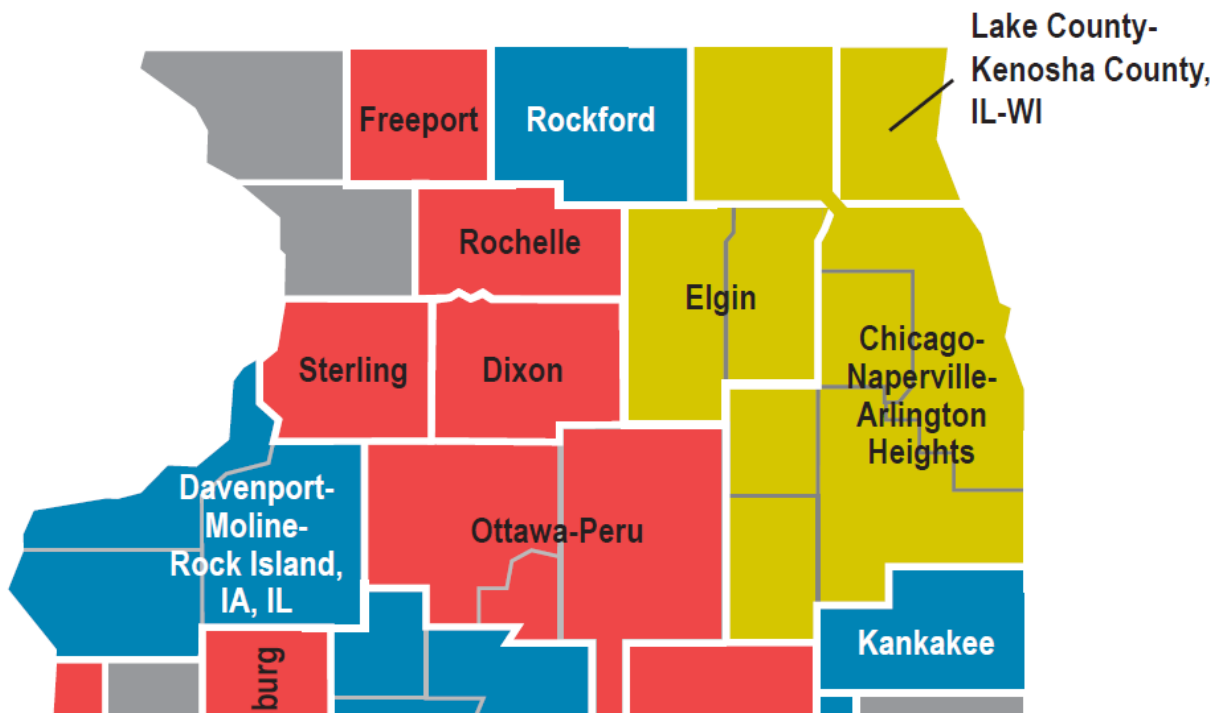


CHICAGO-NAPERVILLE-ELGIN IL-IN-WI MSA:

Cook County, IL
DeKalb County, IL
DuPage County, IL
Grundy County, IL
Jasper County, IN

Kane County, IL
Kendall County, IL
Kenosha County, WI
Lake County, IL
Lake County, IN

McHenry County, IL
Newton County, IN
Porter County, IN
Will County, IL



Population Statistics

POPULATION GROWTH			
	Chicago MSA	Illinois	United States
2015 Population Estimate:	9,551,031	12,859,995	321,418,820
Population-2010:	9,461,105	12,831,549	308,758,105
% Growth 2010-2015:	0.9%	0.2%	4.1%

Source: US Census Bureau website

POPULATION GROWTH		
County	2015 Population Estimate	% Change April, 2010 to July, 2015
Cook	5,238,216	0.8%
Lake	703,910	0.1%
DeKalb	104,352	-0.8%
DuPage	933,736	1.8%
Grundys	50,541	1.0%
Kane	530,847	3.0%
Kendall	123,355	7.5%
McHenry	307,343	-0.5%
Will	687,263	1.4%

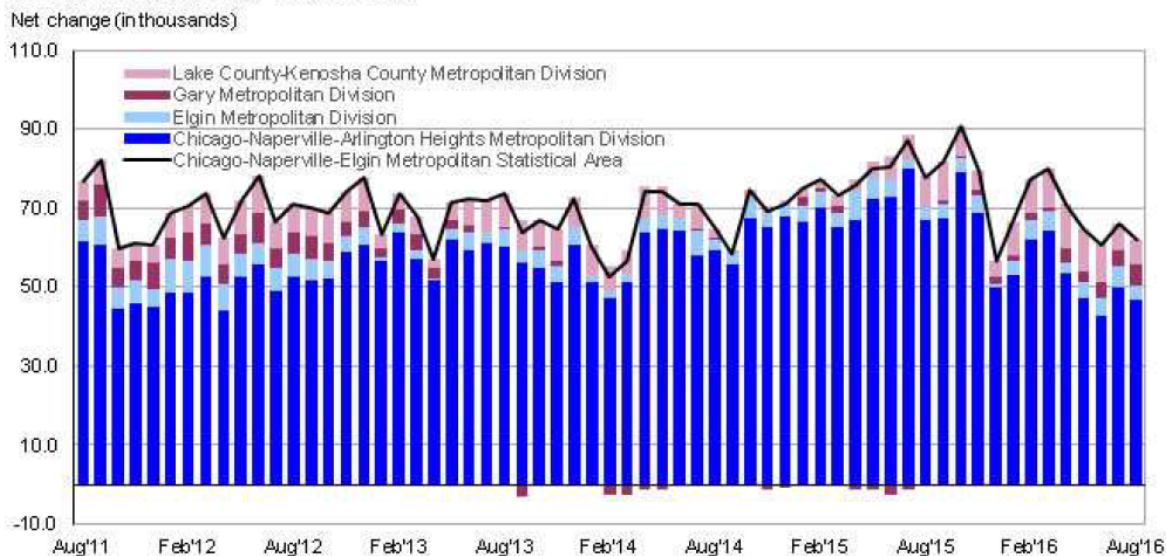
Source: US Census Bureau website

Chicago Area Employment – August, 2016

Local Rate of Employment Growth Below National Average

Total nonfarm employment for the Chicago-Naperville-Elgin, Ill.-Ind.-Wis. Metropolitan Statistical Area stood at 4,681,500 in August 2016, up 62,200, or 1.3 percent, over the year, the U.S. Bureau of Labor Statistics reported today. During the same period, the national job count increased 1.7 percent. Assistant Commissioner for Regional Operations Charlene Peiffer noted that the Chicago metropolitan area has had over-the-year employment increases each month since October 2010.

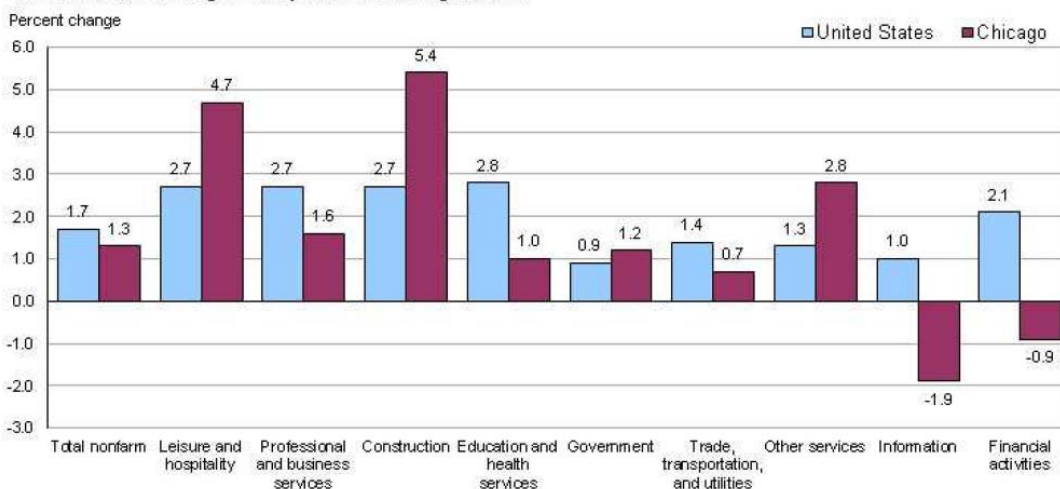
Chart 1. Total nonfarm employment, over-the-year net change in the Chicago metropolitan area and its divisions, August 2011–August 2016



Source: U.S. Bureau of Labor Statistics.

The Chicago metropolitan area is made up of four metropolitan divisions—separately identifiable employment centers within the larger metropolitan area. The Chicago-Naperville-Arlington Heights Metropolitan Division, which accounted for 80 percent of the area's workforce, added 46,800 jobs from August a year ago. Employment in the Lake County-Kenosha County, Ill.-Wis. Metropolitan Division increased by 6,300, while employment in the Gary, Ind. Metropolitan Division and the Elgin, Ill. Metropolitan Division grew by 5,700 and 3,400, respectively, over the year.

Chart 2. Total nonfarm and selected industry supersector employment, over-the-year percent change, United States and the Chicago metropolitan area, August 2016



Source: U.S. Bureau of Labor Statistics.

Industry employment

In the Chicago metropolitan area, the leisure and hospitality industry had the largest employment gain from August 2015 to August 2016, up 22,100 or 4.7 percent. The Chicago division added 19,200 of these jobs. Nationwide, employment in leisure and hospitality rose 2.7 percent from the previous August.

Two other supersectors gained more than 9,000 jobs locally over the year. The professional and business services supersector gained 13,500 jobs since last August. However, the Chicago area's 1.6-percent growth in professional and business services employment was less than the nationwide increase of 2.7 percent. Local employment growth in this industry was concentrated in the Chicago division, up 11,900 jobs. Construction added 9,500 jobs locally, up 5.4 percent from the previous August. Nationwide, construction employment grew by 2.7 percent.

Trade, transportation, and utilities, the largest supersector in the Chicago area, added 6,300 jobs, a 0.7-percent gain from August a year ago. This supersector has had over-the-year employment increases each month since October 2010. From August 2015 to August 2016, the Lake division added 2,500 jobs and the Gary division added 2,400 jobs. Nationally, employment in the trade, transportation, and utilities supersector increased 1.4 percent from August 2015.

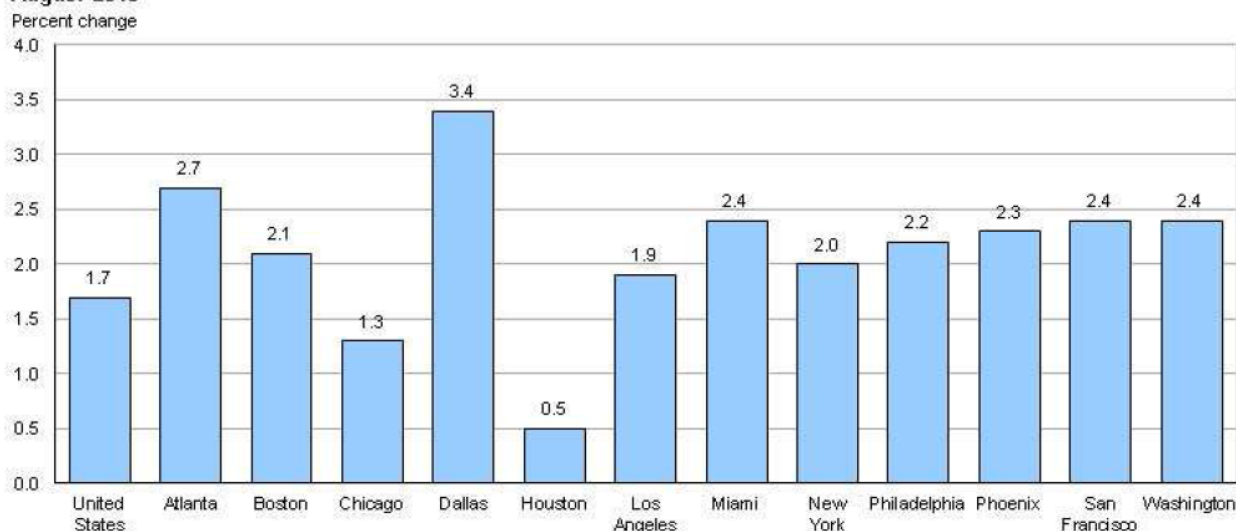
Manufacturing lost 3,900 jobs locally, down 0.9 percent, from August 2015 to August 2016. The job losses were concentrated in the Chicago division, where 3,300 jobs were lost. Nationwide, manufacturing employment declined 0.3 percent during the same period.

Two other local supersectors lost more than 1,000 jobs from August a year ago: financial activities (-2,700) and information (-1,600). Nationally, employment in financial activities and information increased over the year.

Employment in the 12 largest metropolitan areas

Chicago was 1 of the nation's 12 largest metropolitan statistical areas in August 2016. All 12 areas experienced over-the-year job growth during the period, with the rates of growth in 10 areas exceeding the national average of 1.7 percent. The fastest rate of job growth was in Dallas-FortWorth-Arlington, 3.4 percent, followed by Atlanta-Sandy Springs-Roswell at 2.7 percent. The Houston-TheWoodlands-Sugar Land area had the slowest rate of job growth, up 0.5 percent.

Chart 3. Total nonfarm employment, over-the-year percent change, United States and 12 largest metropolitan areas, August 2016



Source: U.S. Bureau of Labor Statistics.

**Source: bls.gov*

Midwest Economy - Labor Force Statistics
Civilian labor force in the Midwest, seasonally adjusted (in thousands)*

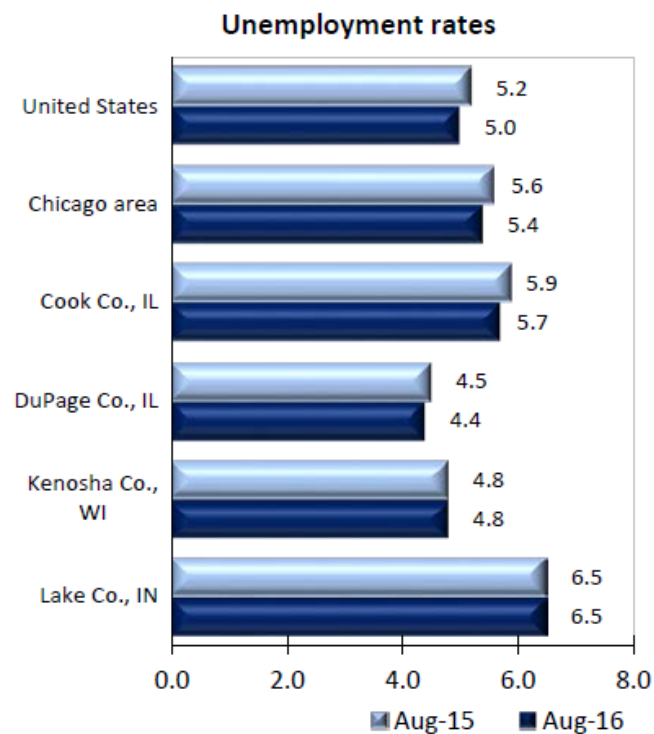
Area	September 2015	July 2016	August 2016	September 2016	September, 2015 to September, 2016	
					Net Change	Percent Change
United States	158,867	159,287	159,463	159,907	3,040	1.9
Midwest	34,534.0	34,996.4	34,968.4	34,966.3	432.4	1.3
Illinois	6,515.5	6,592.7	6,570.8	(P)6,565.3	(P)49.8	(P)0.8
Indiana	3,271.9	3,375.8	3,378.2	(P)3,376.1	(P)104.2	(P)3.2
Iowa	1,701.3	1,711.3	1,714.8	(P)1,722.7	(P)21.4	(P)1.3
Kansas	1,502.0	1,490.1	1,485.0	(P)1,483.2	(P)-18.8	(P)-1.3
Michigan	4,747.8	4,809.4	4,804.7	(P)4,819.3	(P)71.5	(P)1.5
Minnesota	3,015.6	3,021.6	3,003.3	(P)2,993.7	(P)-21.9	(P)-0.7
Missouri	3,118.9	3,125.3	3,119.7	(P)3,130.3	(P)11.4	(P)0.4
Nebraska	1,015.1	1,018.9	1,018.5	(P)1,018.4	(P)3.4	(P)0.3
North Dakota	412.9	420.4	422.9	(P)425.7	(P)12.8	(P)3.1
Ohio	5,685.0	5,786.7	5,762.3	(P)5,747.6	(P)62.6	(P)1.1
South Dakota	452.8	457.1	457.4	(P)457.2	(P)4.3	(P)1.0
Wisconsin	3,098.0	3,125.5	3,127.9	(P)3,132.3	(P)34.3	(P)1.1
Footnotes						
(P) Preliminary						

Unemployment rates in the Midwest, seasonally adjusted (in thousands)*

Area	September 2015	July 2016	August 2016	September 2016	September, 2015 to September, 2016	September, 2015 to September, 2016
					Net change	Percent Change
United States	7,925	7,770	7,849	7,939	14	.02
Midwest	1,606.2	1,584.6	1,585.3	1,611.6	5.4	0.3
Illinois	381.2	383.1	363.7	(P)360.5	(P)-20.7	(P)-5.4
Indiana	148.5	155.6	152.9	(P)151.4	(P)2.9	(P)2.0
Iowa	60.7	70.7	72.8	(P)72.5	(P)11.8	(P)19.4
Kansas	60.7	60.2	63.6	(P)65.1	(P)4.4	(P)7.2
Michigan	242.2	214.0	216.5	(P)219.8	(P)-22.4	(P)-9.2
Minnesota	109.1	118.74	121.6	(P)119.5	(P)10.4	(P)9.5
Missouri	143.7	148.1	157.9	(P)161.4	(P)17.7	(P)12.3
Nebraska	30.9	31.2	32.3	(P)33.1	(P)2.2	(P)7.2
North Dakota	11.2	13.2	13.1	(P)13.01	(P)1.8	(P)16.2
Ohio	262.8	278.2	271.5	(P)275.1	(P)12.2	(P)4.7
South Dakota	13.9	12.8	13.1	(P)13.1	(P)-0.8	(P)-5.5
Wisconsin	142.0	130.0	131.2	(P)129.9	(P)-12.1	(P)-8.5
Footnotes						
(P) Preliminary						

*Source: bls.gov

Unemployment rates for the Chicago area, selected area counties, and the nation

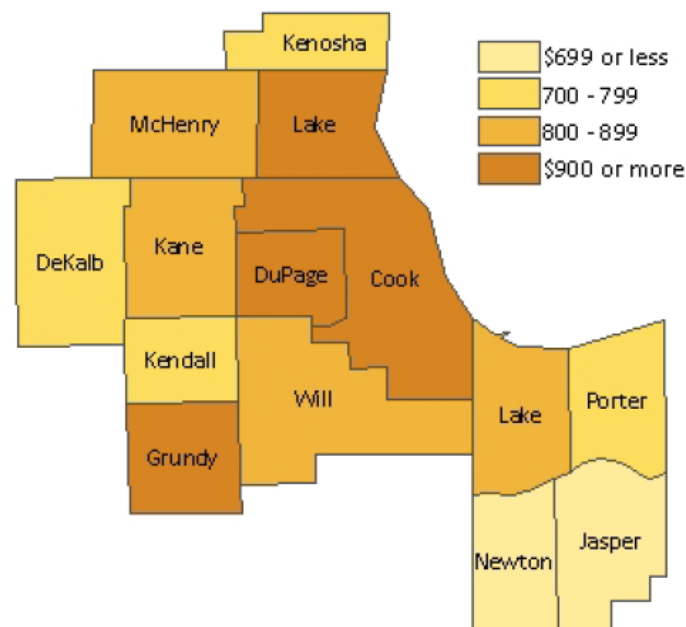


Source: U.S. BLS, Local Area Unemployment Statistics.

Average weekly wages for all industries by county

Chicago area, 1st quarter 2016

(U.S. = \$1,043; Area = \$1,193)



Source: U.S. BLS, Quarterly Census of Employment and Wages.

CHICAGO AREA INFORMATION*

Chicago has one of the world's largest and most diversified economies, with more than four million employees and generating an annual gross regional product (GRP) of over \$561 billion. The city is an efficient economic powerhouse, home to more than 400 major corporate headquarters, including 36 in the Fortune 500. Among the most diverse economies in the nation, Chicago is a key player in every sector from risk management innovation to manufacturing to information technology to health services.

- The heart of a 14-county metropolitan area
- Home to 9.6 million residents, a population that has grown by 4% (+393,491 people) since 2000
- 3+ million working-age adults are within a 50-minute commute of downtown Chicago

Centrally located, Chicago provides non-stop service to more than 200 domestic and international destinations, has one of the largest public transportation systems in the US and serves as a hub for all six major North American railroads and six major U.S. Interstates.

Trading Post

The most distinctive aspect of Chicago's financial services community is also among its oldest. The city's derivatives exchange community, which started with commodity futures trading at the Chicago Board of Trade in 1848, established the city as a global financial center. To this day, even though the trading of derivatives is conducted on an ever-expanding international scale, Chicago arguably remains the geographic center of global derivatives trading – in terms of markets, scale and talent.

- Chicago accounts for almost one fifth (18%) of the world's global derivatives trading market; 2X New York (9%) and nearly matching all of the exchanges in Europe combined (19%)
- Chicago-based exchanges generated 4.7 billion in annual global derivatives trading volume with a notional value of more than one quadrillion in 2014
- Chicago-based Options Clearing Corporation clears all US options contracts – 4.2 billion in 2015 (the third highest volume on record)
- Chicago futures and options exchanges collectively dominate exchange-based derivatives trading, with more than half of exchange-based derivatives trading in North America

A Global City

Chicago is the top-ranking metropolitan area for foreign direct investment projects in the U.S. (#1) and the only North American agglomeration in the global top 20 (#7). Home to over 1,800 foreign-based companies and more than \$100 billion in foreign direct investment, Chicago has long been a hub of international business activity. International business resources include:

- 80+ Consulates/Consuls General
- 100+ international/ethnic Chambers of Commerce and international trade-based organizations
- 28 international sister cities
- Direct access to flights around the globe from Chicago's CBD to both airports

Among the top 10 *Cities of Opportunity* (2nd in the U.S., 9th worldwide)

– *PwC, 2014*

Among the top 10 *Global Cities* of today

– *A.T. Kearney, 2014*

Top 10 Economic Development Group

– *Site Selection magazine, 2015*

Among the top 10 global business hotspots of 2025

– *The Economist Intelligence Unit, 2013*

2nd most powerful global city in the United States

– The Atlantic compilation of global city rankings from *The Economist*, *A.T. Kearney*, *McKinsey*, *Global Financial Centres Index, 2012*

3rd best foreign direct investment strategy among 50 major North/South American cities

– *fDi Intelligence, 2015/16*

4th most economically powerful city in the world

– *Global Economic Power Index, R. Florida and Martin Prosperity Institute, 2012*

*Source: www.worldbusinesschicago.com

Key Industries

Chicago's economy thrives on a combination of mature (manufacturing and transportation/distribution) and emerging (info-tech, research & development, and green energy) industries.

The region ranks in the Top 5 in employment and output among U.S. metro areas in a number of key and emerging industries including:

- **Business & Financial Services** – Chicago offers one of the largest, most diverse pools of business and financial service expertise, with over 1 million employees in those industries. Specializations include:
 - Accounting, tax preparation, bookkeeping & payroll services
 - Advertising
 - Recruiting
 - Legal services
 - Management services
 - R&D
 - Specialized design
- **Manufacturing** – Chicago has consistently been a leader in manufacturing, with over 410,802 employed across various manufacturing specialties. The Chicago region's manufacturing base continues to change with the economy, recently adding jobs in green building material and hi-tech products.
- **Transportation & Distribution** – Chicago has dominated the North American transportation and distribution scene since the 1850s. In the past 20 years, it has become the major crossroads of America's global trade. Consequently, Chicago offers the most competitive and cost-effective transportation center in the Americas. With over 196,061 employees, Chicago is ranked #1 in Truck Transportation.
 - Only “dual-hub” airport system in North America – handling 1,400+ daily departures and 99 million passengers annually
 - Central location with air, rail, and water distribution capacity
 - Hub of six of seven Class I U.S. railroads
 - Convergence of six major highways
 - Non-stop service to more than 200 domestic and international destinations
 - Two ports capable of handling ocean-going ships and barges
 - Linked to the Atlantic via St. Lawrence Seaway and to the Gulf of Mexico via the Mississippi River
 - More than 650,000 people commute to downtown Chicago each business day, the center of a “hub and spoke” public transportation system and the economic engine for the region – more than half taking mass transit
 - Approximately 1 million college graduates with a bachelor's or higher live within one mile of a CTA or Metra train stop
 - 3+ million working-age adults are within a 50-minute commute of downtown Chicago – more than 1.2 million are age 18-34
- **Biotech** – Chicago is a leader in the biotechnology sector with many companies choosing to locate their headquarters and research centers here. From 2014 to 2015, Chicago's biotechnology sector gained 357 jobs in addition to adding 26 companies in the same time period. Organizations in the Chicago metro received \$666.26 million in National Institutes of Health (NIH) grant funding in 2015. Northwestern University, University of Chicago and University of Illinois at Chicago were the largest Chicago area recipients, receiving \$226.73, \$170.94 and \$100.78 million, respectively.

- **InfoTech** – Established and emerging companies, alongside the city’s prominent universities and entrepreneurship facilities, its vibrant tech culture and initiatives, and its incubators and early-stage growth accelerators, are all coming together to make the city a dominating player in the global technology scene. Additionally, consistent with its history of being a center for applied technologies, Chicago’s technology expertise is based on a concentration of information intensive industries.
 - Nearly 100 innovation centers in Chicago (incubators, accelerators, co-working spaces)
 - 1871 is one of the top 5 business incubators in the world
 - 300 corporate R&D facilities
 - 1,700 patents issued by inventors in the city of Chicago last year
 - \$1.9 billion in annual R&D at Chicago colleges and universities
 - 143 tech companies received funding and 39 companies exited
 - Startup successes include Careerbuilder, Groupon, GrubHub, Morningstar, Orbitz
 - Record high amount of venture capital invested in Chicago startups in 2015 (\$1.7 billion)
 - \$8.2 billion in acquisitions and IPOs in 2015, including HERE, Coyote, and Merge Healthcare
- **Health Services** – Chicago is home to more than 30 national medical and health association headquarters, including the American Medical Association, the American Hospital Association, the American College of Surgeons and the American Health Information Management Association.
 - 548,473+ employed in the health services industry.
 - 90 hospitals
 - 6 medical schools
 - 4 of the nation’s top 15 teaching hospitals are located in the Chicago region – more than any other metro – according to U.S. News & World Report.

A Talented Workforce

Numerous studies point to a skilled workforce as a significant indicator of economic prosperity. Education is one of the key drivers behind a highly skilled and diversified workforce, and Chicago is not only concentrated in terms of educational institutions, but offers leading programs to prepare today’s students for tomorrow’s global opportunities.

- Two of the top business schools in the world
- 97 Nobel Prize winners
- More than 58,000 college/university students located in the CBD alone
- More than 158,000 college degrees conferred every year by nearly 130 Chicago area colleges and universities

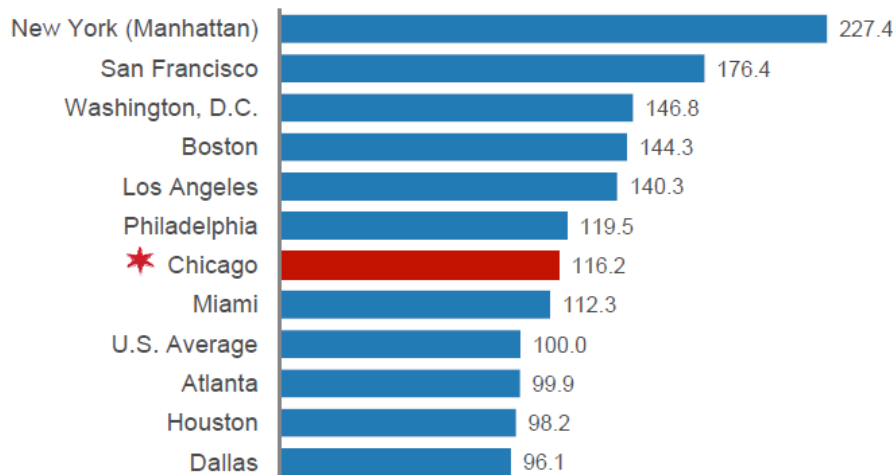
Quality of Life

According to worldbusinesschicago.com, Chicago is a smart, dynamic city that offers a quality of life unparalleled by any other major metropolis, providing a true community with world class amenities for businesses and people. Described as an "urban value," Chicago's cost of living is lower than leading cities including New York, Los Angeles, Washington, D.C., Boston, and Philadelphia. Chicago's wide variety of places to live — from downtown high-rise condos, to traditional bungalows, to row homes, to rural farm houses — are conveniently linked to business opportunities by a 3,700-square mile public transit system serving nearly 2 million passengers annually. The city's unique character can be attributed to its people, its location/infrastructure, its collaborative business and government community, and an unprecedented array of arts and cultural resources, activities and destinations. Chicago's low cost of living and doing business ensures you can enjoy more of what the city has to offer.

- Outdoor Amenities
 - 26 miles of lakefront with an 18.5-mile lakefront trail
 - 580 parks and 27 beaches
 - Over 225 miles of bike lanes; 13,000 bike racks
- World-Class Dining & Hotels
 - Over 100 hotels with 37,000 hotel rooms
 - Over 4,700 restaurants; 35 annual food festivals
 - 38 craft breweries
 - 22 Michelin Restaurants
- Arts & Culture
 - Nearly 60 museums and 90 art galleries
 - Over 30 film festivals
 - 200 theater companies and 220 dance companies
- Nightlife & Entertainment
 - Over 225 music venues
 - 15 citywide and 50 neighborhood music festivals
 - Over 30 downtown and neighborhood parades
- Sports
 - Chicago has been named as the Best Sports City by *Sporting News* three times, and is one of the few U.S. cities to have teams from all five major American professional team sports, including the 2013 Stanley Cup champion Chicago Blackhawks, Cubs, White Sox, Bulls, Sky, Bears, and Fire

Annual Cost of Living Index, 2015

Chicago has a low cost of living compared to central cities in top U.S. metro areas



*Note: All figures are for the primary urbanized area within each MSA

Source: C2ER Cost of Living Index, 2015 Annual Average

Chicago Industrial Market (CoStar 3rd Quarter, 2016 Report)

According to Costar.com, the Chicago Industrial market ended the third quarter 2016 with a vacancy rate of 6.6%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 7,050,101 square feet in the third quarter. Vacant sublease space increased in the quarter, ending the quarter at 2,106,949 square feet. Rental rates ended the third quarter at \$5.74, an increase over the previous quarter. A total of 20 buildings delivered to the market in the quarter totaling 6,205,757 square feet, with 18,184,882 square feet still under construction at the end of the quarter.

Rental Rates

The average quoted asking rental rate for available Industrial space was \$5.74 per square foot per year at the end of the third quarter 2016 in the Chicago market area. This represented a 0.5% increase in quoted rental rates from the end of the second quarter 2016, when rents were reported at \$5.71 per square foot. The average quoted rate within the Flex sector was \$10.94 per square foot at the end of the third quarter 2016, while Warehouse rates stood at \$5.37. At the end of the second quarter 2016, Flex rates were \$10.91 per square foot, and Warehouse rates were \$5.34.

Sales Activity

Tallying industrial building sales of 15,000 square feet or larger, Chicago industrial sales figures rose during the second quarter 2016 in terms of dollar volume compared to the first quarter of 2016.

In the second quarter, 121 industrial transactions closed with a total volume of \$642,240,098. The 121 buildings totaled 12,780,761 square feet and the average price per square foot equated to \$50.25 per square foot. That compares to 106 transactions totaling \$429,174,756 in the first quarter. The total square footage was 8,756,140 for an average price per square foot of \$49.01.

Total year-to-date industrial building sales activity in 2016 is up compared to the previous year. In the first six months of 2016, the market saw 227 industrial sales transactions with a total volume of \$1,071,414,854. The price per square foot has averaged \$49.75 this year. In the first six months of 2015, the market posted 239 transactions with a total volume of \$760,126,165. The price per square foot averaged \$43.85.

Cap rates have been lower in 2016, averaging 7.70%, compared to the first six months of last year when they averaged 7.73%.

One of the largest transactions that has occurred within the last four quarters in the Chicago market is the sale of eight Industrial buildings totaling 1,995,150 square feet throughout the Chicago Market. The buildings are located in Schaumburg, Hillside, Melrose Park, Franklin Park and Berkley. The portfolio sold for \$98,901,000, or \$49.57 per square foot, on 10/20/2015, at a 7.27% cap rate. At the time of the sale the portfolio was 99.14% leased to 12 tenants.

Source: www.costar.com

Chicago Retail Market (CoStar 3rd Quarter, 2016 Report)

According to Costar.com, the Chicago retail market experienced a slight improvement in market conditions in the third quarter 2016. The vacancy rate went from 7.5% in the previous quarter to 7.3% in the current quarter. Net absorption was positive 1,996,479 square feet, and vacant sublease space decreased by (185,696) square feet. Quoted rental rates decreased from second quarter 2016 levels, ending at \$15.77 per square foot per year. A total of 38 retail buildings with 986,702 square feet of retail space were delivered to the market in the quarter, with 1,873,869 square feet still under construction at the end of the quarter.

Rental Rates

Average quoted asking rental rates in the Chicago retail market are down over previous quarter levels, and up from their levels four quarters ago. Quoted rents ended the third quarter 2016 at \$15.77 per square foot per year. That compares to \$15.80 per square foot in the second quarter 2016, and \$15.64 per square foot at the end of the fourth quarter 2015. This represents a 0.2% decrease in rental rates in the current quarter, and a 0.82% increase from four quarters ago.

Sales Activity

Tallying retail building sales of 15,000 square feet or larger, Chicago retail sales figures rose during the second quarter 2016 in terms of dollar volume compared to the first quarter of 2016.

In the second quarter, 56 retail transactions closed with a total volume of \$564,205,500. The 56 buildings totaled 3,199,971 square feet and the average price per square foot equated to \$176.32 per square foot. That compares to 58 transactions totaling \$349,607,044 in the first quarter 2016. The total square footage in the first quarter was 2,536,267 square feet for an average price per square foot of \$137.84.

Total retail center sales activity in 2016 was down compared to 2015. In the first six months of 2016, the market saw 114 retail sales transactions with a total volume of \$913,812,544. The price per square foot averaged \$159.31. In the same first six months of 2015, the market posted 115 transactions with a total volume of \$1,130,974,569. The price per square foot averaged \$165.62.

Cap rates have been higher in 2016, averaging 7.94% compared to the same period in 2015 when they averaged 7.25%.

One of the largest transactions that has occurred within the last four quarters in the Chicago market is the sale of 669 Mag Mile in Chicago. This 148,245 square foot retail center is comprised of three separate but connected buildings. The center sold on 9/23/2015 for \$295,000,000, or \$1,989.95 per square foot.

Source: www.costar.com

Chicago Office Market (CoStar 3rd Quarter, 2016 Report)

According to Costar.com, the Chicago Office market ended the third quarter 2016 with a vacancy rate of 13.3%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 375,023 square feet in the third quarter. Vacant sublease space decreased in the quarter, ending the quarter at 3,075,577 square feet. Rental rates ended the third quarter at \$23.35, an increase over the previous quarter. A total of eight buildings delivered to the market in the quarter totaling 1,001,184 square feet, with 6,444,176 square feet still under construction at the end of the quarter.

Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$23.35 per square foot per year at the end of the third quarter 2016 in the Chicago market area. This represented a 0.2% increase in quoted rental rates from the end of the second quarter 2016, when rents were reported at \$23.30 per square foot.

The average quoted rate within the Class-A sector was \$26.38 at the end of the third quarter 2016, while Class-B rates stood at \$21.13, and Class-C rates at \$18.37. At the end of the second quarter 2016, Class-A rates were \$26.08 per square foot, Class-B rates were \$21.25, and Class-C rates were \$18.21.

The average quoted asking rental rate in Chicago's CBD was \$32.69 at the end of the third quarter 2016, and \$19.31 in the suburban markets. In the second quarter 2016, quoted rates were \$32.66 in the CBD and \$19.28 in the suburbs.

Sales Activity

Tallying office building sales of 15,000 square feet or larger, Chicago office sales figures rose during the second quarter 2016 in terms of dollar volume compared to the first quarter of 2016.

In the second quarter, 43 office transactions closed with a total volume of \$934,816,500. The 43 buildings totaled 4,846,687 square feet and the average price per square foot equated to \$192.88 per square foot. That compares to 41 transactions totaling \$793,487,589 in the first quarter 2016. The total square footage in the first quarter was 5,782,977 square feet for an average price per square foot of \$137.21.

Total office building sales activity in 2016 was down compared to 2015. In the first six months of 2016, the market saw 84 office sales transactions with a total volume of \$1,728,304,089. The price per square foot averaged \$162.59. In the same first six months of 2015, the market posted 96 transactions with a total volume of \$4,481,702,547. The price per square foot averaged \$246.76.

Cap rates have been higher in 2016, averaging 7.55% compared to the same period in 2015 when they averaged 6.75%.

One of the largest transactions to occur within the last four quarters in the Chicago market is the sale of 1000 W Fulton. The 531,190-square-foot office building sold for \$303,597,000, or \$571.54 per square foot. The property sold on 6/27/2016, at a 4.5% cap rate.

Source: www.costar.com

Apartment Market*

Steady job growth and shifting renter preferences will benefit the Chicagoland apartment market with vacancy and rents set to improve this year, despite record-breaking construction activity. The local economy is forging forward with metro employers hiring across a broad array of sectors. Corporate relocation from the suburbs to the city is further bolstering urban job growth, headlined by the McDonald's headquarters move announced in June. Insight Global, Motorola Solutions and ConAgra are among the other firms making the migration. These and other businesses are able to draw talent from young, highly skilled workers who are attracted to city life. Millennials overwhelmingly favor renting over homeownership and seek residence in highly urbanized city cores that offer walkability and a live-work-play lifestyle. Developers have moved to capitalize on healthy renter demand in both the city and suburbs with construction rising to unprecedented levels. The swath of new development coming online in the second half of the year will place some slight upward pressure on citywide vacancy; however, rates will remain below the five-year average. The suburban market will fare better with vacancy set to fall, despite the strongest periods of construction since 2000. Both sectors will achieve healthy rent growth as tight market conditions and a deep pool of renters encourage an increase.

Historically cheap debt spurs trading as flight to yield intensifies. Easy access to acquisition financing and strong market stability will keep demand elevated for Chicago apartments. New buyers operating locally are expanding their presence as a lack of alternative investments and the ability to secure debt at low interest rates encourage trading activity. Institutions are also active with some out-of-town funds and foreign capital groups targeting metro assets as investors of all types continue the search for consistent yield. Chicago boasts a deep inventory, affording investors with more buying opportunities and at better cap rates than can be found in the coastal markets. First-year returns average in the low-6 percent range metrowide.

2016 Annual Apartment Forecast

- **Employment:** The workforce will expand 1.3 percent in 2016 as 60,000 workers gain employment. Last year, approximately 65,400 jobs were created led by growth in the leisure and hospitality sector as well as the education and health services sector.
- **Construction:** Developers will complete 7,500 new apartments this year, the greatest period of construction since 2000 by nearly 1,300 units. In 2015, Chicagoland recorded a gain of more than 5,800 rentals, the majority of which came online in the second half of the year.
- **Vacancy:** The metrowide vacancy rate will fall 10 basis points to 3.7 percent in 2016, driven by further tightening in the suburbs. Last year, positive net absorption of more than 6,600 units pushed vacancy down 40 basis points.
- **Rents:** The average effective rent will rise 5.4 percent this year with Chicagoland renters paying an average of \$1,380 per month. The market achieved a rent improvement of 5.1 percent in 2015.

**Source: Marcus and Millichap 3rd Quarter, 2016 Report*

Vacancy and Rents

City

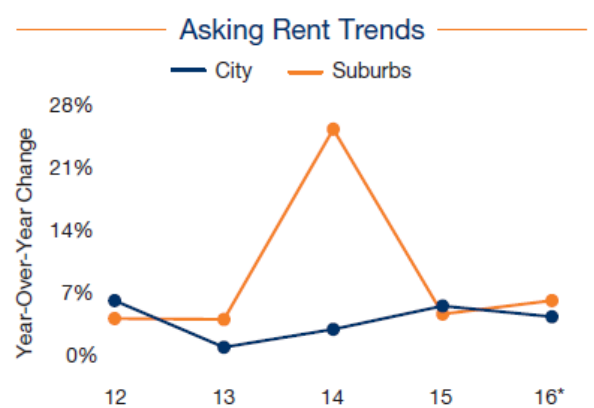
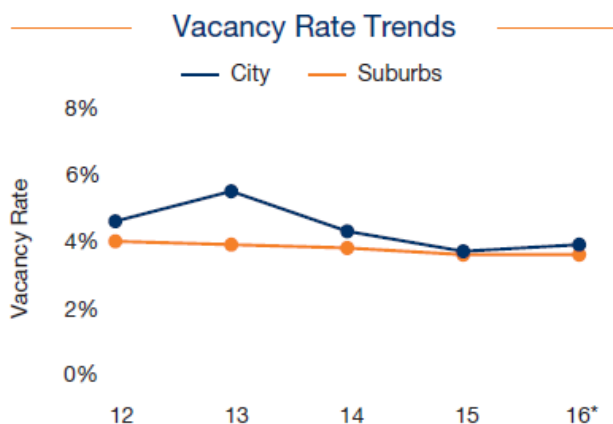
- Over the last 12 months, the citywide vacancy rate fell 10 basis points to 3.7 percent in June. In the previous four-quarter period, vacancy declined 90 basis points on net absorption of nearly 4,200 units.
- The average effective rent climbed 2.8 percent in the past year, reaching \$1,672 per month at midyear. Current rent levels sit nearly 23 percent higher than the pre-recession peak. The Streeterville/River North submarket commands the greatest rent premium with tenants paying \$2,264 per month on average, up 6.1 percent from a year ago.

Outlook: Elevated construction activity will temporarily soften vacancy as new projects take time to stabilize. In 2016, the citywide vacancy rate will climb 20 basis points to 3.9 percent, while the average rent jumps 4.3 percent to \$1,700 per month.

Suburban

- After sliding 70 basis points to the lowest point since 2011 last year, the suburban vacancy rate will rise 40 basis points to 3.7 percent in June. The South Cook County submarket boasts the lowest vacancy in the suburbs with just 2.7 percent of units unoccupied as of midyear.
- The average effective rent jumped 4.9 percent in the past year, climbing to \$1,143 per month in June. The suburbs recorded a rent improvement of 2.2 percent in the prior annual time frame.

Outlook: Suburban apartment will have vacancy fall 10 basis points from midyear, ending 2016 at 3.6 percent. The average effective rent will ascend 6.1 percent to \$1,180 per month this year.



Sales Trends

City

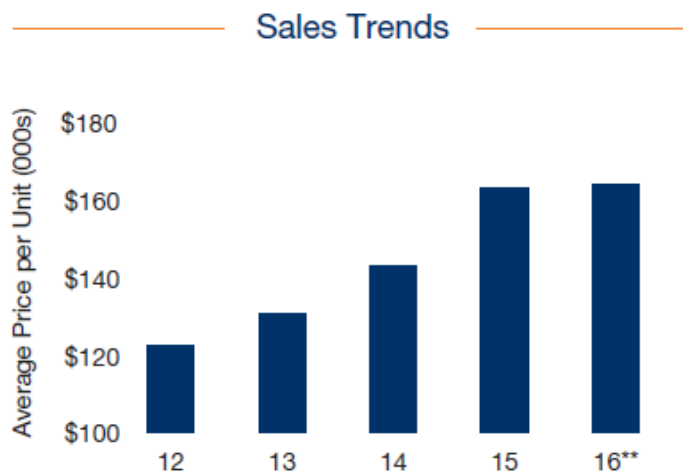
- Deal flow surged more than 45 percent in the last 12 months ending in June, as total transaction volume reached a six-year high. The Lakeview and South Shore areas continue to draw heavy investor interest.
- The average price per unit posted a slight decline citywide. However, the pull-back is limited to Class C properties, which fell more than 11 percent in the past year. Meanwhile upper- and middle-tier assets recorded price increases of 16.6 percent and 10.7 percent, respectively.

Outlook: High population density and a lack of affordable single-family options in the city will keep demand elevated for multifamily properties.

Suburban

- After remaining flat in the prior annual period, transaction velocity for suburban assets climbed 14 percent in the past year. A pickup in trading for Far North Chicago properties was responsible for much of the increase.
- The average price jumped 14 percent in the 12 last months, reaching approximately \$144,000 per unit in the second quarter. As a result, this put downward pressure on the average cap rate, which inched down to the high-6 percent area.

Outlook: Investors will heavily pursue suburban apartments as vacancy rates continue to slide and the possibility of future NOI improvements remains strong.



Capital Markets

- Global capital markets have remained stable over the past few weeks, even as Brexit and the continued devaluation of the Chinese yuan have induced bouts of volatility into stock and bond markets. Meanwhile, U.S. economic data has proved resilient, with increases in retail sales and steady hiring supporting a measured pace of growth. Additionally, higher bond prices have lowered prospective yields, boosting the appeal of commercial real estate.
- As the homeownership rate continues to plumb new lows, investor interest in the multifamily sector remains upbeat. The U.S. vacancy rate reached 4.2 percent by the end of the first quarter, the lowest rate of the current cycle. As a result, builders have ramped up the planning pipeline, with completions forecast to rise to 285,000 units, the highest level in more than 20 years. However, new supply is heavily concentrated in a few large metros, reducing the national impact.
- Capital markets remain highly competitive, with a broad assortment of fixed-rate products available through commercial banks, life-insurance companies, CMBS and agency lenders. Fannie Mae and Freddie Mac are underwriting loans of 10 years at maximum leverage of 80 percent. Rates will typically reside in the high-3 to low-4 percent range, depending on underwriting criteria. Portfolio lenders will also price in this vicinity but will typically require loan-to-value ratios closer to 65 to 75 percent. Floating bridge loans and financing for repositioning are typically underwritten with LTVs above 80 percent, while pricing at 300 basis points above Libor for recourse deals and extending to 450 basis points above Libor for non-recourse transactions.

Source: Marcus and Millichap 3rd Quarter, 2016 Report

Conclusion

In general, the national as well as the local economy continues to grow after the severe recession. In addition, financing is still readily available at historically low interest rates. Considering all factors affecting the real estate market, real estate values should generally continue to increase in the near future in many market segments. However, there are still some pockets in the area that are still struggling to recover.

AREA INFORMATION - OAK PARK*

Oak Park's convenient location, only nine miles west of the Loop, as well as transportation and a wide array of housing, attracts many home buyers. The village is rich in history and has produced a number of famous people, among them author Edgar Rice Burroughs, world-renowned architect Frank Lloyd Wright, McDonald's founder Ray Kroc, chemist Percy Julian, whose research led to the development of the drug Cortisone, and Ernest Hemingway, whose boyhood home was recently opened as a museum. Oak Park is known for its architecture. The town has two national historic districts which contain over 300 noteworthy buildings. Guided and self-guided cassette tours of the area are available and in June and August there are architectural bicycle tours. In addition to the Prairie School designs, Oak Park has an extensive collection of Victorian houses as well as other classic styles. Village attractions include a farmers' market, held every Saturday from the beginning of June until the end of October, that features seasonal fruits and vegetables from a four-state area. "A Day in Our Village" is another popular summer festival, highlighting a myriad of community organizations and featuring food and entertainment.

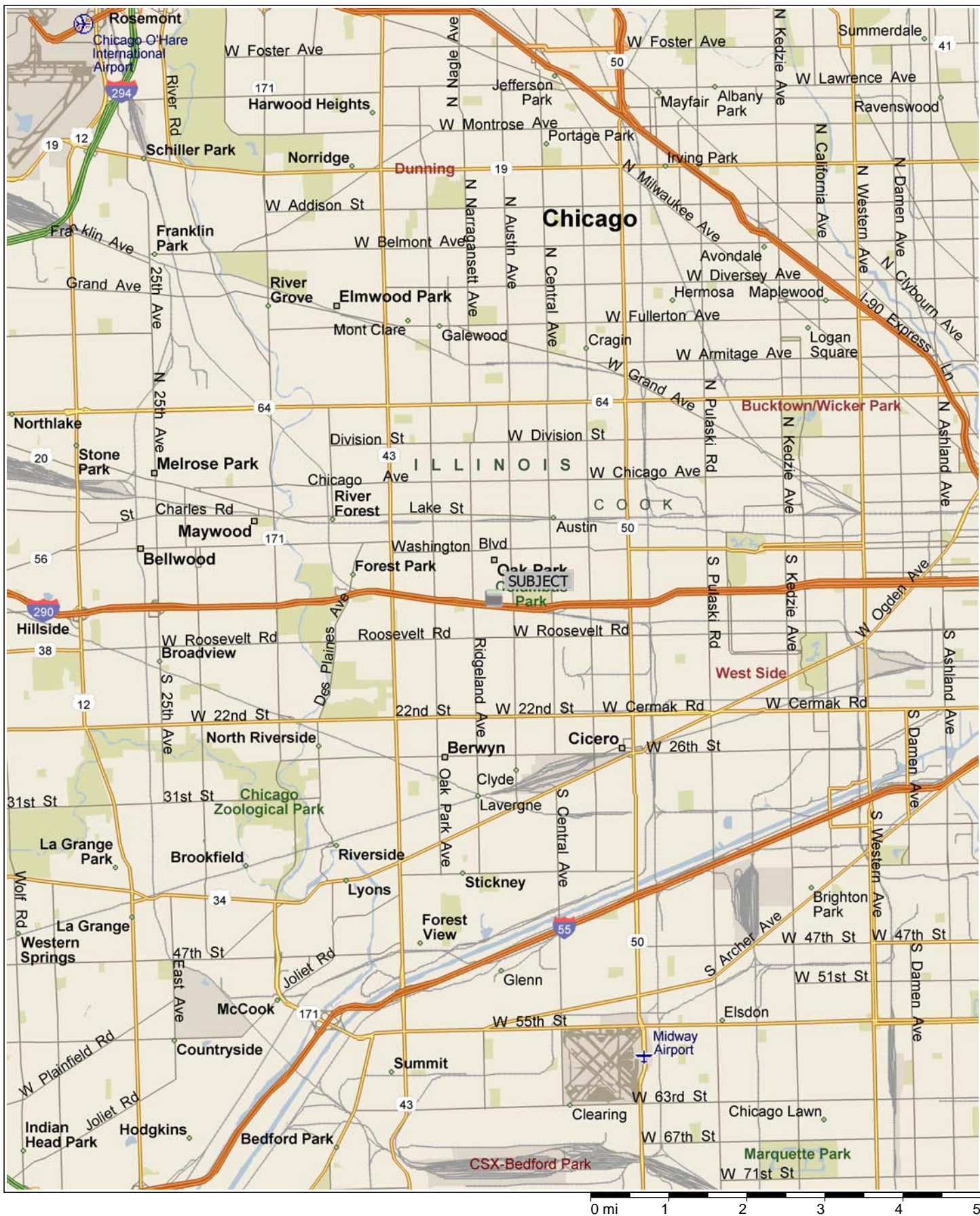
Housing. Oak Park's residential stock is as varied as the people who live there. The 2015 average sale price for detached housing was \$456,757. The average sale price for attached housing in 2015 was \$183,641.

Schools. Children attend district 97 elementary schools. Teenagers attend Oak Park-River Forest High School in district 200.

Transportation. Convenient transportation is part of what draws residents to the village. The Eisenhower Expressway (I- 290) has entrances and exits at Austin and Harlem avenues. Drivers may expect an easy 30-minute trip to the Loop and 35 minutes to reach either Midway or O'Hare airports. Rail commuters may choose CTA's Green Line, CTA's Blue Line or the Metra and expect a 20-minute trip to the Loop. Bus service is also available.

** Source - Living in Greater Chicago website and updated with data from the Midwest Real Estate Data, LLC.*

LOCATION MAP



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 Certain mapping and direction data © 2012 NAVTEQ. All rights reserved. The Data for areas of Canada includes information taken with permission from Canadian authorities, including: © Her Majesty the Queen in Right of Canada, © Queen's Printer for Ontario. NAVTEQ and NAVTEQ ON BOARD are trademarks of NAVTEQ. © 2012 Tele Atlas North America, Inc. All rights reserved. Tele Atlas and Tele Atlas North America are trademarks of Tele Atlas, Inc. © 2012 by Applied Geographic Solutions. All rights reserved. Portions © Copyright 2012 by Woodall Publications Corp. All rights reserved.

NEIGHBORHOOD DESCRIPTION

Neighborhood is defined by the Dictionary of Real Estate Appraisal, 5th Edition, pg. 133, as "A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises."

More specifically, the subject is located south of Harrison Street, between Lombard and Harvey Avenues four blocks west of Austin Boulevard in Oak Park, Illinois.

The immediate area is improved with a variety of commercial and mixed-use buildings along Harrison Street and single family residences north and south of the subject along Harvey and Lombard Avenues. Most of the buildings are two or three stories and were built 75 to 125± years ago.

This area has consistently experienced good demand for housing due to its good access to public transportation and easy access to the Eisenhower Expressway

The subject is located in the Harrison Street Art District on Harrison Street and encompassing the nine blocks west of Austin Boulevard. The Oak Park/Lake Avenue shopping and Scoville Park are 1.35 miles northwest. The downtown Oak Park Shopping District and the Lake Street elevated train are approximately 1.75 mile northwest.

Rehm Park and swimming pool is .40 mile southwest.

The subject area is convenient to the Central Business District of Oak Park which includes shopping, recreational and cultural facilities. Recent growth in the subject area and some recent planned developments in the community assure a long term upward trend in real estate values.

Market Conditions

Currently, the real estate market has recovered in this area after a severe recession. Brokers are reporting increased market activity and increases in prices in the residential sector. In many instances, multiple offers are obtained on listings.

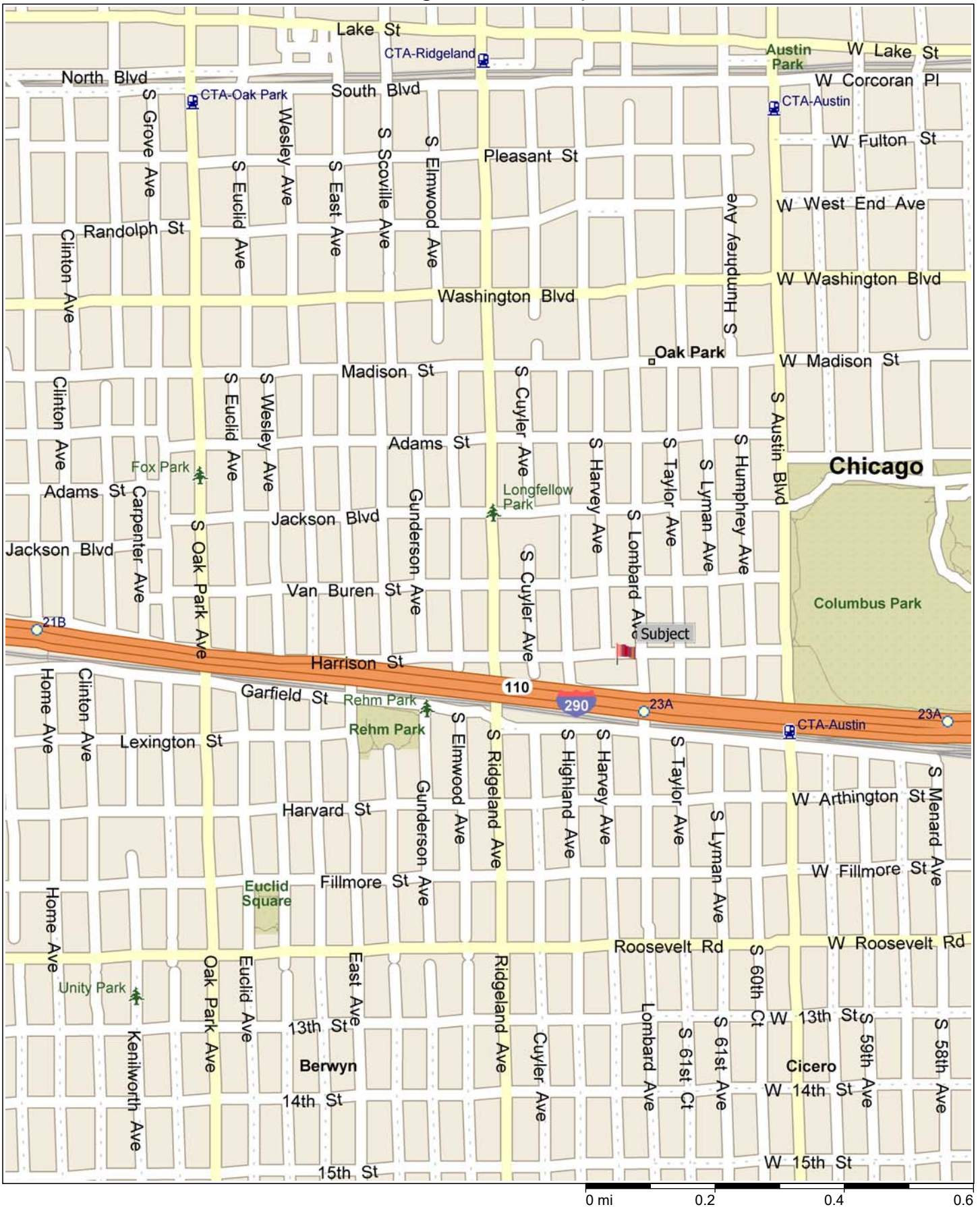
Trend Analysis

Neighborhoods generally experience four stages:

- (1) growth - a period which the neighborhood gains public favor and acceptance,
- (2) stability - a period of equilibrium without market gains or losses,
- (3) decline - a period of diminishing demand,
- (4) revitalization - a period of renewal, modernization, and increasing demand.

From our observation of the real estate values and trends in the immediate neighborhood, it is our opinion that the area had been experiencing gentrification due to the desirability of the neighborhood. There was renovation of the older buildings in the area and some new construction was apparent prior to the collapse of the housing market in late 2007/early 2008. Prices have now been increasing and renovation activity was evident throughout the general area as well as several recent developments which have good demand. Based upon these analyses, we feel that the area is in a stage of revitalization. Real estate values should remain stable during the near future or increase modestly in this area.

Neighborhood Map



SITE DESCRIPTION

LOCATION:

The subject site consists of the proposed vacation of the northern portion of the north/south alley west of Lombard Avenue and south of Harrison Street between 201-211 Harrison Street and 213-215 Harrison Street. The portion of the alley is 16' x 47' and consists of 752± square feet of land area. The site is in a zoning district B1/B2, General Business District in Oak Park, Illinois.

SHAPE:

Rectangular.

TOPOGRAPHY:

Generally level and at grade with surrounding improvements.

FRONTAGE:*

16± feet on the south side of Harrison Street (north lot line).

DEPTH:*

47± feet (east and west lot lines).

AREA:*

752± square feet

ZONING:

B1/B2, General Business District.

UTILITIES:

The site has gas, electric, water and sewer, and telephone available to the site.

STREETS:

Harrison Street is a two lane east/west primary roadway with parking on either side of the street. The alley portion under appraisal is accessed from Harrison and also from Flournoy Streets.

SIDEWALKS AND CURBS:

Concrete.

FLOOD ZONE:

According to representatives of the Village of Oak Park, no area of the community is in a flood plain and no flood map is printed.

ENVIRONMENTAL HAZARD:

This appraisal is subject to the lack of any environmentally hazardous materials contaminating the subject property.

SOIL/SUBSOIL:

No soil tests have been provided, nor have we been provided with information pertaining to the quality of the soil. This appraisal is subject to tests indicating positive conditions for development.

* All dimensions, sizes, etc. have been taken from the attached Plat of Survey.

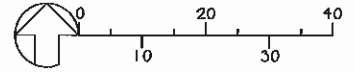
SITE DESCRIPTION - Continued

EASEMENTS, ENCROACHMENTS,
RESTRICTIONS, ETC.:

There were no apparent adverse easements, encroachments, restrictions or the like, observed or reported to us. Typical utility easements are assumed. This appraisal is subject to there being no adverse conditions from any such factors impacting the subject.

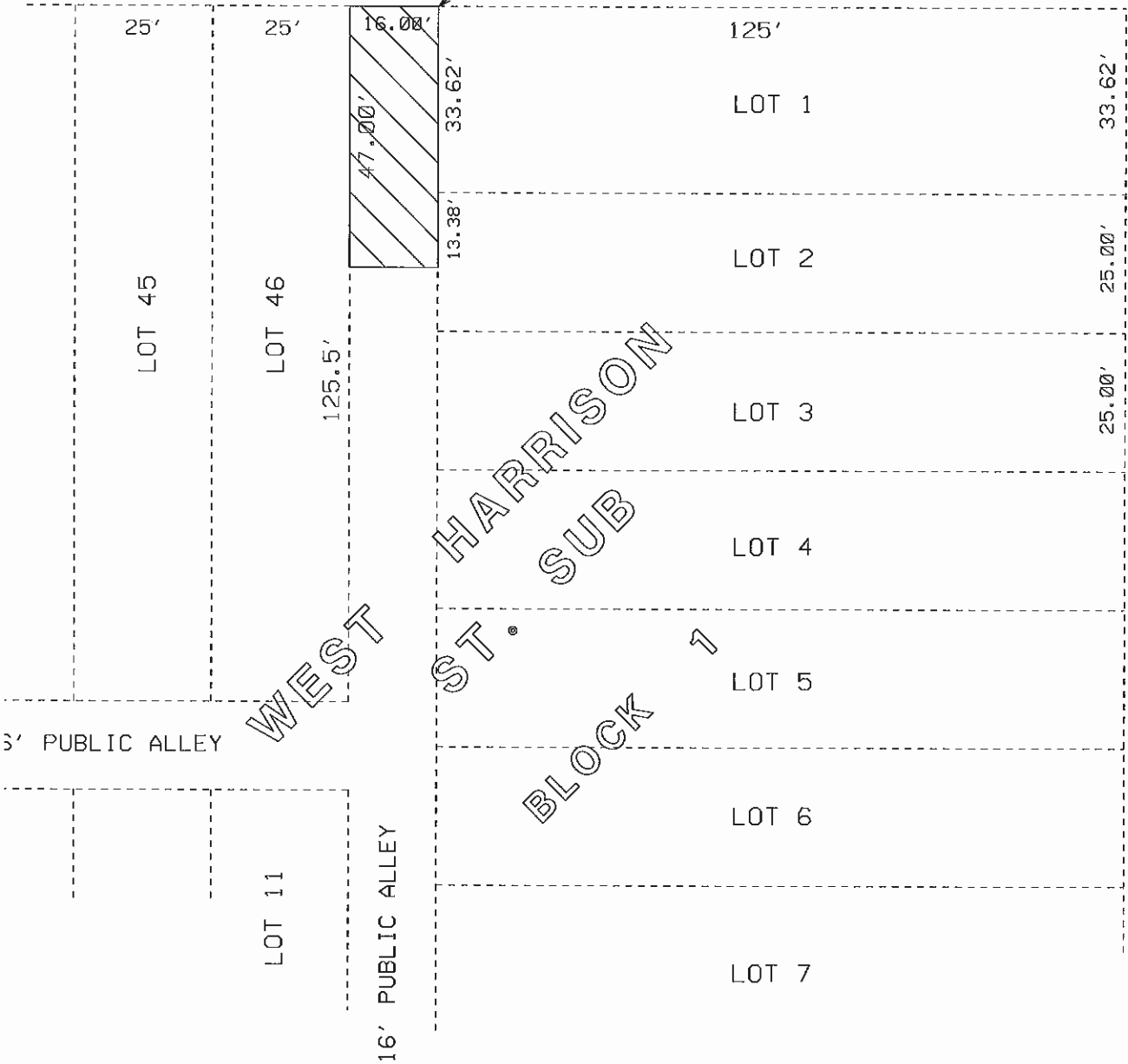
However, a portion of the site will have an easement for a public walkway as a condition of sale. This will not have an adverse effect on the intended use of the subject but would have an impact on any future development of the adjacent parcels.

PUBLIC ALLEY



HARRISON STREET

P.O.B.



LOMBARD AVE.

[Print](#)
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[Export Reports](#)

Flood Map Report

For Property Located At

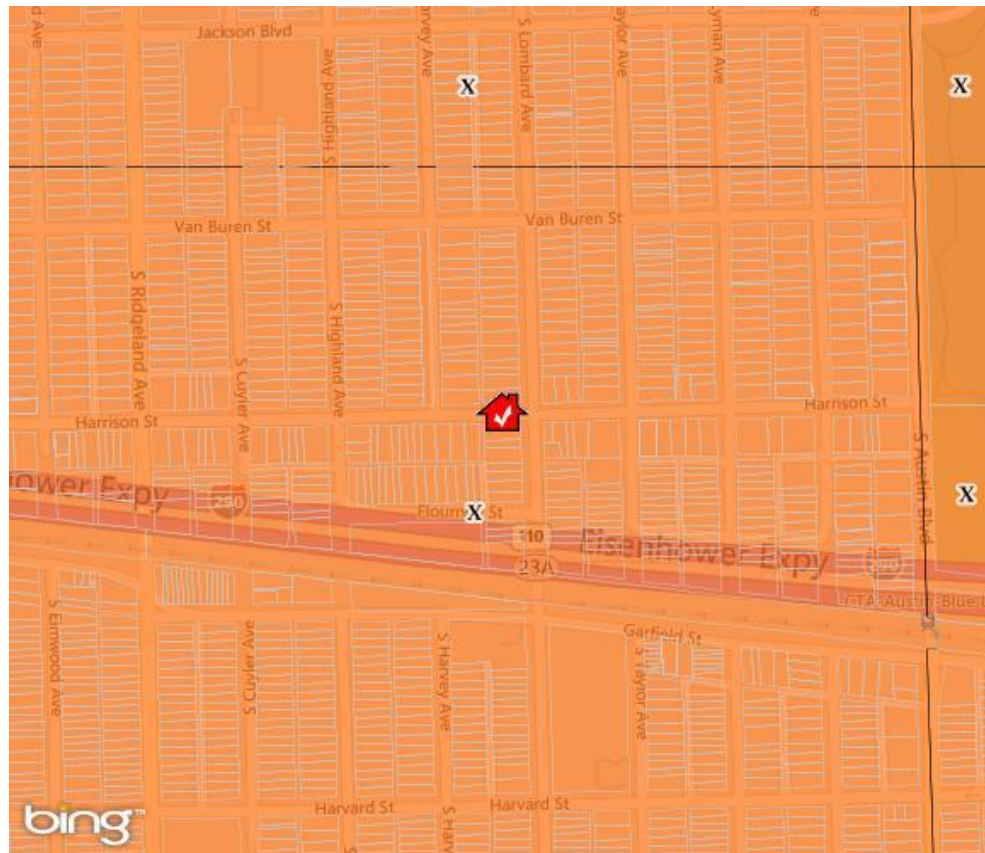

201 HARRISON ST, OAK PARK, IL 60304-1533
Report Date: 01/06/2017

County: COOK, IL

Flood Zone Code	Flood Zone Panel	Panel Date
X	171037 - 17031C0485J	08/19/2008
Special Flood Hazard Area (SFHA)	Within 250 ft. of multiple flood zones?	Community Name
Out	No	OAK PARK

Flood Zone Description:

Zone X-An area that is determined to be outside the 100- and 500-year floodplains.



Flood Zones

Coastal 100-year Floodway	100-year Floodway	Undetermined	500-year Floodplain incl. levee protected area
Coastal 100-year Floodplain	100-year Floodplain	Unknown or Area Not Included	Out of Special Flood Hazard Area

Disclaimer of Use

ZONING ANALYSIS

Zoning:

*"Public regulation of the use of private land through application of police power; accomplished by establishing districts or areas with uniform requirements relating to lot coverage, setbacks, type of improvement, permitted activities, signage, structure height, minimum lot area, density, landscaping, and other aspects of land use and development. Zoning regulations are established by enactment of a local (city, town, or county) zoning ordinance."*²

According to the attached zoning map, the northern portion of the subject site is currently zoned B1/B2, General Business District. A summary of pertinent zoning restrictions as they apply to the subject property are as follows:

ZONING:

B1/B2, General Business District

PERMITTED USES:

- (a) Single Family Dwelling - detached.
- (b) Multi-Family Dwelling.
- (c) Financial Institution with drive-up facility.
- (d) Restaurant.
- (e) Long Term Care Facilities.

MINIMUM LOT AREA:

If solely residential, 5,000 square feet for the first two units and a minimum of 700 square feet of land area for each dwelling unit in excess of 2, but not less than 5,000 square feet of land shall be provided.

If a mixed-use building, then 3,000 square feet for the first two units rather than 5,000 square feet.

YARD REQUIREMENTS:

Front: 20 feet.
Side: 5 feet.
Rear: 25 feet or 20%.

Maximum Height:

45 feet

There are variations to the above and the zoning ordinance should be checked for precise details.

²

Source: The Dictionary of Real Estate Appraisal, 5th Edition, page 212.



2016 Zoning Map Village of Oak Park, IL

Development Customer Services
Amended to February 23, 2016
Technical Center at 1000 N. LaSalle
Oak Park, IL 60454

Legend

Zoning Districts

- B-1B-2 General Business
- B-3 Central Business
- B-4 Downtown Business
- C Commercial
- M-5 Madison Street District
- H Hospital
- R-1 Single Family (10,000sf)
- R-2 Single Family (5,000sf or 10,000sf*)
- R-3 Single Family (5,000sf or 10,000sf*)
- R-4 Single Family (5,000sf or 10,000sf*)
- R-5 Two Family (Single Family 3,000sf, Two Family 5,000sf or 10,000sf*)
- R-6 Multiple Family
- R-7 Multiple Family

* For church, temple, public library and schools.

Historic Districts

- Frank Lloyd Wright Historic District
- Gunderson Historic District
- Ridgeland - Oak Park Historic District

Overlay Districts

- Palmer Overlay District
- Transit-Related Retail Overlay District
- Downtown Lake Street Building Height and Massing Overlay District
- Business Street Overlay District
- Stockyards Road Form Based Overlay District

Planned Developments

- 1 Euclid Place 1995-O-70
- 2 100 Forest Place 1994-O-30
- 3 Elmwood Avenue Townhomes 2000-O-42*
- 4 Madison Street Townhomes 2001-O-110, 2003-O-25
- 5 Euclid Terrace 2001-O-14, 2002-O-15, 2003-O-22
- 6 Maple Square Townhomes 2001-O-40
- 7 Ridgeland Station Parcel B 2002-O-08, 2003-O-41
- 8 Belmont Village 2003-O-42
- 9 The Ridgeland 2003-O-38
- 10 The Oak Park Opera Club 2004-O-58, 2007-O-13, 2007-O-14
- 11 WhiteCo Residential 2005-O-14, 2008-O-11 (Oak Park Place)
- 12 Clarence Square Townhomes 2005-O-43
- 13 Madison Street Townhomes 2005-O-45
- 14 Garden Grove Townhomes 2007-O-21
- 15 The Howe Avenue Townhomes 2007-O-42, 2013-O-20
- 16 Walgreens Development 2009-O-51, 2013-O-07
- 17 Highland Place ORD 16-001
- 18 Lake and Forest Development 2010-O-14, 2010-O-91, 2012-O-44
- 19 Grove Avenue Apartments 2011-O-26, 2012-O-17
- 20 Residences of Maple Place 2014-O-32
- 21 Oak Park Oasis 2014-O-83
- 22 Oak Park Station ORD 15-135

Transportation

- CTA Stations
- Blue Line - CTA Train
- Green Line - CTA Train
- I-290
- RAV Public ROW

Points of Interest

- High School
- Middle School
- Elementary School
- Park
- Hospital
- Library
- Post Office
- Village Hall
- Public Works Building



0 500 1000 1500 Feet
1 inch = 125 feet

NOTES: The zoning map is a legal document and should be used in conjunction with the Village of Oak Park Zoning Ordinance. The zoning map is not a guarantee of any particular zoning district or use. The zoning map is subject to change without notice. The zoning map is not a guarantee of any particular zoning district or use. The zoning map is subject to change without notice.

Document Name: ZoningMap2016

HIGHEST AND BEST USE ANALYSIS

Highest and best use analysis is an economic study of market forces focused on the subject property. An understanding of market behavior is critical to the concept of the highest and best use. It is defined as follows³

“The reasonably probable and legal use of vacant land or an improved property, that is physically possible, appropriately supported, financially feasible and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.”

Another source defines Highest and Best Use as⁴:

"The reasonably probable use of property that results in the highest value."

Implied in these definitions is that the determination of highest and best use takes into account the contribution of a specific use to the community or community development goals as well as the benefits of that use to individual property owners. Hence, in certain situations the highest and best use of land may be for parks, greenbelts, preservation, conservation, wildlife habitats, and the like.

There are four criteria property must meet to be the highest and best use. These are applicable to both vacant land and improved property. The highest and best use must be:

1. Legally Permissible

What land use can be restricted by zoning regulations or deed restrictions?

2. Physically Possible

What type of improvements could the site physically support based on its lot size, soil conditions, flood plain and other physical factors?

3. Financially Feasible

What improvements on the site would yield adequate financial returns to the owner?

4. Maximally Productive

What use would create the highest overall present worth of the site?

³ The Dictionary of Real Estate Appraisal, 5th Edition, page 93, Published 2010 by the Appraisal Institute.

⁴ The Appraisal of Real Estate, 14th Edition, page 332, Published 2013 by the Appraisal Institute.

HIGHEST AND BEST USE ANALYSIS - Continued

When evaluating a property to determine its highest and best use, two separate concepts must be explored:

1. The highest and best use of the land as vacant, and
2. The highest and best use of the site as improved.

It is possible that the highest and best use of the site as vacant would be different from the highest and best use as improved. If this was the case, a judgment would then need to be made whether the current improvements maximize the value of the site or if it would be financially feasible to replace or modify the improvements with another use. In this instance, there is only one highest and best use analysis – as vacant.

The basis for concluding the highest and best use of the land lies within market analysis and the economic concept of supply and demand. Generally, it is that use which at any given time anticipates the greatest land value which can be created consistent with restrictions imposed by its environment and the community in which it is located.

An analysis of this type must look into the future and risk the hazards involved in forecasting. It is not possible to arrive at a precise determination as to supply and demand, but by investigating as many known factors as possible, conclusions may be drawn as to the optimum land utilization and its marketability under that concept.

HIGHEST AND BEST USE - AS VACANT

1. Legally Permissible

Legal restrictions can take the form of zoning regulations or deed restrictions. No easements were observed although if they do exist, they are assumed to be ordinary utility, drainage or pipeline easements that would not negatively affect utility. The subject site is zoned B1/B2, General Business District. This zoning classification would permit the construction of several types of retail and commercial or mixed-use buildings.

2. Physically Possible

As noted, the subject site is a 752± square foot rectangular site. It is a level site, is not situated in a flood hazard area, and appears to have soil quality suitable for development. All utilities are available to the subject and there are currently no known factors that would restrict development of the site, other than legal or zoning regulations. However, its small size would preclude any type of practical development.

HIGHEST AND BEST USE - Continued

3. Financially Feasible

There are numerous free-standing residential, commercial and mixed-use buildings in the area. The subject property is located in an older area built-up with a variety of residential and multi-family improvements. There appears to be demand for residential and commercial improvements. It has also been determined by the Village of Oak Park that continued use as an alley is no longer needed. Continued use as an alley also imposes additional cost factors to ownership in regard to future maintenance and additional liability. Its public benefit is very limited in nature. The site is too small for any practical development unless it is combined with an adjacent parcel.

4. Maximally Productive

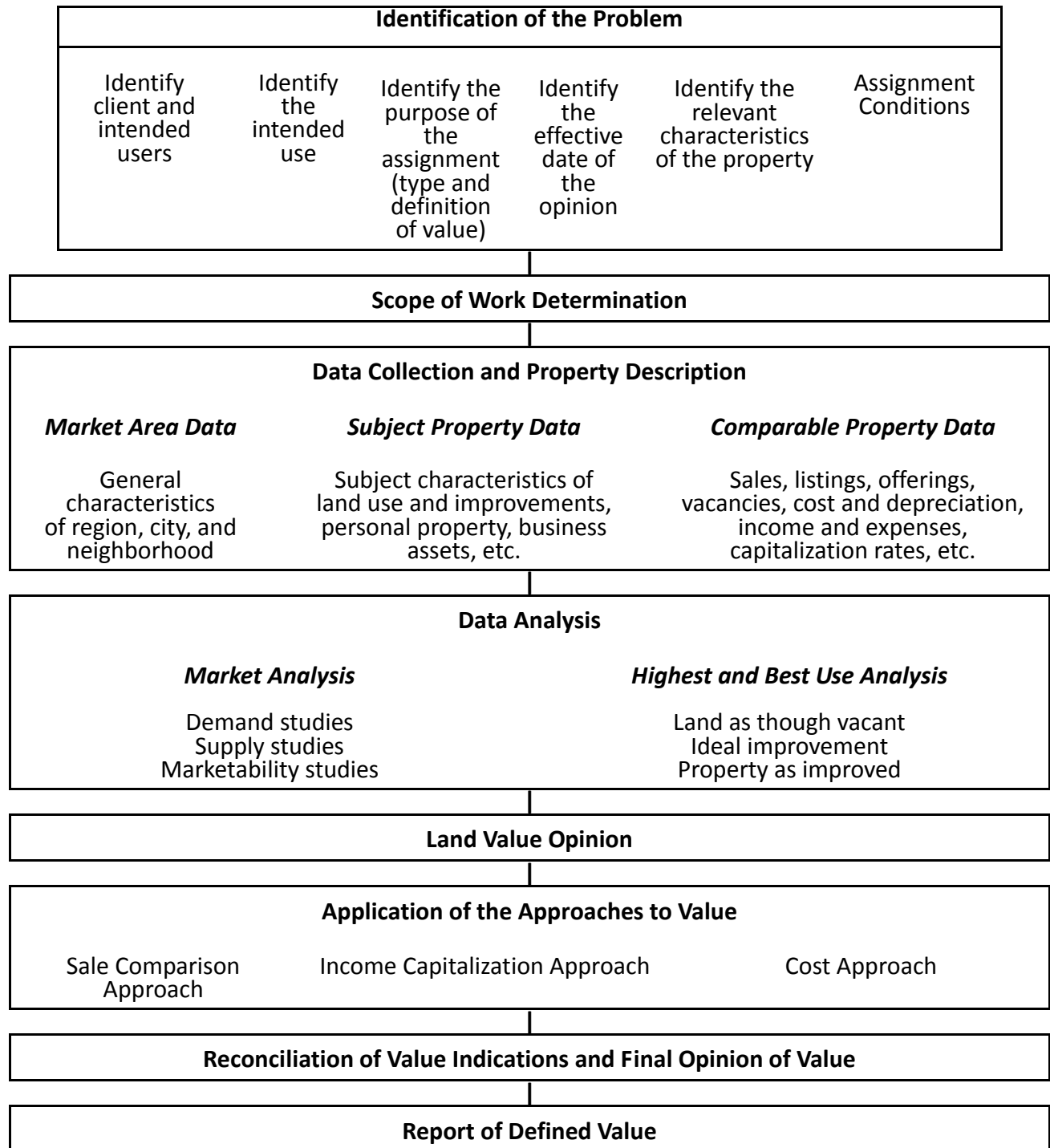
The use that creates the highest land value would be the highest and best use of the site as though vacant. Since development of the site is legally permissible, physically possible, but not financially feasible, it follows that the maximally productive use of the site would be to combine it with adjacent parcels to accommodate future expansion or amenity value. If the site was combined with an adjacent parcel, a mixed-use development would maximize the sites density.

Conclusion

The highest and best use of the site - as vacant, is to combine it with adjacent parcels to provide future expansion or amenity value in furtherance of economic development for the community. An assemblage to an adjacent parcel adds utility and value to what would otherwise have a minimal value and use.

THE VALUATION PROCESS

The valuation process is "a systematic set of procedures an appraiser follows to provide answers to a client's questions about real property value."⁵ The following chart⁶ summarizes the procedure.



⁵ Source: The Appraisal of Real Estate, 14th Edition, page 35, Published 2013 by the Appraisal Institute.

⁶ Source: The Appraisal of Real Estate, 14th Edition, page 37, Published 2013 by the Appraisal Institute.

APPROACHES TO VALUE

The "Definition of the Problem", the "Preliminary Analysis and Data Selection and Collection", and the "Analysis" steps have already been identified and discussed herein.

The next step identified is the Land Value Estimate. This estimate is based upon the principle of substitution. This is the idea that the value of one property is based upon what other similar property has sold for. It assumes that there is a supply of other available properties competing with one another and that a potential purchaser would pay no more for one property than he would for a similar substitute property. This is the same theory and technique applicable to the Sales Comparison Approach.

The Cost Approach is based on the concept that a potential purchaser would pay no more for a property than what it would cost him to acquire a substitute site and construct the improvements new. For existing property, deductions for physical deterioration, functional and external obsolescence are often required. Whereas, our appraisal assignment is to value vacant land, this approach is not applicable.

The Income Capitalization Approach is based upon the concept that a property's present value is equivalent to its future benefits; that being its income stream and resale value. The conversion of the income stream and reversion into an indication of value is called capitalization. This approach is most useful when appraising an investment oriented property. While there are two methods of capitalization (direct and yield), the nature of the property being appraised, its income characteristics and lease terms are considered and a discussion can be made as whether only one or both methods should be utilized. The appraisal assignment is to appraise vacant land and this approach is not applicable.

The Sales Comparison Approach is also based upon the principle of substitution, where a buyer would pay no more for one property than he would for a suitable substitute property. This approach is most useful when there is a number of recent sales that can be utilized. Whereas no two properties are identical, differences between the subject property and sale comparables are identified, analyzed and adjusted where necessary as indicated by the marketplace. An explanation of this approach is contained in the Sales Comparison Approach section of this report. The Sales Comparison Approach is the most recognized approach in the valuation of vacant land.

SALES COMPARISON APPROACH TO VALUE

The Sales Comparison Approach is based upon the principle of substitution. It presumes that a competent buyer would not pay more for one property that he would for another similar type property. The Dictionary of Real Estate Appraisal, 5th Edition, page 175, Appraisal Institute, defines Sales Comparison Approach as follows:

"The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison."

The subject is a 752± square foot parcel of land currently utilized as a portion of a public alley. As previously noted, its value is how it contributes in value to the adjoining parcels. In this instance, the adjacent parcels 201-211 Harrison Street and 213-215 Harrison Street are owned by Harrison Street, Ventures, LLC. The parcel at 201-211 Harrison Street contains 7,296± square feet and under current zoning for a mixed-use development could accommodate up to (8) dwelling units and the parcel at 213-215 Harrison Street contains 6,300± square feet and could accommodate up to (6) dwelling units. If the two parcels are combined with the additional 752± square foot alley, the total site area (including the alley) will be 14,348± square feet and could accommodate up to (18) dwelling units. This additional land area and combining of the previously noted two parcels would have a benefit of an additional (4) dwelling units. If the two parcels were considered as one for the calculation of permitted units since they are connected by the alley (17) units could be constructed. We have been advised that developmental restrictions will be imposed on the alley to restrict the current residential density at its current level. If not, a substantially higher value would be indicated.

We will compare the entire combined three sites to arrive at an estimate of the fee simple value.

In the case of the subject property, the most applicable unit of comparison is the sale price per square foot of site area. The sales utilized herein are all located in the same market area as the subject and are fairly similar in physical characteristics. However, they still may require adjustments for difference between them and the subject.

We have observed the following sales:

LAND SALE NUMBER 1

<u>LOCATION:</u>	1133 Chicago Avenue Oak Park, Illinois
<u>PERMANENT INDEX NUMBER:</u>	16-07-100-009
<u>LOT SIZE:</u>	8,929± square feet
<u>ZONING:</u>	B1/B2, General Business District
<u>SALE DATE:</u>	February, 2014
<u>DOCUMENT NUMBER:</u>	14-07219016
<u>SALE PRICE:</u>	\$375,000
<u>PRICE PER SQUARE FOOT:</u>	\$42.00
<u>PRICE PER BUILDABLE UNIT:</u>	\$37,500 (10)
<u>COMMENTS:</u>	This is a rectangular corner site and was vacant at the time of sale. A mixed-use development has just started construction with high end priced condominiums. This is a similar commercial location but a superior residential location. It resold in July, 2014 for \$750,000 after receiving approval for a mixed-use development with some zoning variations and 11 units (\$68,181 per unit).

LAND SALE NUMBER 2

LOCATION: 715 South Boulevard
Oak Park, Illinois

PERMANENT INDEX NUMBERS: 16-07-400-025
16-07-400-026

LOT SIZE: 9,000± square feet

ZONING: B1/B2, General Business District

SALE DATE: July, 2015

DOCUMENT NUMBER: 15-21041017

SALE PRICE: \$405,000

PRICE PER SQUARE FOOT: \$45.00

PRICE PER BUILDABLE UNIT: \$40,500 (10)

COMMENTS: This is a fairly recent sale of a vacant site in the downtown business district of Oak Park, considered superior in residential and commercial attributes. It had been purchased by a bank for a drive-in facility but after receiving approval, eventually decided to sell to a developer who is in the final planning stages with the village for a mixed-use development. This is a similar zoning.

LAND SALE NUMBER 3

LOCATION: 500-508 Lyman Avenue
Oak Park, Illinois

PERMANENT INDEX NUMBERS: 16-17-106-001
16-17-106-002
16-17-106-003
16-17-106-004

LOT SIZE: 17,846 \pm square feet

ZONING: MS, Madison Street Zoning

SALE DATE: February, 2014

DOCUMENT NUMBER: 14-09933028

SALE PRICE: \$650,000

PRICE PER SQUARE FOOT: \$36.42

PRICE PER BUILDABLE UNIT: \$28,261 (23)

COMMENTS: This large vacant corner parcel is in an inferior residential area but on a busier commercial street. No plans have been announced for its development yet. It is now back on the market at an asking price of \$789,000. It has a similar zoning as the subject except for an increased height to 50 feet rather than 45 feet.

LAND SALE NUMBER 4

<u>LOCATION:</u>	838 Madison Street Oak Park, Illinois
<u>PERMANENT INDEX NUMBER:</u>	16-07-326-021
<u>LOT SIZE:</u>	7,150± square feet
<u>ZONING:</u>	MS, Madison Street Zoning District
<u>SALE DATE:</u>	November, 2016
<u>DOCUMENT NUMBER:</u>	Not yet available MLS#09193233
<u>SALE PRICE:</u>	\$360,000
<u>PRICE PER SQUARE FOOT:</u>	\$50.35
<u>PRICE PER BUILDABLE UNIT:</u>	\$51,428 (7)
<u>COMMENTS:</u>	This parcel has a zoning similar to B1/B2 but provides for an increased height to 50 feet rather than 45 feet. It is on a street with much more traffic. This had been for sale for several years but interest increased due to the recent announcement of the village in pursuing substantial development a few blocks east.

LAND SALE NUMBER 5

<u>LOCATION:</u>	801-809 S. Oak Park Avenue Oak Park, Illinois
<u>PERMANENT INDEX NUMBER:</u>	16-18-135-021
<u>LOT SIZE:</u>	12,500± square feet
<u>ZONING:</u>	B-3, Central Business (Transit-Related Retail Overlay) District
<u>SALE DATE:</u>	February, 2012
<u>DOCUMENT NUMBER:</u>	6804024
<u>SALE PRICE:</u>	\$435,000
<u>PRICE PER SQUARE FOOT:</u>	\$34.80
<u>PRICE PER BUILDABLE UNIT:</u>	\$29,000 (15)
<u>COMMENTS:</u>	This is an older sale of a corner parcel that had a gas station on the site which was demolished several months after its purchase. This is a similar business area of the community but on a street with more traffic. It has a similar zoning density but a superior permitted height of 60 feet.

SUMMARY OF COMPARABLE LAND SALES

Sale/ Location	Zoning	Size/ Sq. Ft.	Date of Sale	Price Sq. Ft. of Land
Sale 1/ 1133 Chicago Ave. Oak Park, IL	B1/B2	8,929	02/14	\$42.00
Sale 2/ 715 South Blvd. Oak Park, IL	B1/B2	9,000	07/15	\$45.00
Sale 3/ 500 Lyman Oak Park, IL	MS	17,846	02/14	\$36.42
Sale 4/ 838 Madison Oak Park, IL	MS	7,150	11/16	\$50.35
Sale 5/ 801 S. Oak Park Oak Park, IL	B-3	12,500	02/12	\$34.80
Subject/ 201-11	B1/B2	7,296	N/A	N/A
213-15	B1/B2	6,300		
Alley	B1/B2	<u>752</u>		
Oak Park, IL		14,348		

ANALYSIS OF LAND SALES

The aforementioned land sales indicate a range of value from \$34.80 per square foot to \$50.35 per square foot of site area, prior to applying the necessary adjustments indicated by the market for differences between the comparable sales and the subject site. The highest priced sale is the most recent sale. However, it is also the smallest site.

SALES COMPARISON APPROACH - Continued

Analysis is made for the following factors:

- Property Rights Conveyed
- Financing Terms
- Conditions of Sale
- Market Conditions
- Location
- Physical and Economic Characteristics

Property Rights Conveyed

The subject site is being valued on a fee simple basis. All of the sales reportedly sold on a fee simple basis. Therefore, no adjustments are indicated for this factor.

Financing Terms

Above market and below market (or atypical) financing terms can sometimes impact the sale price of a property. In many cases, an owner who provides financing can negotiate to a greater purchase price than what would be considered market level. In other cases, when a seller provides financing, a higher than market level interest rate may be charged to the seller. In cases such as these, the sale price may actually be somewhat below market. No such terms were reported. As such, no adjustments are required.

Conditions of Sale

There are various factors that can alter the sale price of a property that would require adjustments to such a sale to make it reflective of a purely market level transaction. Such an example would be if a property sold based upon a lease option that is exercised, but with the sale price negotiated at an earlier time, perhaps when market conditions were not the same as at the time of the sale. This could then indicate a current purchase of a property, but with the value being indicative of a different market, and an adjustment would be necessary. No such conditions were noted.

Market Conditions

There are numerous factors that can influence the value of a property. Changes in economic conditions is one such factor. The land sales have sold between February, 2012 and November, 2016. Land values in the area have been increasing in the general area. All of the sales were sold during inferior marketing conditions, except for Sale 4, and are adjusted upward by varying degrees for this factor.

Location

Variations in locational attributes could indicate a differential in value to parcels of real estate. These variations can include being in different marketing areas, street locations, access, exposure, proximity to expressways and transportation, etc. In this case, the land sales utilized in this analysis are all located within the same general area as the subject (as identified in the Neighborhood Description section of this report). As such, they have very similar general locational attributes in terms of being in the same market area. However, all sales are located on more heavily traveled through streets, considered superior to the subject for commercial attributes and have been adjusted downward for this factor. The more street traffic and visibility, the higher potential rents can be. Sales 1, 2, 4 and 5 are in areas with increased housing demand and generally higher underlying housing costs resulting in downward adjustments.

SALES COMPARISON APPROACH - Continued

Size

The subject site contains a total of 14,348± square feet if connected by the alley. Sales 1, 2 and 4 are adjusted downward by varying degrees due to their smaller size. Sales 3 and 5 are similar. Larger parcels tend to sell for less than their smaller counterparts. All other factors being equal.

Zoning

The subject site is zoned B1/B2, General Business District. All of the comparable sales are zoned for commercial and mixed-use usage. All parcels have a similar unit density but Sales 3, 4 and 5 provide for increased height and require a downward adjustment. Sales 1 and 2, although a similar zoning, have a larger percentage of buildable units for their land area due to the inability of the subject to count the alley area in calculations. Downward adjustments were warranted.

The following grid summarizes our adjustments:

ADJUSTMENT GRID

	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Sale Price Per Square Foot	\$42.00	\$45.00	\$36.42	\$50.35	\$34.80
<i>Adjustments</i>					
Property Rights Conveyed	=	=	=	=	=
Financing Terms	=	=	=	=	=
Conditions of Sale	=	=	=	=	=
Time/Market Conditions	Up	Up	Up	=	Up
Location	Down/Down	Down/Down	Down/Up	Down/Down	Down/Down
Lot Size	Down	Down	=	Down	=
Zoning	Down	Down	Down	Down	Down
OVERALL ADJUSTMENT	Down	Down	=	Down	Down

CONCLUSION

We have analyzed the comparable sales on a price per square foot basis. Sale 4 is the most recent sale indicating increasing values for land in the area. The preceding grid indicates all sales would be adjusted downward due to their overall superior commercial locations with increased traffic.

A value at the lower end of the range of the comparables is indicated, bracketed between \$32.50 and \$37.50 per square foot or say \$35.00 per square foot. Therefore the value is calculated as follows:

\$35.00 per square foot x 14,348± square feet..... \$502,180

INDICATED LAND VALUE (R).....\$ 500,000
(Entire 3 Parcels)

The alley parcel under appraisal contributes 752 square feet to the entire combined project.

752 square foot @ \$35.00 per square foot = \$26,000 (R)

However, this value presumes a fee simple ownership, unencumbered by a permanent easement for a pedestrian walkway. Surface easements can affect the value of a property 10% to 20% depending on its particular nature and use. In this case, development restrictions will also hypothetically be imposed resulting in the alley representing more of an amenity value with the potential of generating additional income from a tenant and an additional downward bias is warranted. We will deduct 25% from the estimated fee simple value of the alley area to arrive at a value of the site encumbered with the previously mentioned restrictions.

\$26,000 x 0.75 = \$19,500

INDICATED VALUE OF VACATED ALLEY\$ 19,500

SUBJECT TO RESTRICTIONS ON FUTURE DEVELOPMENT OF THE SITE

It should be noted if no restrictions were imposed on the site, as combined, the site would be 14,348± square feet and if residential usage for a mixed use development were to be allowed, this would result in an increase of (4) dwelling units. The comparable sales utilized sold from \$28,261 to \$57,428 per buildable unit. The subject's per unit value would be at the lower end of these sales. If the subject site were not restricted to future development use, a much higher value would be indicated.

RECONCILIATION

Reconciliation is defined in The Dictionary of Real Estate Appraisal, 5th Edition, page 79, as follows:

"Final Reconciliation: The last phase in the development of a value opinion in which two or more value indications derived from market data are resolved into a final value opinion, which may be either a final range of value or a single point estimate."

The two approaches used thus far have produced the following results:

Cost Approach.....	Not applicable
Income Capitalization Approach.....	Not applicable
Sales Comparison Approach	\$ 19,500

The Replacement Cost New represents the cost to replace the subject improvements if they were to be built new at this time at current costs of labor and materials. This sum, less deduction for depreciation which includes physical deterioration and obsolescence--plus the land at current market value, comprises the value by the Cost Approach. This approach is not applicable for the valuation of vacant land.

The Income Capitalization Approach is generally most applicable when appraising a property that is purchased, based upon its' income production. The subject is vacant land and this approach was not applicable.

In the Sales Comparison Approach we found good data, and were able to extract most adjustments from the market. The Sales Comparison Approach is the most recognized method of valuation for vacant land.

We have given the Sales Comparison Approach, maximum emphasis in our final opinion of value as of December 15, 2016, which is:

NINETEEN THOUSAND FIVE HUNDRED DOLLARS
(\$19,500)

SUBJECT TO RESTRICTIONS ON FUTURE DEVELOPMENT OF THE SITE

ADDENDA

MITCHELL J. PERLOW, MAI

REAL ESTATE APPRAISER	1982 - PRESENT
REAL ESTATE PROPERTY MANAGER	1982 - 1986
LICENSED REAL ESTATE SALESMAN/STATE OF ILLINOIS (CURRENTLY INACTIVE STATUS)	INACTIVE
STATE CERTIFIED GENERAL REAL ESTATE APPRAISER LICENSE NO. 553.000338 (ILLINOIS)	1992 - PRESENT
STATE CERTIFIED GENERAL REAL ESTATE APPRAISER LICENSE NO. CG40500175 (INDIANA)	2005 - PRESENT
STATE CERTIFIED GENERAL REAL ESTATE APPRAISER LICENSE NO. 31699 (ARIZONA)	2009 - PRESENT
TEMPORARY LICENSING IN COLORADO, FLORIDA AND WISCONSIN	

AFFILIATIONS

MEMBER: APPRAISAL FOUNDATION
MEMBER: ILLINOIS COALITION OF APPRAISAL PROFESSIONALS*
MEMBER: CHICAGO ASSOCIATION OF REALTORS
MEMBER: NATIONAL ASSOCIATION OF REALTORS
MEMBER: APPRAISAL INSTITUTE/MAI DESIGNATION

*PUBLISHED: "LICENSE TO LEARN?" ILLINOIS COALITION OF APPRAISAL PROFESSIONALS, APRIL, 2010.

TYPES OF PROPERTIES APPRAISED

- | | | |
|----------------------|---------------------------|----------------------------|
| ●APARTMENT BUILDINGS | ●INDUSTRIAL BUILDINGS | ●GAS STATIONS |
| ●APARTMENT COMPLEXES | ●MANUFACTURING FACILITIES | ●TRUCK TERMINALS |
| ●AUTO DEALERSHIPS | ●GOLF COURSES | ●VACANT LAND |
| ●BOWLING ALLEYS | ●HEALTH CLUBS | ●NURSING HOMES |
| ●OFFICE BUILDINGS | ●HOUSES OF WORSHIP | ●REGIONAL SHOPPING CENTERS |
| ●THEATERS | ●HOTELS/MOTELS | ●RETAIL PROPERTIES |
| | | ●CAR WASHES |

OTHER SPECIFIC SERVICES OFFERED

- | | | |
|-----------------------|--------------------------|---------------------|
| ●CONDEMNATIONS | ●PARTIAL OR FULL TAKINGS | ●LITIGATION MATTERS |
| ●DIVORCE MATTERS | BY GOVERNMENTAL AGENCIES | ●PARTIAL INTERESTS |
| ●ESTATE PLANNING | ●VALUE IN USE | ●REPLACEMENT COST |
| ●FEASIBILITY ANALYSIS | ●GIFT/TAX MATTERS | ●INVESTMENT VALUE |

QUALIFIED EXPERT WITNESS

- | | |
|-------------------------------------|--------------------------------|
| ●FEDERAL COURT | ●LAKE COUNTY BOARD OF REVIEW |
| ●ILLINOIS PROPERTY TAX APPEAL BOARD | ●DUPAGE COUNTY BOARD OF REVIEW |
| ●ILLINOIS DEPT. OF TRANSPORTATION | ●CIRCUIT COURT OF COOK COUNTY |

QUALIFICATIONS OF ALAN J. ROSSELL

EDUCATION

Graduate - Northwestern University 1968

Bachelor Arts/Pre-Law/Political Science

Graduate - Realtors Institute of Illinois

GRI Designation Certificate 4207,	12/63/83
CRB Designation - National Association of Realtors Certificate 4862,	11/08/85

Triton College - (Appraisal Institute Curriculum) July, 1993

Appraisal Institute - Continuing Classes in:

Highest and Best Use, Report Writing, Capitalization Conservation and
Preservation Easements, USPAP and Continuing Education

Real Estate Brokers License (09/72)	#475.065642
Illinois Continuing Education Instructor License	#163-000133
Certified General Real Estate Appraiser	#553.001801

EXPERIENCE

- Real estate brokerage since 1969
- Site selection
- Appraisals of single family homes, condominiums, mixed-use commercial properties, apartment buildings, urban developments and easements
- Acquisition and liquidation services for financial institutions, Fannie Mae, and Mortgage Guaranty Insurance Corporation
- Property management of residential and multi-family buildings
- Consulting services for attorneys, real estate brokers, developers, accountants, and Village of Oak Park Residence Corporation
- Author of Various Continuing Education Classes

PROFESSIONAL AFFILIATIONS

Oak Park Board of REALTORS	Illinois Association of REALTORS
National Association of REALTORS	Real Estate Educators Association
Director, Multiple Listing Service of Northern Illinois	Associate Member, Appraisal Institute
Triton College Real Estate Advisory Committee	Illinois Coalition of Appraisers
Vice President -Board of Managers - Midwest Real Estate Data, LLC	

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions:

1. This report is to be used in whole and not in part. No part of this opinion is to be used in connection with any other opinion, sales media, public relations media, or any other public means of communication without the prior written consent of the undersigned.
2. The subject property is free and clear of all liens and encumbrances except as described herein.
3. Management and ownership are assumed to be competent and responsible.
4. We assume no responsibility for matters of a legal nature affecting the analysis or the title thereto, nor do we render any opinion as to the title, which is assumed to be good and merchantable. We urge legal counsel and qualified accounting specialists to confirm financial representations.
5. No survey of the subject property was undertaken. Sketches herein are not exact and are intended only to aid in visualizing the property and its location.
6. The appraiser has no personal interest in or bias with respect to the subject matter of the report or the parties involved.
7. The appraiser assumes that there is full compliance with all applicable federal, state, local and building environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. In stating his conclusions, the writer takes no responsibility for legal matters, questions of survey, or opinion of title. It is understood that in rendering this opinion, the appraisers are not required to give testimony or appear in court without additional compensation and that we are not required to give testimony or appear in court solely on the grounds of having made this opinion.
12. The appraiser has no present or contemplated future interest in the property and compensation for rendering this opinion is in no manner contingent upon the value reported.

ASSUMPTIONS AND LIMITING CONDITIONS - Continued

13. The appraiser assumes there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. He assumes no responsibility for engineering which might be required to discover such factors.
14. To the best of the appraiser's knowledge and belief, the statements and facts contained in this report upon which the analysis, opinions, and conclusions expressed herein are based, are true and correct. However, no responsibility for accuracy of such items furnished us can be assumed by us, including the business statements, personal property, furnishings/fixtures lists, etc.
15. This appraisal sets forth all of the limiting conditions (imposed by the terms of the assignment) affecting the analysis, opinions and conclusions contained in this report.
16. The client (and/or his heirs and assigns) also agrees to take no legal action and to hold the appraiser harmless for any liability arising out of this document.
17. The appraiser makes no representation that this report of which these limiting conditions are a part, qualifies for or that the subject is entitled to preferential tax treatment and recommends that the client also seek competent legal and accounting opinions in that regard.
18. This appraisal has been made in accordance with the rules of professional ethics of the Appraisal Institute. No one other than the undersigned (except as stipulated), prepared the analysis, conclusions, and opinions concerning real estate that are set forth in this appraisal report.
19. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
20. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this factor could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.
21. Any or all of the following sources of information may have been utilized to facilitate completion of this appraisal: CoStar Group, Midwest Real Estate Data, LLC, Flood Insights, Loopnet, Ordinance.com, FEMA Flood Insurance Rate Maps, Living in Greater Chicago (published by Gary S. Meyers), Chicago Zoning Ordinance (Published by Index), First American Real Estate Solutions publications including Realty Atlas, Property and Building Atlas and Property Data Microfiche. Additional sources listed elsewhere may have been used and this report is subject to the accuracy of all such data.

ASSUMPTIONS AND LIMITING CONDITIONS - Continued

22. The appraiser is not an insurer of property value. The fees collected by the appraiser are based solely on the value of the service performed, and are unrelated to the value of the property. The appraiser makes no guaranty or warranty that sale or exchange of the property will result in receipt of the value expressed in the appraisal. In the event that the appraiser is found liable for losses on account of any act or omission done in making the appraisal, the appraiser's liability shall be limited to the fee collected as liquidated damages, and this liability shall be exclusive. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser assumes no responsibility for any costs incurred to discover or correct any deficiencies present in the property.
23. The contract for appraisal, consultation or analytical service, is fulfilled and the total fee payable upon completion of the report. The Appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties, except under separate and special arrangement and at additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees and charges regardless of issuing party.
24. Unless otherwise noted herein, the review appraiser has reviewed the report only as to general appropriateness of technique and format, and has not necessarily inspected the subject or market comparable properties. The appraiser and/or officers of the appraisal firm reserve the right to alter statements, analysis, conclusions or any value estimate in the appraisal if there becomes known to us facts pertinent to the appraisal process which were unknown to us when the report was completed.
25. In the event the appraisal report is accepted by the lender, the appraiser will not be held liable by either the client or the lender for losses during the term of the loan. If updates are required by the lender, the lender and/or client will compensate the appraiser for any or all updates.
26. Acceptance of, and/or use of this appraisal report constitutes acceptance of the above conditions.

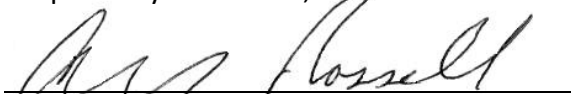
CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- A personal inspection of the property that is the subject of this report has been made.
- No one provided significant professional assistance to the person signing this report.
- A previous service has not been provided for the subject property within the three years prior to this assignment.
- As of the date of this report, I, Mitchell J. Perlow, MAI, have completed the requirements under the continuing education program of the Appraisal Institute.

In our opinion, the Market Value of the subject property, expressly subject to all Assumptions and Limiting Conditions contained in this report, as of December 15, 2016, is \$19,500 Subject to Restrictions on Future Development of the Site.

Respectfully submitted,



Alan J. Rossell
Certified General Real Estate Appraiser,
#553.0001801, Expiration Date 09/17

INSPECTED
YES NO

X



Mitchell J. Perlow, MAI
Certified General Real Estate Appraiser,
#553.000338, Expiration Date 09/17

X

CONSULTING/SUPERVISORY
APPRAISER: