

APPRAISAL REPORT

of
DEVELOPMENT LAND
located at
603 S. Randolph / 201 W. Green
Champaign, Illinois

As of
December 2, 2014

Prepared for
Mr. Andrew Quarnstrom
Champaign Township Supervisor
603 S. Randolph
Champaign, Illinois 61820

603 S. Randolph Street, Champaign



201 W. Green Street, Champaign, Illinois



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December 4, 2014

Mr. Andrew Quarnstrom
Champaign Township Supervisor
603 S. Randolph
Champaign, Illinois 61820

RE: 603 S. Randolph / 201 W. Green, Champaign, Illinois

Dear Mr. Quarnstrom:

In accordance with your request, I have personally made a complete inspection of the property commonly known as 603 S. Randolph and 201 W. Green, Champaign, Illinois and legally described as Part of Lots 2 & 3 Pt. 5, John H. Thomas Subdivision, City of Champaign, Champaign County, Illinois. The purpose of this appraisal is to provide the appraiser's best estimate of the market value of the subject real estate as of the effective date of valuation.

This is an Appraisal Report intended to comply with the reporting requirements set forth under Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. This report presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for unauthorized use of this report.

In the final analysis it is my opinion that the market value of the subject property as of December 2, 2014 is **Three Hundred Sixty Five Thousand Dollars.....\$365,000.**

The property was appraised as a whole, owned fee simple and unencumbered, subject to the contingent and limiting conditions outlined herein.

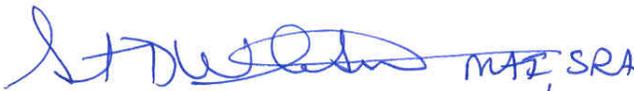


Stephen D. Whitsitt MAI, SRA
Illinois License #553.000207 Expires 09/30/15

CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. 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.
4. I have performed no services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. 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.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*, the *Code of Ethics*, and in accordance with the regulations developed by the Lender's Federal Regulatory Agency as required by FIRREA.
9. I have made a personal inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the person signing this certification.



Stephen D. Whitsitt MAI, SRA
Illinois License #553.000207
Expires 09/30/15

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EXECUTIVE SUMMARY

Location of Property:	603 S. Randolph / 201 W. Green, Champaign, Illinois	
Purpose of Appraisal:	To estimate the current market value of the fee simple estate of the subject property.	
Highest and Best Use as if vacant:	As a multi-family site.	
Highest and Best Use as improved:	The current use as office space is viewed as an interim use.	
Site and Zoning Data:	A 16,689 square foot site zoned ITMX, In Town Mixed Use District.	
Improvement Data:	A 2 story and one story office building containing a total of 3,977 square feet.	
Lessor:	N/A	
Lessee:	N/A	
Date of Value Estimate:	December 2, 2014	
Value by Cost Approach:		N/A
Value of the Site by the Sales Comparison Approach:		\$365,000
Value As Improved by Sales Comparison Approach:		\$360,000
Value by Income Approach:		N/A
Final Estimate of Market Value:		\$365,000

APPRAISAL DEVELOPMENT AND REPORTING PROCESS

In preparing this appraisal, the appraiser inspected the subject site and both the exterior and interior of the improvements. Land sales have been analyzed using the sales comparison approach. Information on improved sales was gathered, confirmed, and analyzed to assist in a highest and best use determination. The cost and income approaches have been excluded because they are not necessary to achieve credible appraisal results.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the Market Value of the subject property on a fee simple basis as of the effective date.

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 acting in what he or she considers his or her own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”¹

CLIENT AND INTENDED USERS OF THIS REPORT

The client of this report is the Champaign Township Supervisor’s office.

INTENDED USE OF THE REPORT

This report is intended to assist the client, the Champaign Township Supervisor’s office, in determining a value for listing or sale of the subject property.

¹ The Appraisal of Real Estate 14th Edition, 2013, Appraisal Institute.

EXTRAORDINARY ASSUMPTIONS

Extraordinary assumptions are defined by USPAP 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.” Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. Extraordinary assumptions made within this report include the following, and may affect the appraisal results:

- Razing costs are assumed not to exceed \$20,000.

HYPOTHETICAL CONDITIONS

Hypothetical conditions are defined by USPAP as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.” Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. No hypothetical conditions have been made within this report.

PROPERTY RIGHTS APPRAISED

The real property interest being appraised is that of the fee simple estate.

COMPETENCY

Your appraiser is current regarding requirements for state licensing, as well as the Appraisal Institute (MAI, SRA designations), and further has vast experience in appraising both land and office properties.

HISTORY OF THE PROPERTY

No sales or listings of the subject have transpired in the last three years.

PRIOR APPRAISALS

Pursuant to the Conduct Section of the Ethics Rule of USPAP, “If known prior to accepting an assignment, and/or if discovered at any time during the assignment, an appraiser must disclose to

the client, and in the subsequent report certification any services regarding the subject property performed by the appraiser within the three year period immediate preceding acceptance of the assignment, as an appraiser or in any other capacity.” Your appraiser has not provided any previous service or appraisal on the subject property within the past three years.

PERSONAL PROPERTY

No personal property items were included in the valuation of the subject property.

EFFECTIVE DATE OF VALUE

December 2, 2014

DATE OF REPORT

December 4, 2014

SCOPE OF THE APPRAISAL

The scope of the appraisal or the extent of the process used in collecting, confirming, and reporting data involved an analysis of competing sales (vacant land and improved) for use in the sales comparison approach. The cost and income approaches have been excluded because they are not necessary to achieve credible appraisal results. The subject was inspected and photographed on November 18, 2014 and December 2, 2014. Regional, City, County and neighborhood data were based on information available from local data sources such as the Champaign-Urbana News Gazette and the Greater Champaign-Urbana Economic Development Partnership. Your appraiser inspected the subject site, and both the interior and exterior of the improvements.

In estimating the highest and best use for the subject, an analysis was made of data collected in the approaches to value including a study of the retail market of the subject area to help determine the feasibility of the subject property. In developing the approaches to value, market data used has been collected from office files, public records, other appraisers, realtors or persons knowledgeable about the subject property and its marketplace. This data has been analyzed and correlated to determine the final value estimate for the subject. This summary report is a brief recapitulation of the appraiser's data, analyses and conclusions. Supporting documentation is retained in the appraiser's file.

MARKETING PERIOD

The subject lies at the intersection of two traffic arteries. Interest rates are at favorable levels, and it is assumed that the subject would be sold with less than 12 months marketing/exposure time, if priced reasonably.

EXPOSURE TIME

Exposure time is defined by USPAP as the “estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.” Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.

The market conditions in the time period preceding the effective date of valuation are considered inferior from a psychological perspective to the current market environment. Economic and recessionary concerns were realized in 2009 and 2010, with economic improvement generally recognized in late 2010 / early 2011. For this reason, the exposure time will largely overlap that noted under market time and is suggested at a 12 month time frame.

MARKET TRENDS/SUPPLY/DEMAND

The poor economic environment has affected most asset classes. The downtown land market, however, is considered stable, with supply and demand in balance.

AREA ANALYSIS

Champaign and Urbana are twin cities centered in Champaign County in East Central Illinois. They are surrounded by some of the most productive farmland in the world and offer easy access to major cities. Three Interstate Highways (I-57, I-72 and I-74) link the communities in the county with other roadways to provide access to all parts of the nation. Greyhound and Illini Swallow bus lines provide service nationwide. The Champaign-Urbana Mass Transit District (MTD) was twice named the Best Transit System (for its size) by the American Public Transit. Taxi cab service is available from private companies. Several shuttles are also available from Champaign to the Chicago area. Both Amtrak passenger and freight rail transportation are available. Air transportation is available at the University of Illinois Willard Airport in Savoy, south of Champaign. Willard has a modern terminal with daily regional jet flights available. Private charter and freight services are also available. Frasca Airport is a smaller, privately owned airport located along Route 45 in Urbana.

Champaign County netted a population increase of 11.9% from 2000 to 2010, with the 2010 census count for the county shown at 201,081. The City of Champaign grew by 20% from 2000 to 2010 to 81,055, while the City of Urbana experienced a 13.3% increase for the same time period to 41,250 residents in 2010. Population trends have been positive over the past fifty years, with an increase in Champaign County population of 23%, while the State of Illinois grew 15.5% in the same period. Employment opportunities seem to be the driving force for migration, as well as recent business developments discussed later in this appraisal which bode well for a population increase and further stability for the area.

The area's strong, stable economic base is sustained by the University of Illinois. Also included among the largest non-manufacturing employers are Carle Hospital & Clinic, Presence Covenant Medical Center, Parkland College, Christie Clinic, local school districts, and government offices. Both Carle and Christie have expanded their locations to include southeast Urbana and southwest Champaign. Agricultural land use dominates the county, with the trend toward fewer but larger farms. Local industry is dominated by food service, high technology and research employers. The major industrial employers in the area include Kraft Foods, SuperValu, Solo Cup, Jeld-Wen, Horizon Hobby, Hobbico, and Plastipak. Two-thirds of all manufacturing jobs are involved in the production of non-durable goods, with food being the major product manufactured. Manufacturers in the automotive industry are also present due to the close proximity to the Mitsubishi plant in Bloomington, 60 miles west.

The University of Illinois has been the dominant force in making Champaign-Urbana a high tech area. The University has one of the few supercomputer bases in the country. This has helped to attract additional high tech businesses. Blue Waters, the world's fastest supercomputer for open scientific research, contains 20,000 square feet and was constructed off St. Mary's Road in 2010.

A recently announced \$1.4 billion fertilizer plant is to be constructed in Tuscola beginning in 2015. It is projected to open in 2018. This will be the largest new development in the state since the Chrysler Mitsubishi plant was constructed in Bloomington in the 1980's. Some 2,000 construction jobs will be created, while over 200 permanent jobs will be created. This plant will positively impact employment in both Douglas and Champaign Counties.

In recent years the unemployment rate in Champaign County has remained one of the lowest in the State. The 2013 annual average rate for the County (MSA) was 8.2%, while the state and national averages for the same period were at 9.2% and 7.4% respectively. The most recent published (October 2014) unemployment rate for the Champaign MSA was 6.3%.

Retail and subdivision developments have assisted in the area's growth, with the economic downturn stagnating development in 2008. Redevelopment of the downtown areas has continued, but also at a slower rate. A new interchange at Curtis Road and I-57 has increased speculation in that area.

The overall attraction to the area is attributed to the stable economic base, the above average accessibility to major markets, the University of Illinois, cultural facilities and government

services. Detrimental influences include the seasonal climate - particularly during the winter months. The overall outlook for the Champaign County area is positive.

CURRENT CHAMPAIGN APARTMENT DEVELOPMENT

New construction of multi-family buildings is ongoing in Champaign, both on and off of the University of Illinois campus. The primary projects are shown below:

Location	Developer	Project	Comments
108-112 E. Green St. (completed in 2013)	Larson Company	6 story mixed use retail/residential	3,400 SF retail space & 52 apartments
310-312 E. Green St. (to be completed in 2015)	HERE Development	27 story mixed use retail/residential LEED Gold expected	143 apartments
519 E. Green St. (to be completed in 2014)	Bankier Apartments	14 story mixed use retail/residential LEED Silver expected	40 apartments
524-526 E. Green St. (to be completed in 2015)	JSM Development	6 story mixed use Hotel/Retail/Residential LEED Silver expected	95 rooms extended stay hotel & 12,000 SF retail & 88 apartments
217 N. Neil St. (to be completed in 2014)	Hyatt Place	9 story hotel	145 rooms
11 E. Columbia St. (to be completed in 2014)	J2M2, LLC	5 story apartment building	32 apartments

Additionally, the developments shown below are proposed, with no specific time frame available at this time.

Location	Developer	Project	Comments
500-600 blocks of E. University Avenue (to be completed in 2015)	Latitude Investment Property Advisors, LLC	A 5 & 6 story mixed use building with commercial space on the ground floor and apartments on the upper levels	217 apartments
30 E. Green St.	JSQ Commercial, LLC	A 5 story L-shaped building with 1 st floor commercial, parking garage, & 136 apartment units, fitness center, library lounge, & leasing office	Former concrete company site which is being re-zoned. 136 apartments & 472 beds

DESCRIPTION OF SUBJECT REAL ESTATE

To briefly summarize the salient characteristics of the subject, it is noted that the subject is an assemblage of land on the southwest corner of Randolph and Green Streets.

Location: The subject property is located south of the downtown area and a few blocks west of the University of Illinois campus. Land use patterns within the subject area are a mix of public (junior high school, library), residential including single and multi-family, and commercial land use.

Site: The subject's legal description is shown as Part of Lots 2 & 3 Pt. 5, John H. Thomas Subdivision, City of Champaign, Champaign County, Illinois. The subject consists of an irregular shaped corner lot which contains $\pm 16,689$ square feet. Curb cuts lie on both Randolph and Green Street. The subject is zoned ITMX, In Town Mixed Use District. Parking for 14 vehicles lie on a bituminous surfaced lot. The site lies out of the 100 year flood plain, as noted on FEMA map #17019C0426D dated October 2, 2013. The site is served by city utilities.

Improvements: The subject property consists of two buildings, with the north building a one story 2,149 square foot building constructed in 1949, according to public records. The south building is a one and two story structure containing 1,828 square feet, constructed in the early 1900's. The total building area on the subject site is shown at 3,977 square feet.

The north building is more completely described as follows: This is a one story masonry building with brick exterior walls and a rubber membrane roof. It offers 190 square feet of unfinished basement space which functions as a cellar type space. HVAC consists of hot water heat, with central air conditioning, and the electrical amperage indicated at 100 amp. Interior finish consists of plaster walls and ceilings, as well as drop ceiling tiles. Floor coverings are carpet or vinyl. Partitioning has created a number of individual offices, as well as two half-bathrooms. The overall condition is considered average.

The south building is wood construction with brick veneer exterior walls. The roof is asphalt shingled, with HVAC consisting of hot water heat and central air conditioning. Electrical amperage was indicated as 200 amp, with interior finishes consisting of plaster and paneled walls, plaster and drop ceiling tiles, and carpet and ceramic tile floor coverings. This building offers 772 square feet of unfinished basement space and additionally offers a 1½ car garage accessible off the west side of the structure. The second floor has been converted to office use and offers a half bathroom, with the first floor also used as office space and offering a half bathroom.

The south building offers keypad entry to the building and certain sections of the interior of the building. The overall condition of both buildings is considered average, with the effective age estimated at 20 – 25 years.

Tax Data: Tax ID Numbers 43-20-13-208-010 and 43-20-13-208-011

The subject is owned by the township and is tax exempt. There is no meaningful tax nor assessment information available.

HIGHEST AND BEST USE AS IF VACANT

Legally Permissible – The IT-MX In-Town Mixed Use district is a classification designed for low or mid-rise multi-family residential development, with offices and related uses. Specific uses allowed include religious facilities, offices, clinics, two family, and multi-family dwellings. The standard requirements for the In-Town Mixed Use district vary according to use.

Physically Possible – The size of the site, that being 16,689 square feet, is large enough to accommodate the aforementioned legally permitted uses, limiting only the scope of development of certain uses. The location out of the flood plain further enables development by one of the aforementioned uses.

Financially Feasible – The subject is a corner location and lies on the south periphery of the downtown area. This area exhibits a mix of uses ranging from detached single family and multi-family, to offices and a public library. The University of Illinois campus lies two blocks east.

Maximally Productive – Given the peripheral downtown location of the subject, the greatest demand appears to be for an office or multi-family use. Given multi-family demand in the area, the highest and best use is suggested as a multi-family property.

HIGHEST AND BEST USE AS IMPROVED

The subject is currently improved with two office buildings which total 3,977 square feet. The following sales have been analyzed to identify the value of these buildings using the sales comparison approach.

Comparable Sale #1

Address: 801 W. Springfield Avenue
Champaign, IL

Parcel ID#: 43-20-13-101-007
Recorded As: Document #2013R29072

Description of Property

Building Classification: Office
Zoning: IT-MX In Town Mixed Use
Land Area: 8,712 SF
Gross Building Area: 2,189 SF
Site Coverage Ratio: 25%
Number of Stories: One
Year Built: 1974
Exterior Construction: Masonry
Construction Quality: Average
Condition of Improvements: Average

Facts of Sale

Grantor: Thomas R. Skaggs
Grantee: TMG Property Management, LLC
Date of Sale: December 2013
Occupancy: Unknown
Consideration: \$220,000
Terms of Sale: Cash
Price/SF: \$100.50

Comments: This is the sale of an office building located one block east of the intersection of Prospect Ave. and Springfield Ave. It is a one story building with central warm air and air conditioning. It has a 728 square foot unfinished basement (not included in the gross building area noted above) and a 1,450 square foot asphalt parking area to the south of the building. This building was most recently a chiropractic office.

**Photo of
801 W. Springfield Avenue, Champaign**



Comparable Sale #2

Address: 510 S. Neil Street
Champaign, IL

Parcel ID#: 43-20-13-226-028
Recorded As: Document #2013R00435

Description of Property

Building Classification: Office
Zoning: CG, Commercial General
Land Area: 12,808 SF
Gross Building Area: 6,297 SF
Lot Coverage Ratio: 44%
Number of Stories: 1½
Year Built: 1967, 1998
Exterior Construction: Masonry
Construction Quality: Average
Condition of Improvements: Average

Facts of Sale

Grantor: United Trust Bank
Grantee: Fast Track Realty, LLC
Date of Sale: December 2012
Occupancy: Vacant
Consideration: \$569,000
Terms of Sale: Cash
Price/SF: \$90.36
Potential Gross Income: \$56,673
Expense Ratio: 8%
Net Operating Income: \$46,926
Overall Rate: 8.25%

Comments: This is the sale of a single tenant office building located on the south side of the downtown area, and west of the University of Illinois campus. It was last renovated for use by a plastic surgeon as a medical office building. The original property consisted of a one story masonry structure containing 4,200 square feet. There is 1½ story addition on the west side of the building, as well as a small one story extension on the east side of the building in 1989. Remodeling to the subject occurred in 1998, as well as an addition on the east side of the building, creating a total building area of 6,297 square feet. HVAC consists of natural gas furnaces and central air conditioning, with 200 amp 3-phase with electrical upgrades identified in the procedures area of the building. In addition to men's and women's bathrooms, a 3-fixture

bathroom is noted off one of the dressing areas, a hair wash sink is located in one dressing area, while a sink is also noted in the scrub area. The building is sprinkled for fire suppression. Walls are drywall, with ceilings drywall or drop ceiling tiles. Floor coverings are carpet and vinyl, with 12” of ceiling insulation and 3.5” of side wall insulation in the newer portions of the building. A fire alarm system was noted. The layout of the building is designed for use as professional office space, last used as a doctor’s office, with the center portion of the building functioning as exam, dressing area, waiting room and receptionist. The west portion of the building was office space and the east portion of the building functioned as procedures and recovery area. The floor plan is amenable to use as medical office or professional office, if sinks were replaced where they have been removed. There are no gasses or special medical built-ins. While essentially a one story design, a second level office is located on the west portion, accessible via a stairway in the office corridor. Currently, sinks have been removed in the exam rooms, and painting is needed. The overall rate is based on a 10% vacancy and rent loss factor and 8% expense ratio.

**Photo of
510 S. Neil Street, Champaign**



Comparable Sale #3

Address: 202 W. University Ave.
Urbana, IL

Parcel ID#: 91-21-08-402-008
Recording Information: Document # 2012R04725

Description of Property

Building Classification: Retail
Zoning: B3 General Business
Land Area: 7,854 SF
Gross Building Area: 3,308 SF
Site Coverage Ratio: 42%
Number of Stories: One Story
Year Built: 1961
Exterior Construction: Steel/Masonry
Construction Quality: Average
Condition of Improvements: Average

Facts of Sale

Grantor: Kirby
Grantee: Fosser
Date of Sale: February 2012
Consideration: \$217,000
Terms of Sale: Cash
Price/SF: \$65.60
Occupancy: 100%
Potential Gross Income: N/A
Overall Rate: N/A

Comments: This property gets great traffic exposure located at the corner of University Avenue and Race Street southeast of the downtown area. This building has a partially finished basement.

**Photo of
202 W. University Ave., Urbana**



Comparable Sale #4

Address: 309 W. Clark Street
Champaign, IL

Parcel ID#: 42-20-12-453-002
Recorded As: Document #2014R03530

Description of Property

Building Classification: Office
Zoning: ITMX, In Town Mixed Use
Land Area: 8,712 SF
Gross Building Area: 4,900 SF
Site Coverage Ratio: 56%
Number of Stories: One
Year Built: 1961
Exterior Construction: Masonry
Construction Quality: Average
Condition of Improvements: Average

Facts of Sale

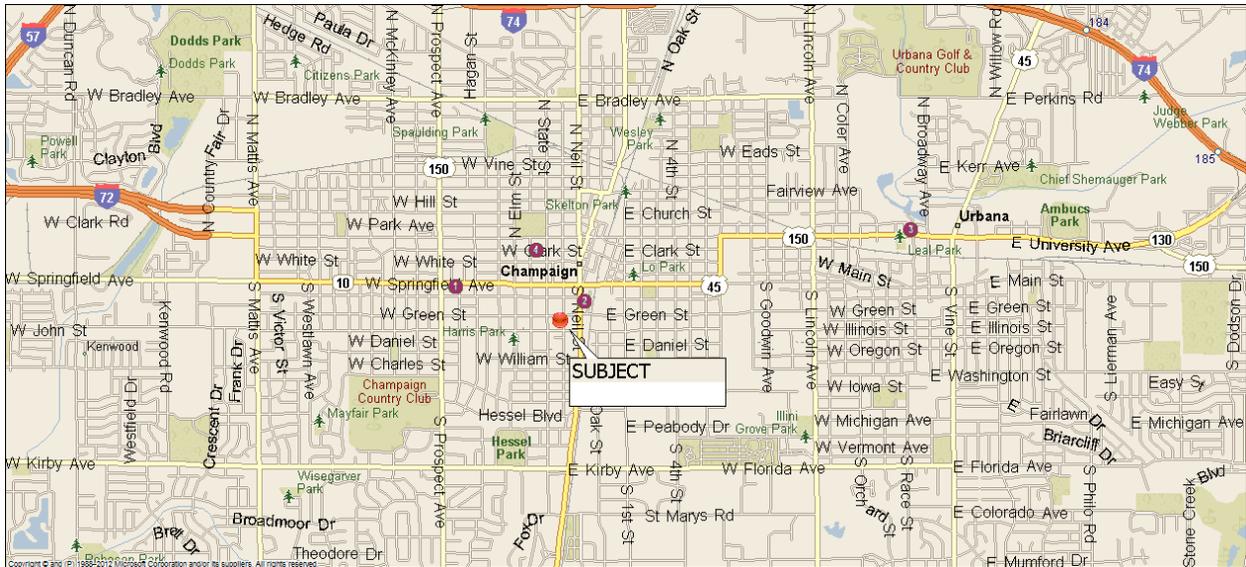
Grantor: Law on Clark, LLC
Grantee: Ahten Elliott Properties, LLC
Date of Sale: February 2014
Occupancy: Unknown
Consideration: \$428,000
Terms of Sale: Cash
Price/SF: \$87.35
Potential Gross Income: \$59,040
Net Operating Income: \$38,719
Overall Rate: 9.05%

Comments: This office building is constructed on a slab, and was renovated in 1996. HVAC is provided by central air conditioning and gas fired forced warm air heat. Interior walls are gypsum board, with acoustic ceiling tiles, carpet and tile floor coverings, fluorescent and incandescent lighting, enclosed vestibule area, reception area with skylight, private offices, conference/break rooms, kitchenette, and two restrooms. Two rear exits provide access to open parking on an asphalt lot for approximately 7 vehicles. The over all rate is inferred using a market rental rate of \$12/square foot, 5% vacancy and rent loss factor and 31% expense ratio.

**Photo of
309 W. Clark Street, Champaign**



Comparable Sale Map



Sales Comparison Approach Comments

	Subject	Sale #1	Sale #2	Sale #3	Sale #4
Price/SF	N/A	\$100.50	\$90.36	\$65.60	\$87.35
Property Rights Appraised	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Conditions of Sale	Cash	Cash	Cash	Cash	Cash
Date	12/14	12/13	12/12	02/12	02/14
Adj. Price/SF	N/A	\$100.50	\$90.36	\$65.60	\$87.35
Location	Good	Good	Good	Good	Inferior +5%
Site	16,689 SF	8,712 SF	12,808 SF	7,854 SF	8,712 SF
Site Coverage Ratio	18%	25%	44% +5%	42% +10%	56% +10%
Age/Condition	>50/Average	39/Superior -10%	14-45/Superior -10%	51/Average	53/Superior -5%
Quality	Average	Average	Average	Average	Average
C/A	Yes	Yes	Yes	Yes	Yes
Amenities	Basement	Basement	Inferior +5%	Basement	Inferior +5%
Net Adjustments	N/A	-10%	-0-	+10%	+15%
Adj. Price/SF	N/A	\$90.45	\$90.36	\$72.16	\$100.45
Building Area	3,977 SF	2,189 SF	6,297 SF	3,308 SF	4,900 SF
Expense Ratio	N/A	N/A	8%	N/A	31%
Overall Rate	N/A	N/A	8.25%	N/A	9.05%

In each instance, the property rights appraised are those of the fee simple estate, with no leasehold value identified. Conditions of sale are shown as arm's length and essentially cash to the seller. These sales transpired over the last few years in a market environment which is considered relatively static, such that no market condition adjustments have been made. Adjustments, however, have been made for significant variances. The location adjustment shown to sale #4 recognizes that while a peripheral downtown location like the subject, it lies on a secondary roadway and does not enjoy the visibility and traffic associated with the location of the subject. Site areas are provided for illustrative purposes, with the site coverage ratio category used to recognize the ability for property expansion and parking adequacy. This has been modified at sale #2, which shows a cross parking arrangement with an adjacent property. Effective age and condition adjustments have been made in most instances, recognizing varying levels of remodeling at the comparables in relationship to the subject. Quality and HVAC considerations overlap. The general amenities category recognizes basement space, requiring

adjustments in two instances. A partial basement was noted on the Green Street oriented property, while the Randolph property shows a full unfinished basement. These properties indicate adjusted prices on a per square foot basis, illustrated as follows:

Adjusted Price/Square Foot

\$100.45

90.45

90.36

72.16

From the range indicated, a conclusion of \$90.00 per square foot seems reasonable. At \$90.00 per square foot, a value of \$360,000 is indicated.

$$3,977 \text{ SF @ } \$90.00 = \$357,930$$

Say \$360,000

This value lies below that of the site as if vacant, showing the improvements as an interim use.

APPROACHES TO VALUE

The valuation of real estate is determined principally through the use of the three based approaches to value: The Replacement Cost Approach, the Sales Comparison Approach and the Income Approach. From the indicated values resulting from these analyses and the weight accorded to each, an opinion of value is reached, based upon expert judgment within the framework of the appraisal process.

The Cost Approach has as its premise the valuation of the site by comparison with other sites in the area that have sold in the recent past, making adjustments for differences to indicate a site value estimate. To this site value is added the estimated cost to reproduce or replace the improvements, less any loss of value (depreciation) that might have transpired.

The Sales Comparison Approach is based upon the assumption that a prudent buyer would not pay more to buy a property than it would cost him to buy a comparable substitute property (principle of substitution). Since no two properties are ever identical, the necessary adjustments for differences in quality, location, size and market appeal are a function of appraisal experience and judgment.

The Income Approach involves an analysis of a property in terms of its ability to provide a net annual income in dollars. It is concerned with estimating the present worth of future benefits that can be derived through ownership of a piece of property. In utilizing this approach, the net income is capitalized at a rate commensurate with the rate demanded by investors to arrive at an estimate of value. The Income Approach is generally most useful in valuing an income-producing property which can be purchased by an investor rather than a user.

SALES COMPARISON APPROACH TO LAND VALUE

Comparable Land Sale #1

Address: 205 – 209 E. University Avenue
Champaign, IL

Parcel ID #: 46-21-07-355-007, -008, -009

Recording Information: Document #2014R20445, 2014R20446

Description of Property

Land Area: 26,136 SF

Zoning: CB, Central Business

Utilities: Public

Topography: Level

Proposed Use: Mixed use (retail/multi-family)

Facts of Sale

Grantor: Proctor/Restaurant Equipment & Supply Co.

Grantee: Dream Town Properties, LLC

Date of Sale: November 2014

Consideration: \$670,000

Terms of Sale: Cash

Price Per SF: \$25.64

Comments: This parcel of land is located on the south side of University Avenue, between Second and Third Streets. The west two lots extend into the moderate and high flood risk zones. This land is legally described as Lots 2, 3, and 4 Campbell & Kirkpatrick’s Addition. It is the proposed site of high-rise apartment and retail development. It sold as two simultaneous transfers. The grantor is the same in each instance, but shows two legal entities.



Comparable Land Sale #2

Address: 211 E. University Avenue
 Champaign, IL

Parcel ID #: 46-21-07-355-017
 Recording Information: Document #2014R20351

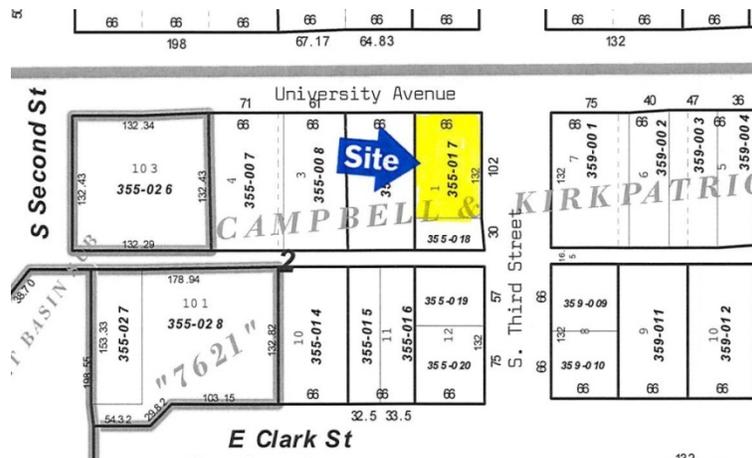
Description of Property

Land Area: 6,732 SF
 Zoning: CB, Central Business
 Utilities: Public
 Topography: Level
 Proposed Use: Mixed use (retail/multi-family)

Facts of Sale

Grantor: Roseman Trust
 Grantee: Dream Town Properties, LLC
 Date of Sale: November 2014
 Consideration: \$335,000
 Terms of Sale: Cash
 Price Per SF: \$49.76

Comments: This parcel of land is located on the southwest corner of University Avenue and Third Street. This land is legally described as Lot 1 Campbell & Kirkpatrick's Addition. It is the proposed site of high-rise apartment and retail development. It was part of an assemblage of land, as reflected in the sale price.



Comparable Land Sale #3

Address: 209, 211, & 213 W. Green Street
606 S. State Street, Champaign, IL

Parcel ID #: 43-20-13-208-001, -002, -003, -006

Recording Information: Document # not yet available

Description of Property

Land Area: 26,805 SF

Zoning: ITMX, In Town Mixed Use

Utilities: Public

Topography: Level

Proposed Use: Multi-Family

Facts of Sale

Grantor: Travis, Travis, Champaign Skyline, & WA Holdings, LLC

Grantee: Mojo Properties

Date of Sale: November 2014 SIP

Consideration: \$575,000*

Terms of Sale: Cash

Price Per SF: \$21.45*

Comments: This is the sale of four contiguous parcels under common ownership, but with three legal entities. Prior sales are as follows:

Parcel ID #	Owner	Date	Price	Document #
43-20-13-208-001	Champaign Skyline	07/14	\$190,000	2014R14260
43-20-13-208-002	WA Holdings, LLC	03/14	\$67,000	2014R03719
43-20-13-208-003	Heath Travis	11/13	\$47,250	2014R27166
43-20-13-208-006	Heath Travis	05/14	\$55,900	2014R09157

*The seller received, and transfer documentation will show, a contract price of \$625,000. This, however, includes \$50,000 of razing costs at the seller’s expense. Therefore, the net sale price is \$575,000. This figure has been used in the price per square foot calculation.



Comparable Land Sale #4

Address: 209 W. Clark Street
Champaign, IL

Parcel ID #: 420-20-12-455-017
Recording Information: Document #2014R19992

Description of Property

Land Area: 8,043 SF
Zoning: CB, Central Business
Utilities: Public
Topography: Level
Proposed Use: Parking

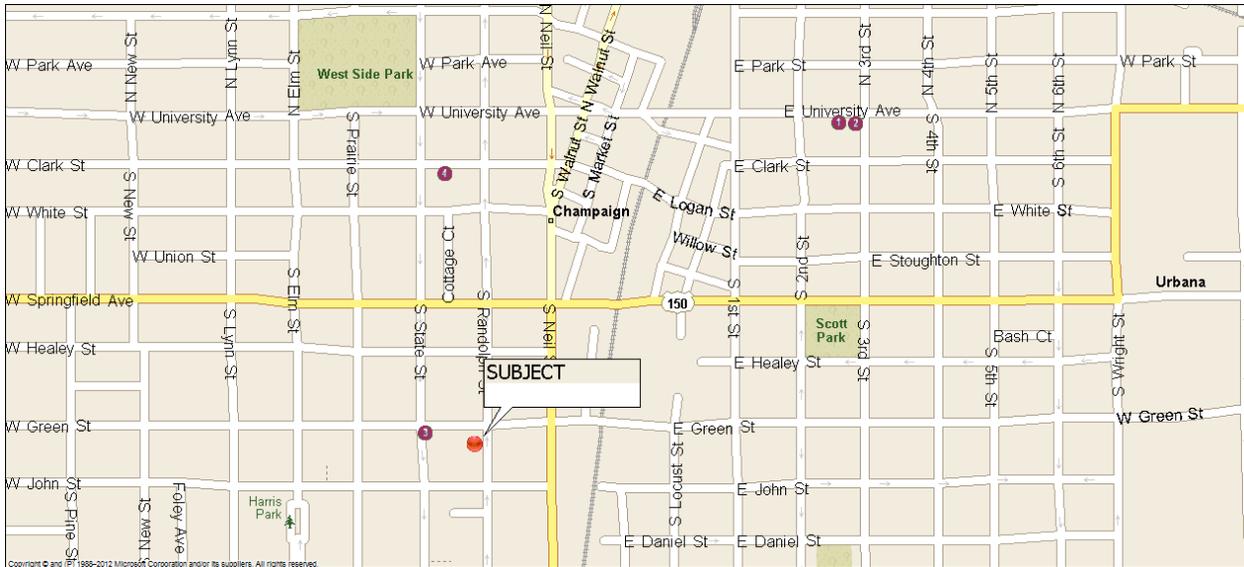
Facts of Sale

Grantor: Mojo Properties, LLC
Grantee: Christie Management Co, Inc.
Date of Sale: October 2014
Consideration: \$225,000*
Terms of Sale: Cash
Price Per SF: \$24.24*

Comments: This parcel was improved with an older office building at the time of sale. It has since been razed. *After deducting razing costs, the net price is \$195,000 or \$24.24 per square foot. The grantee owns the medical clinic across the street, with this parcel to be used as parking.



Comparable Land Sale Map



Land Sale Comments

	Subject	Sale #1	Sale #2	Sale #3	Sale #4
Price/SF	N/A	\$25.64	\$49.76	\$21.45	\$24.24
Property Rights Appraised	Fee Simple				
Conditions of Sale	Cash	Cash	Cash	Cash	Cash
Date	12/14	11/14	11/14	11/14	10/14
Total	N/A	\$25.64	\$49.76	\$21.45	\$24.24
Size	16,689 SF	26,136 SF	6,732 SF	26,805 SF	8,043 SF
Location	Good	Good	Good	Good	Good
Utilities	Public	Public	Public	Public	Public
Zoning	ITMX	CB -10%	CB -10%	ITMX	CB -10%
Net Adjustments	N/A	-10%	-10%	-0-	-10%
Adj. Price/SF	N/A	\$23.08	\$44.78	\$21.45	\$21.82

The aforementioned properties have been analyzed to identify the value of the subject site. In each instance, the property rights appraised are those of the fee simple estate, with no leasehold value identified. Conditions of sale are shown as arm's length and essentially cash to the seller. These are recent transactions, and no market condition adjustments appear warranted. Adjustments, however, have been made for significant variances. The property sizes are all full size buildable lots, overlapping the size considerations of the subject. Sales #1 and 2 reflect an assemblage of land east of the downtown area, on the far northwest periphery of the University of Illinois campus. Traffic and visibility tend to overlap, with demand similar between these properties and the subject. Sale #3 reflects an assemblage of land on the same block as the subject property, two lots to the west. Sale #4, while improved with a building at the time of sale, was acquired by an anchor of the downtown area and is viewed as land value. All of the parcels are served by public utilities, with zoning adjustments required in most instances. This recognizes the stronger floor area ratio considerations allowing for higher density and vertical construction within the CB classification. These properties indicate adjusted prices on a per square foot basis, illustrated as follows:

Adjusted Price/Square Foot

\$44.78
23.08
21.82
21.45

The highest price per square foot reflects a parcel which was acquired as the final piece of an assemblage on University Avenue. The lowest price per square foot reflects the parcel closest in proximity to the subject and overlapping the zoning of the subject. With these factors in mind, a

conclusion of \$23.00 per square foot seems reasonable. At \$23.00 per square foot, a value of \$385,000 is indicated.

$$16,689 \text{ SF @ } \$23.00 = \$383,847$$

Say \$385,000

The aforementioned value conclusion assumes the site to be vacant and buildable. As such, razing costs need to be deducted. After deducting razing (3,977 SF @ \$5 = \$19,885 Say \$20,000), the adjusted value is shown at \$365,000.

Indicated Value	\$385,000
Less Razing Costs	<u>- 20,000</u>
Adjusted Value	\$365,000

Indicated Land Value by the Sales Comparison Approach.....\$365,000

FINAL ANALYSIS

The existing improvements to the subject site are of an interim use, such that neither the cost nor income approaches are necessary to obtain credible appraisal results and have been omitted. Within the sales comparison approach to land value, sales overlapping the highest and best use considerations at the subject have been analyzed. These sales were placed on an adjustment grid to recognize significant variances. The value concluded for the subject is bracketed by the comparables and considered well supported. In a like manner, improved sales were analyzed. These sales were placed on an adjustment grid to recognize significant differences. The value concluded for the subject is bracketed by the comparables and well supported. The difference in value as improved versus as if vacant illustrates the highest and best use of the subject as a building site. In the final analysis, total consideration is given to the sales comparison approach.

SUMMARY OF ANALYSES AND VALUATION

Cost Approach	N/A
Sales Comparison Approach (Site Value)	\$365,000
Sales Comparison Approach (Improved)	\$360,000
Income Approach	N/A
Value Conclusions	\$365,00

RESTRICTIONS UPON DISCLOSURE AND USE

Disclosure of the contents of this appraisal report is governed by the By Law regulations of the Appraisal Institute.

Neither all nor part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or the SRA/MAI designations) shall be disseminated to the public through advertising media, public relations media, to the public through means of communication without prior written consent and approval of the undersigned.



Stephen D. Whitsitt MAI, SRA
Illinois License #553.000207
Expires 09/30/15

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal and appraisal report are subject to the following limiting conditions:

The legal description furnished Whitsitt & Associates is assumed to be correct.

We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear under responsible ownership and competent management.

The sketch in this report is included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.

Unless otherwise noted herein, it is assumed that there are no encroachments, zoning violations or restrictions existing in the subject property.

All engineering studies are assumed to be correct. The plot plans and illustrative materials in this report are included only to help the reader visualize the property.

It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.

It is assumed that the property is in full compliance with all applicable federal, state and local environmental regulations and laws unless the lack of compliance is stated, described and considered in this appraisal report.

It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in this appraisal report.

It is assumed that all required licenses, certificates of occupancy, consents and 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 opinion of value contained in this report is based.

By this notice, all persons and firms reviewing, using or relying on this report in any manner bind themselves to accept these assumptions and limiting conditions. **Do not use this report if you do not accept these assumptions and limiting conditions. These conditions are a part of this appraisal report.** These conditions are a preface to any certification, definition, fact or analysis, and are intended to establish as a matter of record that the appraiser's function is to provide a present market value as of a certain date. As the value of the property appraised may be impacted by changes within the economy and/or the marketplace, this opinion of value is considered to be reliable for a period of six (6) months from the date of the appraisal. Subsequent to that date, the appraiser(s) reserve the right to amend the analysis and/or value conclusion contained within the appraisal report in light of such changed conditions. This appraisal is not an engineering, legal or architectural study or survey, and expertise in these areas is not implied.

The liability of Whitsitt & Associates, Inc., its officers, employees, contractors and associate appraisers (hereinafter referred to collectively as "Whitsitt") is limited to the client only. There is no accountability, obligation or liability to any third party except if other specifically stated within the appraisal report. Whitsitt's maximum liability relating to services rendered under this appraisal assignment (regardless of form action, whether in contract, negligence or otherwise) shall be limited to the charges paid to Whitsitt for the portion of its services or work products giving rise to liability. In no event shall Whitsitt be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.) even if advised of their possible existence. 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. Whitsitt is in no way responsible for any costs incurred to discover or correct any deficiency in the property. In the case of limited partnerships or syndication offerings or stock offerings in real estate, the client agrees that in case of lawsuit (brought by lender, partner or part owner in any form of ownership, tenant or any other part), the client will hold Whitsitt completely harmless. Acceptance of and/or use of this appraisal report by client or any third party is prima facie evidence that the user understands and agrees to these conditions.

Information, estimates and opinions contained in this report are obtained from sources considered reliable, however, no liability for them can be assumed by the appraiser.

Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by anyone but the applicant without the previous written consent of the appraiser or the applicant, and in any event only with the proper qualifications.

We are not required to give testimony or attendance in court by reason of this appraisal, with reference to the property in question, unless arrangements have been made previously therefore.

The division of the land and improvement values estimated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.

Environmental Disclaimer: The value estimated in this report is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous materials and environmental conditions on or around the property that would negatively affect its value.

The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature would restrict access by disabled individuals may adversely affect the property's value, marketability or utility. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.

QUALIFICATION OF THE APPRAISER

**Stephen D. Whitsitt
MAI, SRA**

Stephen D. Whitsitt, MAI, SRA is President of Whitsitt & Associates, Inc. He has been engaged in the appraisal of real estate since 1976.

As of the date of this report, Stephen D. Whitsitt has completed the requirements under the continuing education program of the Appraisal Institute.

Educational background:

Bachelor of Arts Degree - Hanover College - 1976

Appraisal courses attended and completed and examinations challenged and passed:

SREA Course 101 - Principals and Techniques - 1976
 SREA Course 201 - Income Property Valuation - 1977
 SREA Course 202 - Applied Income Property Valuation - 1986
 Ted Whitmer/Appraisal Institute - Comprehensive Review Workshop - 1992
 Appraisal Institute - II510 Advanced Income Capitalization - 1994
 Appraisal Institute - II520 Highest & Best Use & Market Analysis - 2000
 Appraisal Institute - Appraisers & Fair Lending - 2001
 Federal Highway Admin. & Illinois Dept. of Transportation - Eminent Domain For Attorneys & Appraisers - 2002
 Appraisal Institute - Course 400 USPAP 2003 - Standards & Ethics - 2003
 Appraisal Institute - Course 420 Business Practices & Ethics - 2003
 2010-2011 National USPAP Update - 2010
 Appraisal Institute - Appraisal Curriculum Overview - General - 2010
 Appraisal Institute - Online - Business Practices & Ethics - 2011
 Appraisal Institute - Online - An Introduction to Valuing Commercial Green Buildings - 2011
 Appraisal Institute - Fundamentals of Separating Real Property, Personal Property, & Intangible Business Assets - 2012
 Appraisal Institute - Appraising the Appraisal: Appraisal Review - General - 2013

Association Memberships:

Member Appraisal Institute

Senior Residential Appraiser, designation of the Appraisal Institute

Member of Champaign County Board of Realtors

Professional Service:

1989-1990 President of Central Illinois Chapter 160 of SREA
 1988-1989 Vice President of Central Illinois Chapter 160 of SREA
 1985-1987 Treasurer/Secretary of Central Illinois Chapter 160 of SREA
 2008- President of Heart of Illinois Chapter Appraisal Institute
 2009 Board Member of ICAP (Illinois Coalition of Appraisers)

Licenses:

State Certified General Real Estate Appraiser - #553.000207 (Illinois)
Real Estate Managing Broker #471.004151, State of Illinois

Court Testimony:

He has appeared as an expert witness in Circuit and Federal Court in Champaign County. He has also appeared as an expert witness in Circuit Court in the counties of Piatt, Macon, and Vermilion.

Review Appraiser:

He has served as a review appraiser for the Federal National Mortgage Association (FNMA), City of Urbana, City of Champaign and Champaign County Board of Review, as well as various lenders.

Professional Instruction:

Your appraiser has taught RSE 728 Residential/Single Family Appraisal, as well as the Uniform Standards of Professional Appraisal Practice, at Parkland College.

Your appraiser authored and instructed "Understanding Capitalization Rates" for the State of Illinois.

Experience:

Your appraiser has experience in a variety of assignments including residential, multi-family, office, retail, industrial, subdivision, and land as well as special use properties such as churches and golf courses. Your appraiser has experience in various types of eminent domain proceedings including fee simple valuation and easement valuation. Your appraiser has additionally performed appraisals for railroad line abandonment and underground easements as well as zoning and use studies.

Experience References:

Lending Institutions: A partial list includes Edgar County Bank & Trust, BankOne, BankChampaign, Busey Bank, Marine Bank, First Mid-Illinois, First National Bank of Monticello, Regions Bank, Rantoul First Federal, Central Illinois Bank, and Midland States Bank.

Relocation Firms: Homequity Relocation, Prudential Relocation, State Farm Insurance, Relocation Resources, Associates Relocation.

Corporations: Frasca International, Christie Clinic, Covenant Medical Center, Kerr McGee Oil Company, Ryder-PIE International, CSX Transport, Pillsbury, Carle Foundation Hospital, Girl Scouts of America, Boy Scouts of America.

Municipalities/Government Agencies: University of Illinois, City of Champaign, City of Urbana, City of Monticello, Village of Tuscola, Intergovernmental Solid Waste Disposal Association, Champaign County, Vermilion County, State of Illinois

Federal Agencies: FDIC

In addition, various attorneys have been served regarding estate valuation.

Your appraiser has completed training on fair lending / fair housing issues, having completed the Appraisal Institute course "Fair Lending and the Appraiser" in 2001.

ADDENDUM

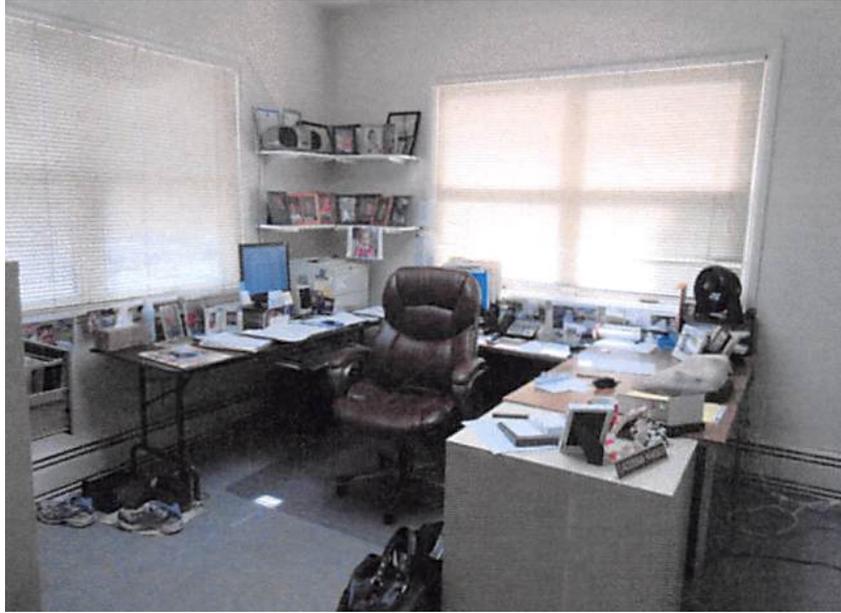
View of 201 W. Green Facing Southeast



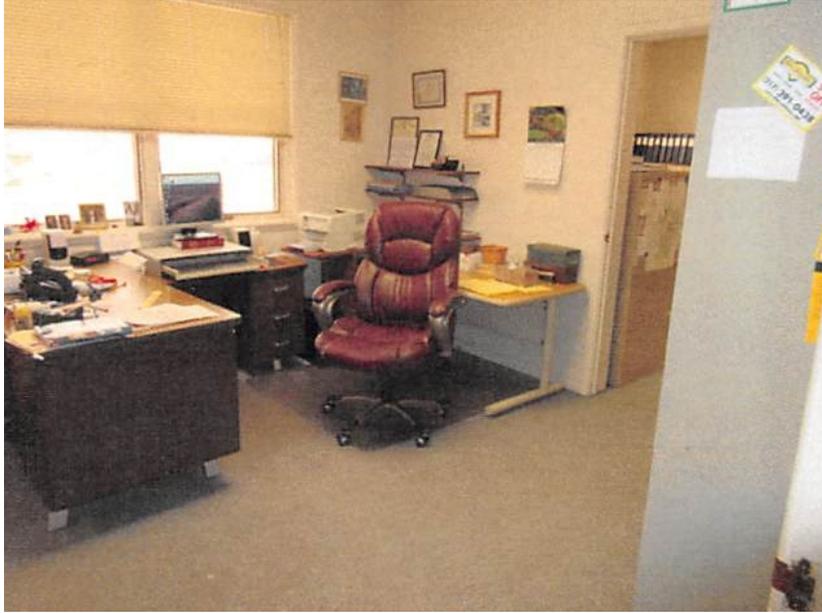
View of 201 W. Green Facing Northeast



Interior Views of 201 W. Green



Interior Views of 201 W. Green



View of Cellar/Basement at 201 W. Green



View of 603 S. Randolph Facing West



View of 603 S. Randolph Facing Southeast



Interior Views of 603 S. Randolph



Interior View of 603 S. Randolph



Street Scene Facing East on Green Street



Street Scene Facing West on Green Street



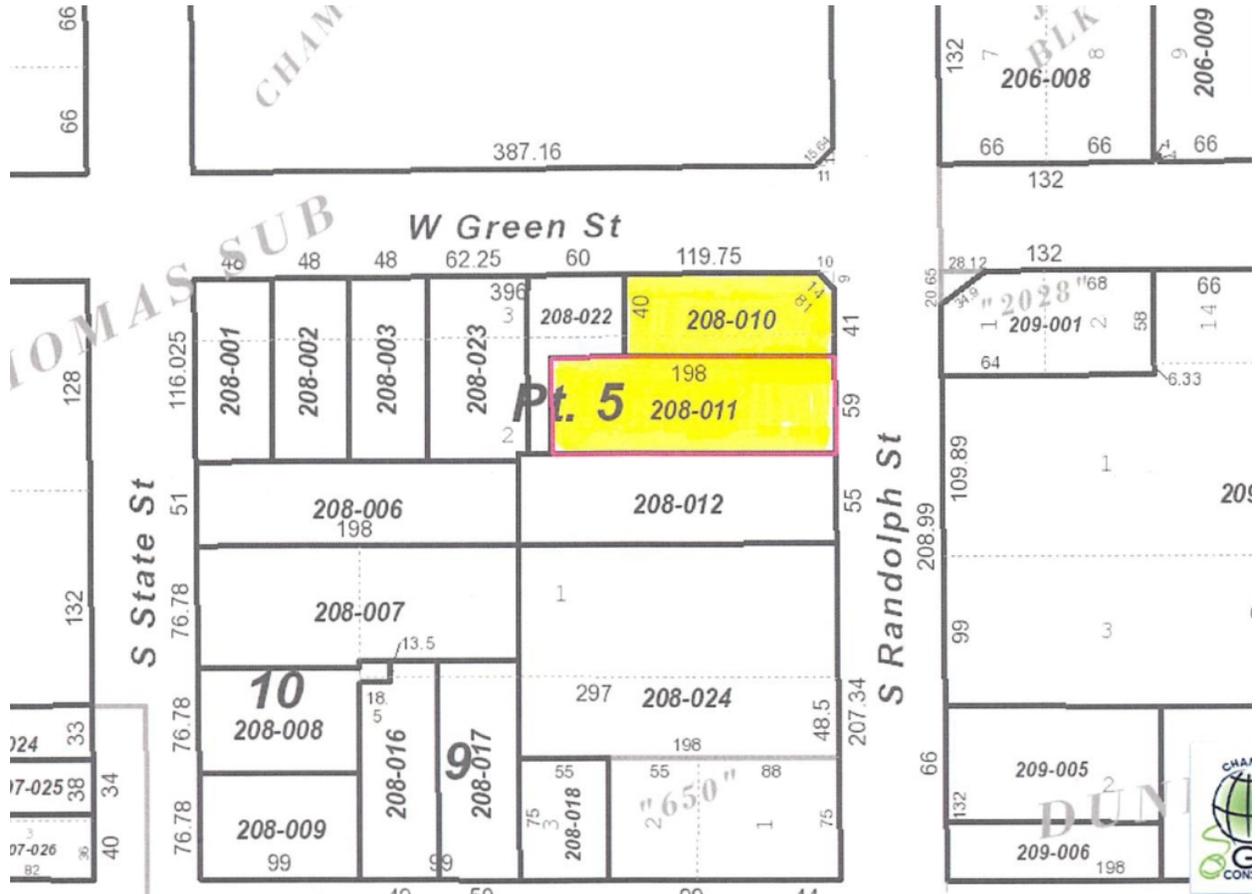
Street Scene Facing South on Randolph Street



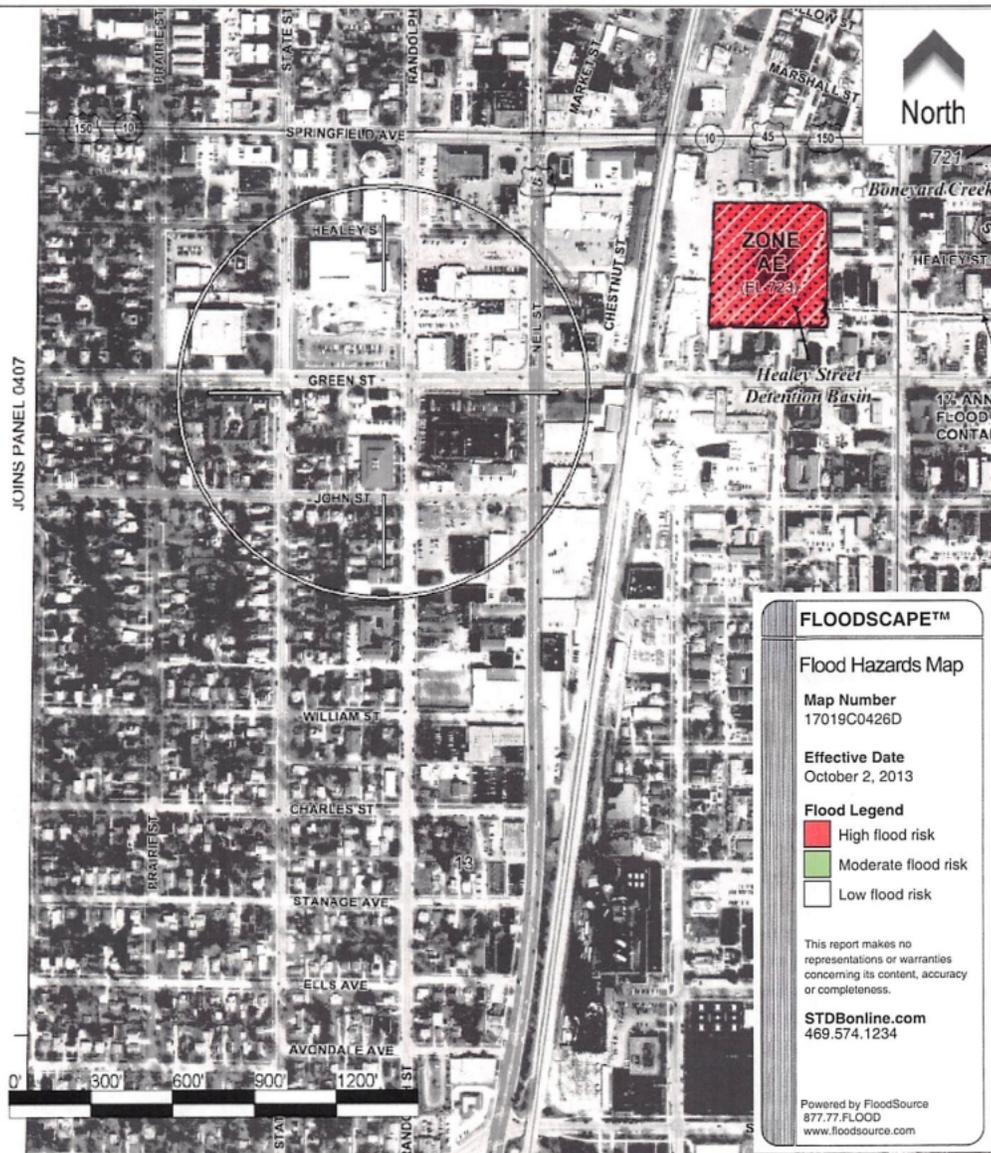
Street Scene Facing North on Randolph Street



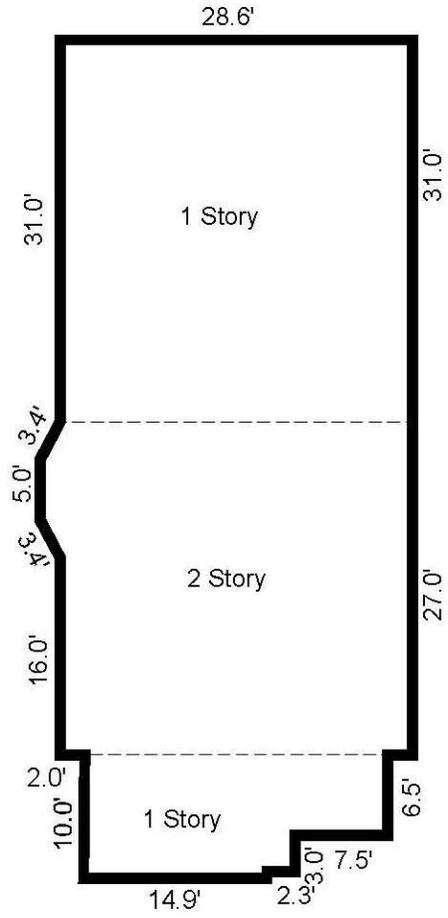
Subject Plat Map



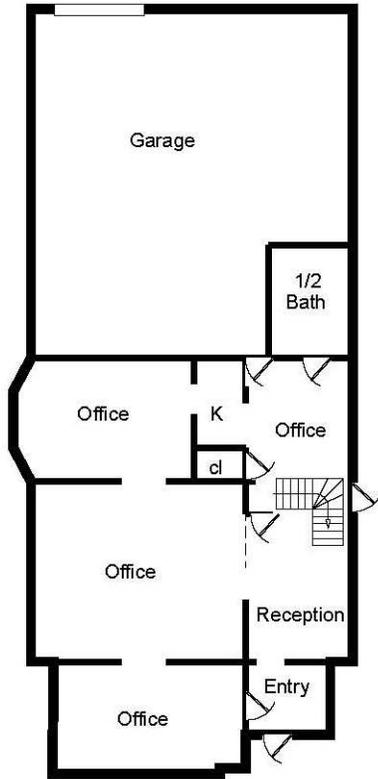
Flood Plain Map



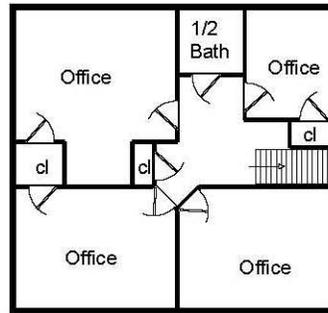
Building Sketch: 603 S. Randolph Street



Floor Plans: 603 S. Randolph Street



1st Floor



2nd Floor

Building Sketch/Floor Plan: 201 W. Green Street

