ST. CHARLES SINCE 1834	**AGENDA ITEM EXECUTIVE SUMMARY**	Agenda Item number:
	Title:	Motion to approve a Resolution Authorizing the Mayor and City Council to Enter into a Certain Annexation Agreement (Bricher Commons PUD – Fourth Amendment – Prairie Winds of St. Charles) Motion to approve an Ordinance Amending Ordinance Nos. 1999-Z-11 and 2006-Z-7 (Bricher Commons PUD) and Granting Approval of a Map Amendment, New Special Use for Planned Unit Development, and PUD Preliminary Plan for Prairie Winds of St. Charles
	Presenter:	Rita Tungare

Meeting: City Council	Date: April 17, 2017	
Proposed Cost:	Budgeted Amount: N/A	Not Budgeted: ☐

Executive Summary (*if not budgeted please explain*)**:**

At the April 10, 2017 meeting, the Planning & Development Committee recommended approval of a Map Amendment for Prairie Winds by a vote of 6-0, and approval of the Prairie Winds PUD by a vote of 4-2, subject to resolution of three outstanding items. Staff offers the following updates regarding the outstanding items:

1. Bricher Road is under the jurisdiction of the City of Geneva. Access locations on Bricher Rd. are subject to an Intergovernmental Agreement between St. Charles and Geneva. Two full access intersections are permitted along the north side of Bricher Rd. to access the property, subject to the review of a traffic impact study by both cities. After reviewing the initial Traffic Impact Study and plans, Geneva requested protected right turn lanes at both site entrances. Since then, the plans were revised to include a right-turn lane into the main site entrance. Staff has provided Geneva with the revised plans and updated Traffic Impact Study. Staff has not yet received a response from Geneva regarding their review of the revised submittals.

2. Park District Land-Cash Contribution:
   a. Private Recreational Amenities – The applicant has requested a credit for private recreational amenities in lieu of public park land to be provided within the development. The Park Board of Commissioners reviewed this request on 4/11/17 and provided a response letter dated 4/13/17 (attached). The Park Board recommended the private amenities not be accepted as a credit in lieu of park land.

      Section 16.10.180 states, "At the option of the City Council, a portion of the public park site requirement may be provided in the form of private recreation areas. The extent of the same shall be determined by the City Council, based upon the needs of the projected residents, the extent to which the private recreation areas are available for use by the residents of the subdivision, and available park land in the general area."

   b. Per-Acre Land Value – The applicant has submitted an objection to the per-acre land value set in Section 16.10.090 of the City Code. Prior to the P&D Committee meeting, the City Attorney determined the appraisal submitted is not sufficient to support the request for a reduction in the per-acre land value, since the appraisal did not show the fair market value of *improved* land. On Thursday afternoon, the applicant submitted supplemental information to the appraisal. The information included a listing of single-family residential lots for sale in the area. After a cursory review by staff, it appears that a majority of the properties are unincorporated and do not meet the City's definition of improved land, as they are not connected to public utilities. Staff is working with the City Attorney to review this information.

Attachments (*please list*)**:**

Letter from Park District dated 4/13/17; Objection to Per Acre Land Value; Supplement to Appraisal; Annexation Agreement w/ PUD Ordinance

Recommendation/Suggested Action (*briefly explain*)**:**

Staff recommends a vote on the Prairie Winds project to be postponed to a future City Council meeting until the above outstanding items are resolved. The PUD Ordinance is in incomplete form because of the unresolved items, which are highlighted in yellow. This ordinance is an attachment to the Annexation Agreement.

ST. CHARLES PARK DISTRICT
101 South Second Street • St. Charles, IL 60174 • Ph: 630-584-1055 • Fax: 630-584-1396 • stcparks.org

April 13, 2017

Mayor Ray Rogina
St. Charles City Council Members
City of St. Charles
2 E. Main Street
St. Charles, Il 60174

Dear Mayor Rogina and City Council Members,

On Monday, April 10, 2017 we were made aware, via the City of St. Charles website, that the developer for Prairie Winds, LLC, had submitted an objection to the per-acre land value set in the City Code along with an appraisal for unimproved land. The City responded to the applicant requiring another appraisal to be performed assuming improved land which is due by noon on Thursday, the last business day prior to the three day holiday weekend and the City Council meeting on Monday, April 17, 2017.

Section 16.10.090 (C) states that while the fair market value of the land shall be decided by the City Council, other information may be submitted by the Park District. The Park District wants to have a voice and provide input in this process as it could significantly impact the open space and recreational opportunities for this development and the projects currently in this process or soon to be. However, with the expedited pace that this project has been moved through the City process, we have not been able to provide fact based responses or comparisons.

The above topic has been discussed by the Park Board of Commissioners as well as a second request made by Prairie Winds, LLC; private amenities receiving credit towards the Land Cash Ordinance. The City Code 16.10.180 states that a portion of the public park site requirement may be provided in the form of private recreation areas. The extent of which shall be determined by the City Council, *based upon the needs of the projected residents* and available park land in the general area.

As a Park District, we understand the recreational needs of the community we serve every day; in fact, we are experts in the field of parks and recreation. Allowing a residential developer the opportunity to design and receive credit for park space simply designated on a site plan does not thoughtfully consider or meet the recreational needs of the future residents. This, combined with a yet to be determined decrease in the per

acre land value, creates a situation that the St. Charles Park District does not believe is in the best interest of the future residents of this development and the community as a whole.

The residents of St. Charles are fortunate to have abundant opportunity for recreation and access to public open space. It speaks to the quality of life in this community and ranks extremely high in every survey conducted. Well planned and appropriately sized amenities contribute to resident favorability and should be considered when developing a park or placing a value on park land.

It is the Park Board of Commissioner's recommendation that the square footage of private amenities proposed within Prairie Winds, LLC, not be counted towards the 5.28 acres or cash in lieu calculated on the Park Land Worksheet. Furthermore, it is requested that acceptance of a second appraisal for improved land by the City Council for the purpose of decreasing the land value dollar amount be delayed until the Park District has the opportunity to complete an accurate review of the proposed appraisal and provide an appraisal of our own for discussion purposes.

As stated earlier, we want to offer guidance and perspective in this process as it relates to public recreation and open space. The decisions made regarding this development could negatively impact the quality of life in Prairie Winds and in future developments currently in the planning stages.

Thank you for your consideration,

Bob Carne

Bob Carne
President, St. Charles Park Board of Commissioners

cc: St. Charles Park Board of Commissioners
Holly Cabel, Director of Parks and Recreation
Laura Rudow, Superintendent of Parks and Planning

LAW OFFICES
HOSCHEIT, MCGUIRK, MCCRACKEN & CUSCADEN, P.C.
1001 EAST MAIN STREET, SUITE G
SAINT CHARLES, ILLINOIS 60174-2203

JOHN J. HOSCHEIT
JOHN M. MCGUIRK
KATE L. MCCRACKEN
DOUGLAS R. CUSCADEN

TELEPHONE: 630.513.8700
FACSIMILE: 630.513.8799

April 5, 2017

Mr. Andrew Kolb
Vanek, Larson & Kolb LLC
200 W. Main St.
St. Charles, IL 60174

Re: Prairie Winds of St. Charles – Notice of Objection to Fair Market Value under City Code Section 16.10.090

Dear Mr. Kolb,

The City is in receipt of your letter dated March 17, 2017 objecting to the fair market value of land established under the City's School and Park Land Cash Dedication Ordinance (City Code Title 16, "Subdivisions and Land Improvement," Chapter 16.10 "Dedications", Section 16.10.090 "Amount of Cash Contribution") This request pertains to the current zoning and subdivision requests for the proposed Prairie Winds development on Bricher Road.

Section 16.10.090, Subsection 2, states that a subdivider may file a written objection to the use of the per acre land value established in this section (currently $240,500) by submitting a formal appraisal. An appraisal report dated February 25, 2017 prepared by Joseph J. Blake and Associates, Inc. has been provided. The report indicates that the appraisal was intended to determine the "market value" of the Prairie Winds site (under current zoning). The report establishes a market value of $2.3 million, which equals $112,304 per acre.

Please be advised that Section 16.10.090 states that an objection to the per-acre value shall show "the fair market value of *improved* land in the area of the subdivision." Title 16 of the City of the City Code defines "Improved Land" as: "Land located within a development which has been improved by installation of the required land improvements." Land Improvements are defined as: "Any sanitary sewer, storm sewer and water systems, including all appurtenances thereto, retention and detention basins, grading and surface drainage ways and facilities, curbs, paving, streets, street lighting, sidewalks, street signs, seeding, and tree plantings." The sales comparisons in the appraisal report are for raw land parcels, not improved land.

HMM&C

The appraisal report is not sufficient to support the request for a written objection to the per-acre value under Section 16.10.090, Subjection 2. For the City to further consider this request, an appraisal showing the fair market value of improved land in the area of the subdivision must be submitted for review.

Very truly yours,
Hoscheit, McGuirk, McCracken & Cuscaden, P.C.

John M. McGuirk

JMM:lmk

vlklaw
Vanek, Larson & Kolb LLC

200 W. Main Street
St. Charles, IL 60174
P: 630.513.9800
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www.vlklawfirm.com

Attorneys:
Gary M. Vanek
Scott P. Larson
Andrew E. Kolb
Lindsay K. Sanchez
Brian Stines

Of Counsel:
Lauren Jackson

March 17, 2017

Via Hand Delivery

Mayor Ray Rogina
City Council Members
City of St. Charles
2 E. Main Street
St. Charles, IL 60174

RE: Prairie Winds, LLC
Notice of Objection – Fair Market Value of Land as established by City of St. Charles Municipal Code Section 16.10.090

Dear Mayor Rogina and City Council Members:

We are writing on behalf of our client, Prairie Winds, LLC ("Applicant"), and with respect to its application for development approvals for a proposed multi-family residential development located on 20.48 acres of vacant property located at the intersection of Randall Rd. and Bricher Road in St. Charles (the "Subject Property").

As you know, the Applicant has been working with the City over the course of several months and has personally met with the members of the City Council to resolve the issue of cash donations to the City associated with its zoning approvals. Applicant initially had two concerns regarding the cash in lieu donations: (i) the Inclusionary Housing fee, which has recently been addressed; and (ii) the exorbitant Park District fee, which to date has been the subject of much deliberation but has yet to be resolved. At this point, and after many months of informal discussion, the Applicant is looking for a formal decision on the matter of the Park District fee. In an effort to bring about a final determination of this fee, we are submitting to you this notice of objection with the expectation that this will bring the matter to a final resolution acceptable to all parties involved.

Please allow this letter to serve as notice that in accordance with Section 16.10.900(B) of the Municipal Code of the City of St. Charles, Applicant hereby objects to the use of the per acre value of $240,500.00 per acre as established within Section 16.10.090 of the Municipal code of the City of St. Charles.

In further accordance with Section 16.10.900(B) of the Municipal Code, and in support of its objection, Applicant submits the enclosed appraisal of the Subject Property prepared by Joseph J. Blake and Associates, Inc. (the "Appraisal"). The Appraisal sets the fair market value of the Subject Property at $112,304.00 per acre.

Applicant requests that the City Council use the fair market value as determined in the enclosed Appraisal to calculate the cash in lieu of land dedication requirement for final plat of subdivision approval as set forth in Section 16.10.050. We look forward to your comments.

Respectfully,

Andrew E. Kolb

APPRAISAL OF 20.48-ACRES OF VACANT LAND ON BRICHER ROAD IN SAINT CHARLES, KANE COUNTY, ILLINOIS

Prepared For: Executive Capital
c/o Mr. Jeff Ratzer
Vice President
Big Rock Executive Center
47W210 Route 30
Big Rock, IL 60511

Prepared By: Joseph J. Blake and Associates, Inc.
10 South LaSalle Street, Suite 1140
Chicago, Illinois 60603

Date of Appraisal: February 25, 2017

BLAKE

Joseph J. Blake and Associates, Inc.

Real Estate Valuation and Consulting

10 South LaSalle Street, Suite 1140 | Chicago, Illinois 60603 | Phone: 312-372-1333 | Fax: 312-372-5333 | www.josephjblake.com

March 9, 2017

Executive Capital
c/o Mr. Jeff Ratzer
Vice President
Big Rock Executive Center
47W210 Route 30
Big Rock, IL 60511

Re: Appraisal of the Vacant Land on Bricher Road
Saint Charles, Kane County, IL

Dear Mr. Ratzer:

At your request, we have inspected and appraised the above captioned property as of February 25, 2017. The ensuing appraisal report and our final opinion of fee simple market value have been based upon a personal inspection of the property and upon research into various factors that influence value.

The subject is zoned BR-Regional Business and part of PUD 47 (see Extraordinary Assumptions). It consists of 20.48 acres of vacant land. The property is along Bricher Road on the south. It is just west of Randall Road and one-half mile west of Randall Road and Lincoln Highway. According to the prospective buyer, Mr. Jeff Ratzer, the land is under contract. It is a part of a larger, 32-acre property that will be replatted. The property sale and price are contingent on the property being rezoned to RM3 to allow for a proposed 250+ unit Class A apartment property. However, we have appraised the as is market value of the subject site under current zoning with no contingencies. The subject does not have existing improvements and is currently farmland.

The scope of this assignment involved inspecting the subject and surrounding area, the examination of marketing and exposure times, and land sales data. The ensuing appraisal report has been prepared in conformity with and is subject to the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation (USPAP) appraisal guidelines. Accordingly, the report considers all of the recognized appraisal methods and techniques that materially contribute to a proper valuation of the real property under analysis. The appraisal is subject to the attached Assumptions and Limiting Conditions.

We have performed our services and prepared this report in accordance with applicable, generally accepted appraisal practices. We make no other warranties, either expressed or implied, as to the character and nature of such services and product.

Based on our inspection and analysis of economic trends influential to the property, it is our opinion that the as is market value of the fee simple interest in the 20.48-acre subject site at Bricher Road in the City of Saint Charles, Kane County, Illinois, as of the effective date of the appraisal, February 25, 2017, and subject to the incorporated Assumptions and Conditions and its current zoning, is:

TWO MILLION THREE HUNDRED THOUSAND ($2,300,000) DOLLARS

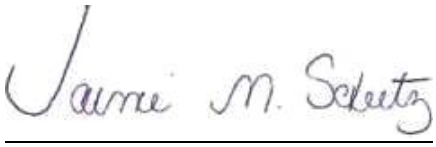
We are of the opinion that a reasonably achievable marketing time for the market value opinion, assuming the property was properly priced and actively marketed, is 12 to 36 months commencing from the effective date of appraisal going forward. We estimate an exposure period of 12 to 36 months preceding the effective date of appraisal, if properly priced and actively marketed.

If you have any questions about this appraisal report, please contact us at your earliest convenience.

Respectfully submitted,

JOSEPH J. BLAKE AND ASSOCIATES, INC.

Michael J. Maglocci, MAI
Managing Partner
Illinois Certified General Real Estate Appraiser No. 553.000119; Expires 09/30/17



Jaime M. Scheetz
Senior Appraiser
Illinois Certified General Real Estate Appraiser No. 553.002450; Expires 09/30/17

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

LOCATION:	Appraisal of the Vacant Land at Bricher Road Saint Charles, Kane County, IL
DESCRIPTION:	20.48-acres
PURPOSE AND INTENDED USE OF THE APPRAISAL:	The purpose of this appraisal report is to provide our opinion of the as is market value of the fee simple interest in the subject as of February 25, 2017 as well as to provide an understanding of the market valuation of raw land in the area. The intended use of this appraisal Executive Capital, in asset management decisions regarding the subject.
PERTINENT DATES	
Effective Date of Appraisal:	February 25, 2017
Date of Report:	March 9, 2017
SITE DATA:	The subject is zoned BR –Regional Business and part of PUD 47 (see Extraordinary Assumptions). It consists of 20.48 acres of vacant land. The property is along Bricher Road on the south. It is just west of Randall Road and one-half mile west of Randall Road and Lincoln Highway. According to the prospective buyer, Mr. Jeff Ratzer, the land is under contract. It is a part of a larger, 32-acre property that will be replatted. The property sale and price are contingent on the property being rezoned to RM3 to allow for a proposed 250+ unit Class A apartment property. However, we have appraised the as is value of the subject site. This property does not have existing improvements and is currently farmland.
ZONING:	BR – Regional Business District (part of PUD 47)
HIGHEST AND BEST USE As Vacant:	Residential Development (As Planned)

FINAL MARKET VALUE OPINION

Market Value of Subject Site:	**$2,300,000**

ASSUMPTIONS AND LIMITNG CONDITIONS

This Appraisal Report is subject to underlying assumptions and limiting conditions qualifying the information contained in the Report as follows:

The valuation estimate applies only to the property specifically identified and described in the Report.

Information and data contained in the Report, although obtained from public record and other reliable sources, and, where possible, carefully checked by the appraisers, is accepted as satisfactory evidence upon which rests the final expression of property value.

The appraisers have made no legal survey, nor have they commissioned one to be prepared and, therefore, reference to a sketch, plat, diagram, or previous survey appearing in the Report is only for the purpose of assisting the reader to visualize the property.

It is assumed that all information known to the client and relative to the valuation has been accurately furnished and that there are no undisclosed leases, agreements, liens, or other encumbrances affecting the use of the property.

Ownership and management are assumed to be competent and in responsible hands.

No responsibility beyond reasonableness is assumed for matters of a legal nature, whether existing or pending.

The appraisers, by reason of this Appraisal, shall not be required to give testimony as expert witnesses in any legal hearing or before any Court of Law unless justly and fairly compensated for such services.

By reason of the Purpose of the Appraisal and Function of the Report herein set forth, the value reported is only applicable to the Property Rights Appraised and the Appraisal Report should not be used for any other purpose.

Disclosure of the contents of this Appraisal Report is governed by the Bylaws and Regulations of the Appraisal Institute.

Neither all nor any part of the contents of this Report (especially any conclusions as to value, the identity of the appraisers, or the firm with which they are connected, or any reference to the Appraisal Institute or to the MAI Designation) shall be reproduced for dissemination to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without the prior consent and written approval of the appraisers.

The appraisers have not been furnished with soil or subsoil tests. In the absence of soil boring tests, it is assumed that there are no unusual subsoil conditions or, if any do exist they can be or have been corrected through the use of modern construction techniques at a reasonable cost.

This appraisal is based on the conditions of local and national economies, purchasing power of money, and financing rates prevailing at the effective Date of Appraisal.

The appraisers are not engineers, and any references to physical property characteristics in terms of quality, condition, cost, suitability, soil conditions, flood risk, obsolescence, etc., are strictly related to their economic impact on the property. No liability is assumed for any engineering-related issues.

Unless otherwise stated in this report, the existence of hazardous material that may or may not be present on the property was not observed by the appraiser. 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.

Toxic and hazardous substances, if present within a facility, can introduce an actual or potential liability that may adversely affect marketability and value. Such affect may be in the form of immediate clean-up expense or future liability of clean-up costs (stigma). In the development of our opinion of value, no consideration was given to such liability or its impact on value. The client releases Joseph J. Blake and Associates from any and all liability related in any way to environmental matters.

Possession of this report or a copy thereof does not imply right of publication, nor use for any purpose by any other than the client to whom it is addressed, without the written consent of the authors.

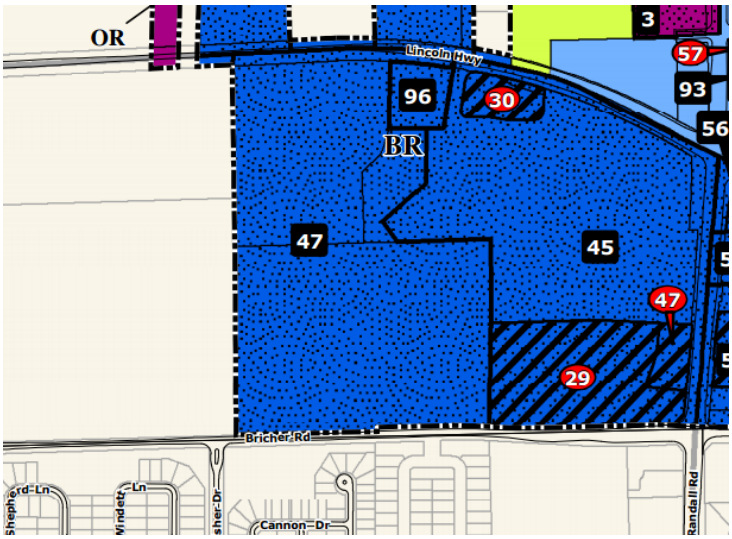
The liability of Joseph J. Blake and Associates, Inc., and its employees is limited to the client, Executive Capital. The intended user of this appraisal report is Executive Capital. Third parties, who desire us to prepare appraisals of the subject property for their use, should contact Joseph J. Blake and Associates, Inc. at 10 South LaSalle Street, Suite 1140, Chicago, Illinois 60603.

Cash flow projections are forecasts of estimated future operating characteristics and are based on the information and assumptions contained within the appraisal report. The achievement of the financial projections and prospective values will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may well vary from the projections contained herein. The appraisers do not warrant that these forecasts and prospective values will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of the appraisers.

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 for the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of the ADA in estimating the value of the property.

Extraordinary Assumptions

The subject is zoned BR –Regional Business and part of PUD 47. The zoning has been obtained from the Saint Charles zoning map. See below. The property is contingent on the property being rezoned to RM3 to allow for a proposed 250+ unit Class A apartment property. However, we have appraised the as is value of the subject site. This property does not have existing improvements and is currently farmland. According to the prospective buyer, the property will be replatted as it is currently part of a larger parcel of land. We assume that the zoning as noted above is correct and that it will be replatted without delay.



The property is currently being farmed by one tenant. We were not provided with the lease but were informed that it is a short term lease. As such, we have appraised the fee simple value of the subject.

As of the date of this report, we have not received a soils report, survey, engineering study or an environmental report. Therefore, it is assumed that the property is not encumbered by any easements, deed restrictions, environmental or wetlands/soils deficiencies that would negatively affect the value of the property.

The site size of 20.48 acres was provided by the prospective buyer and confirmed by the purchase contract. We received a plat of a topographic survey of the larger, 32-acre site that was performed by Engineers Scientists Surveyors in October 2016 (project number 16262). As such, we have used 20.48-acres in our analysis. In addition, the subject has not been legally subdivided. We assume that this will occur in a timely fashion with no delays and at a minimal cost.

The use of these extraordinary assumptions might have affected the assignment results.

CERTIFICATION

I, Jaime M. Scheetz, certify that:

-- I have made a personal inspection of the property that is the subject of this report.

-- all market data pertaining to the final value estimate has been accumulated from various sources and, where possible, personally examined and verified as to details, motivation and validity.

I, Michael J. Maglocci, MAI, certify that:

-- I have not made a personal inspection of the subject property.

-- I have reviewed the analyses, conclusions, and opinions concerning real estate contained in this report and fully concur with the final value estimate herein expressed.

-- the Appraisal Institute conducts a program of continuing education for its designated members. MAIs who meet the minimum standards of this program are awarded periodic educational certification.

-- as of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.

We, Michael J. Maglocci and Jaime M. Scheetz, certify that:

-- 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 our personal, impartial, and unbiased professional analyses, opinions, and conclusions.

-- we have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.

-- we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

-- our engagement in this assignment was not contingent upon developing or reporting predetermined results.

-- our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

-- the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

-- we are professionally competent to perform this appraisal assignment by virtue of previous experience with similar assignments and/or appropriate research and education regarding the specific property type being appraised.

-- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice (USPAP).

-- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

-- no one provided significant real property appraisal assistance to the persons signing this certification.

-- we have not previously appraised this property in the three years immediately prior to the date of acceptance of this assignment. We have not provided any other services relating to the subject property in the three years immediately prior to the date of acceptance of this assignment.

CERTIFICATION

Based on our inspection and analysis of economic trends influential to the property, it is our opinion that the as is market value of the fee simple interest in the 20.48-acre subject site at Bricher Road in the City of Saint Charles, Kane County, Illinois, as of the effective date of the appraisal, February 25, 2017, subject to the incorporated Assumptions and Conditions and subject to the existing zoning, is:

TWO MILLION THREE HUNDRED THOUSAND ($2,300,000) DOLLARS

We are of the opinion that a reasonably achievable marketing time for the market value opinion, assuming the property was properly priced and actively marketed, is 12 to 36 months commencing from the effective date of appraisal going forward. We estimate an exposure period of 12 to 36 months preceding the effective date of appraisal, if properly priced and actively marketed.

JOSEPH J. BLAKE AND ASSOCIATES, INC.

Michael J. Maglocci, MAI
Managing Partner
Illinois Certified General Real Estate Appraiser No. 553.000119; Expires 09/30/17

Jaime M. Scheetz
Senior Appraiser
Illinois Certified General Real Estate Appraiser No. 553.002450; Expires 09/30/17

IDENTIFICATION OF SUBJECT PROPERTY

The subject is zoned BR-Regional Business and part of PUD 47 (see Extraordinary Assumptions). It consists of 20.48 acres of vacant land. The property is along Bricher Road on the south. It is just west of Randall Road and one-half mile west of Randall Road and Lincoln Highway. It is a part of a larger, 32-acre property that will be replatted. The pending sale and purchase price are contingent on the property being rezoned to RM3 to allow for a proposed 250+ unit Class A apartment property. However, we have appraised the as is value of the subject site under current zoning and no contingencies. The subject does not have existing improvements and is currently farmland.

As of the effective date of appraisal, the Kane County Assessor's Office identifies the subject with the following parcel numbers:

14-12-16-200-010 & 14-12-16-216-400-005

LEGAL DESCRIPTION

The legal description of the property was provided by the prospective buyer and is found in the site description section of the report. We have not commissioned a survey, nor have we had one verified by legal counsel. Therefore, before being used for any other purpose, we suggest the legal descriptions be verified by legal counsel.

PURPOSE, CLIENT, INTENDED USER AND USE OF THE APPRAISAL

The purpose of this appraisal report is to provide our opinion of the as is market value of the fee simple interest in the subject as of February 25, 2017 under its existing zoning without contingencies as well as to provide an understanding of the market valuation of raw land in the area. The intended use of this appraisal report is to assist the client and sole intended user, Executive Capital, with asset management decisions regarding the subject.

EFFECTIVE DATE OF APPRAISAL/INSPECTION/ANALYSIS/REPORT

The appraisal report with its analysis, conclusions, and final opinion of market value, is specifically applicable to the effective date of appraisal: February 25, 2017. The date of the analysis is February 25, 2017. The property was last inspected February 25, 2017. The date of this report is March 9, 2017.

PROPERTY RIGHTS APPRAISED

The subject is appraised on the basis of a fee simple estate, which is defined as:

"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 MARKET VALUE

Market value, as defined under the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), is:

"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 they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."[2]

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1 The Dictionary of Real Estate Appraisal, Fifth Edition (Appraisal Institute 2010), page 78.
2 (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994) The Dictionary of Real Estate Appraisal, Fifth Edition, (Appraisal Institute 2010), Pages 122-123.

SCOPE OF THE APPRAISAL

The three most widely accepted approaches to value, the Cost Approach, Income Capitalization Approach, and Sales Comparison Approach were considered, but only the Sales Approach was employed.

The Cost Approach derives market value by establishing the land value of the vacant and unimproved parcel(s) and then adds the depreciated cost of any infrastructure improvements to come to value conclusion. This technique was not is used, because it makes a direct correlation between value and cost which can be unreliable. In particular, the Cost Approach is unable to account for low cost and less tangible contributors to a subdivisions value, such as an annexation agreement and platted and engineered sites. In this case, it is inherently unreliable and unnecessary to determining a credible value opinion.

The Income Capitalization Approach is not applicable to residential land in this market as there is no significant leased fee land market.

The Sales Approach is the most direct and effective means by which to establish a land value opinion and was the Approach most necessary to deriving a credible value opinion of the subject.

The scope of this assignment entails the collection, verification and analysis of data pertinent to the Sales Comparison Approach. Market data compiled for this report include a variety of land sales. This data is a result of research specific to the state of Illinois and the regional area and is considered pertinent to the subject. The data has been verified by buyers, sellers, brokers, managers, government officials or other sources regarded as knowledgeable and reliable.

Information specific to the subject, such as descriptive information, zoning and tax records were derived from public records and from discussions with the prospective buyer and is assumed to be correct. The information appeared reliable, based on an inspection of the property.

Specific estimates concerning prices per square foot, highest and best use conclusions, etc., reflect the judgment of the Appraisers based on interpretation of the market data. The reasoning behind such estimates is illustrated throughout the Sales Comparison Approach.

HISTORY OF THE SUBJECT

According to the prospective buyer, Mr. Jeff Ratzer, the land is under contract. It is a part of a larger, 32-acre property that will be replatted. The property sale and price are contingent on the property being rezoned to RM3 to allow for a proposed 250+ unit Class A apartment property.

To the best of our knowledge, there have been no other ownership transfers, sales or listings of the subject parcels over the five-year period prior to the effective date of this appraisal other than the current contract.

EXPOSURE TIME AND MARKETING PERIOD

Implicit in a market value estimate is the condition that "a reasonable time is allowed for exposure in the open market." In a statement issued by the Appraisal Standards Board (ASB) of the Appraisal Foundation, it was noted that reasonable exposure time is presumed to precede the effective date of value. Exposure time is defined as follows: "the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market."[3]

Marketing time is defined as "an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal." [4]

The subject consists of a land parcel encompassing 20.48-acres. It is currently vacant and being used as farmland.

The PWC Real Estate Investor Survey for the National Development Land Market, 4[t] Quarter 2016, states the typical time a development land parcel is on the market prior to selling ranges from 3 to 36 months and averages 16 months. However, the subject's neighborhood is in the growth stage of its economic life cycle with no significant sources of external obsolescence noted (other than the weakened economy and reduced effective demand for ownership housing over the short term).

Considering the subject's location and the current weak economic conditions, a projected marketing time of 12 to 36 months commencing from the date of appraisal going forward and an exposure period of 12 to 36 months preceding the date of appraisal is estimated**.**

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3 The Dictionary of Real Estate Appraisal, Fifth Edition, (Appraisal Institute 2010), Page 73
4 The Dictionary of Real Estate Appraisal, Fifth Edition, (Appraisal Institute 2010), Page 121

AREA ANALYSIS

The dynamic nature of economic relationships in a market area has a direct bearing on real estate values and the long-term quality of a real estate investment. In the market, the value of real estate property is not based on the historical acquisition prices paid for the property in the past nor the cost of its creation. Thus, the value of real estate property is based on what economic benefit buyers and sellers perceive it will provide in the future based on the Principle of Anticipation. Consequently, the attitude of the market toward a property in a specific neighborhood or market area reflects the probable future trend of that area.

The subject is in Saint Charles, Kane County, IL. Due to its effect on the subject market, a description of the Chicago metropolitan area is provided. The Chicago-Naperville-Joliet, IL-IN-WI Metropolitan Statistical Area (MSA), the third largest MSA in the United States, is at the western foot of Lake Michigan.

The area analysis on the following pages is reprinted with permission from *Moody's* Economy.com.

MOODY'S ANALYTICS

CHICAGO-NAPERVILLE-ARLINGTON HEIGHTS IL

Data Buffet® MSA code: IUSA_DMCHI

ECONOMIC DRIVERS

FINANCIAL CENTER | LOGISTICS | TOURIST DESTINATION

EMPLOYMENT GROWTH RANK

2015-2017	2015-2020
251	260
4th quintile	4th quintile

Best=1, Worst=408

RELATIVE COSTS

LIVING	BUSINESS
98%	99%

U.S.=100%

VITALITY

RELATIVE	RANK
93%	224

U.S.=100% Best=1, Worst=401

BUSINESS CYCLE STATUS

- Expansion
- » RECOVERY «
- At Risk
- Moderating Recession
- In Recession

STRENGTHS & WEAKNESSES

STRENGTHS

- Major business, distribution, transportation and financial center.
- Huge talent pool; strong roster of well-regarded educational institutions.
- Budding high-tech center in River North neighborhood.

WEAKNESSES

- State and local budgetary pressures.
- Below-average population growth.
- High crime rate.

FORECAST RISKS

SHORT TERM ↓ | LONG TERM ↓

RISK EXPOSURE 2016-2021 **268** 4th quintile *Highest=1 Lowest=401*

UPSIDE

- More firms seek headquarters downtown.
- Retail bounces back with even more gusto.
- Support from housing is greater.

DOWNSIDE

- City of Chicago's budget troubles worsen.
- Apartment glut develops.
- High crime rate deters would-be in-migrants.
- More convention business is siphoned off to other cities.

MOODY'S RATING

A2 COUNTY AS OF JUN 03, 2016

ANALYSIS

Recent Performance. The Chicago-Naperville-Arlington Heights economy is making some progress, but fiscal headwinds, manufacturing weakness and population losses are sapping its momentum. Job growth has softened markedly since midyear, and the performance gap with the nation has widened. Service industries are responsible for all net new jobs in the past six months, with professional/business services mounting a respectable rebound after stumbling earlier in the year. Comebacks are few and far between, but other bright spots exist. Although housing has not healed as much as it has elsewhere, single-family house price growth is on the upswing, according to the Case-Shiller index.

Visitors. Leisure/hospitality will contribute an outsize share of the projected rise in employment over the next several years. Tourism is helping: The summer season brought with it an influx of visitors to the city's hotels, restaurants, recreation facilities and entertainment venues. Leisure/hospitality is on track to create one-third of all net new jobs in the Windy City in 2016 and almost one in five next year.

Thanks in part to increasing passenger traffic, Chicago O'Hare Airport's construction program is in the midst of a resurgence. The city this year announced a new $1.3 billion investment at O'Hare, including a new international runway and other airfield projects. Major airlines have agreed to build up to nine new gates, and there are plans to revamp Terminal 2. Improved on-time performance and expanded capacity would buoy tourism and job growth in transportation. Given CHI's demographic challenges, this would be a welcome development.

Manufacturing. A meaningful pickup in factory payrolls is not in the cards for the Windy City. Fabricated metal and food processing, CHI's two largest manufacturing industries, have been stable this year, but machinery producers are struggling with weak business investment. The slide in machinery manufacturing payrolls has dragged CHI factory employment to a new low. Leading indicators merit cautious optimism that a turn in the inventory cycle will help keep losses in check in the near term. The private workweek has stopped declining and firms that provide temporary help have added to payrolls since March, both good signs for manufacturing. Longer term, however, factories will lose prominence as more producers automate processes, cut costs, and relocate outside the U.S.

Public finances. Repeated credit downgrades will harm the economic climate in the Midwest's largest metro area. Illinois remains mired in a budget impasse that has resulted in only a temporary spending plan to fund operations through December. The fiscal crisis is bearing down on the City of Chicago in particular, where shaky state and local finances threaten public sector payrolls, especially in education. Moody's Investors Service in September dropped the Chicago Public Schools further into junk and maintained a negative outlook. The downgrade reflects the district's reliance on expensive short-term borrowing and its deepening structural deficit. Over the next four years, Chicagoans will be hit with more than $755 million in tax and fee increases to pay into the city's underfunded pension systems. One silver lining is that the district averted a looming teacher strike after reaching a tentative four-year deal with union leaders.

Chicago-Naperville-Arlington Heights will carry the state's load, but the near-term forecast is more pessimistic. Job gains in private services will be minimal, with some added lift from construction. CHI is well-positioned for long-term success thanks to its talent pool, institutions and infrastructure, but poor fiscal conditions are a significant challenge.

Sarah Crane *1-866-275-3266*
October 2016 *help@economy.com*

2010	2011	2012	2013	2014	2015	INDICATORS	2016	2017	2018	2019	2020	2021
397.0	403.2	412.5	411.4	416.8	427.8	Gross metro product (C09$ bil)	433.6	444.3	455.1	464.0	470.3	477.7
0.4	*1.6*	*2.3*	*-0.3*	*1.3*	*2.6*	*% change*	*1.4*	*2.5*	*2.4*	*2.0*	*1.4*	*1.6*
3,367.7	3,414.2	3,466.3	3,524.2	3,583.6	3,652.2	Total employment (ths)	3,701.9	3,744.5	3,785.9	3,827.4	3,851.2	3,859.7
-1.0	*1.4*	*1.5*	*1.7*	*1.7*	*1.9*	*% change*	*1.4*	*1.2*	*1.1*	*1.1*	*0.6*	*0.2*
10.6	10.1	9.4	9.3	7.2	5.9	Unemployment rate (%)	5.7	4.7	4.3	4.1	4.1	4.5
2.1	4.7	5.4	1.6	4.9	4.2	Personal income growth (%)	3.7	5.4	5.3	4.9	4.0	3.7
58.1	58.0	58.8	60.1	61.2	62.5	Median household income ($ ths)	65.7	68.1	70.6	73.0	75.1	77.1
7,270.9	7,295.4	7,319.2	7,339.9	7,347.3	7,340.5	Population (ths)	7,350.7	7,361.9	7,372.4	7,382.3	7,390.5	7,398.9
0.4	*0.3*	*0.3*	*0.3*	*0.1*	*-0.1*	*% change*	*0.1*	*0.2*	*0.1*	*0.1*	*0.1*	*0.1*
-17.8	-19.3	-19.3	-16.8	-31.4	-39.4	Net migration (ths)	-28.0	-27.2	-28.0	-28.7	-30.2	-29.8
2,169	2,427	3,120	4,090	4,435	4,467	Single-family permits (#)	3,906	7,376	11,098	12,743	11,838	11,710
2,369	2,855	3,127	3,782	6,879	7,129	Multifamily permits (#)	7,882	7,303	9,368	9,815	9,036	9,201
162.8	152.4	148.1	150.6	158.4	165.7	FHFA house price (1995Q1=100)	171.9	179.7	185.5	189.1	193.8	199.9

PRÉCIS® U.S. METRO MIDWEST » Chicago-Naperville-Arlington Heights IL

ECONOMIC HEALTH CHECK

3-MO MA

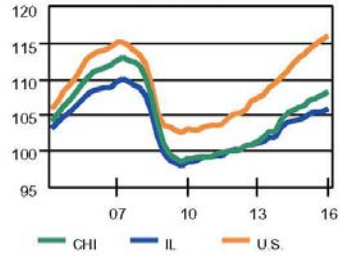
	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16
Employment, change, ths	7.4	6.8	4.2	2.3	1.0	1.6
Unemployment rate, %	6.3	6.3	6.2	5.9	5.6	5.4
Labor force participation rate, %	66.4	66.7	66.9	66.8	66.6	66.4
Employment-to-population ratio, %	62.3	62.5	62.7	62.8	62.8	62.8
Average weekly hours, #	34.1	34.4	34.4	34.4	34.3	34.4
Industrial production, 2007=100	102.2	102.0	102.3	102.6	102.7	102.8
Residential permits, single-family, #	4,485	4,357	4,195	4,176	4,583	4,700
Residential permits, multifamily, #	8,598	7,422	4,342	8,266	8,260	10,365

Better than prior 3-mo MA | Unchanged from prior 3-mo MA | Worse than prior 3-mo MA

Sources: BLS, Census Bureau, Moody's Analytics

BUSINESS CYCLE INDEX

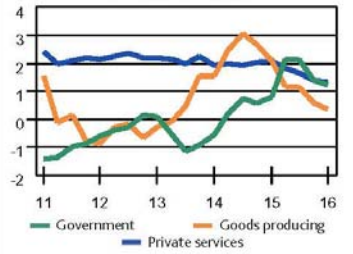
JAN 2002=100



Source: Moody's Analytics

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO



Sources: BLS, Moody's Analytics

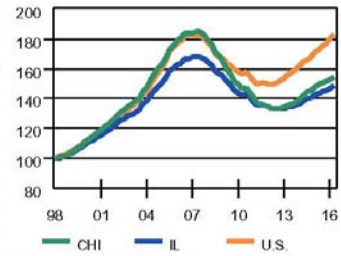
% CHANGE YR AGO, 3-MO MA

	Jan 16	May 16	Sep 16
Total	1.6	1.6	1.2
Mining	6.5	0.1	-2.8
Construction	4.2	3.3	4.4
Manufacturing	-0.3	-0.5	-1.3
Trade	0.9	1.0	0.1
Trans/Utilities	0.6	0.4	-0.2
Information	2.7	0.3	-1.3
Financial Activities	1.2	0.3	-1.0
Prof & Business Svcs.	0.1	1.5	1.8
Edu & Health Svcs.	2.4	2.0	1.2
Leisure & Hospitality	5.1	4.8	4.6
Other Services	0.8	0.8	2.7
Government	2.2	1.7	1.2

Sources: BLS, Moody's Analytics

HOUSE PRICE

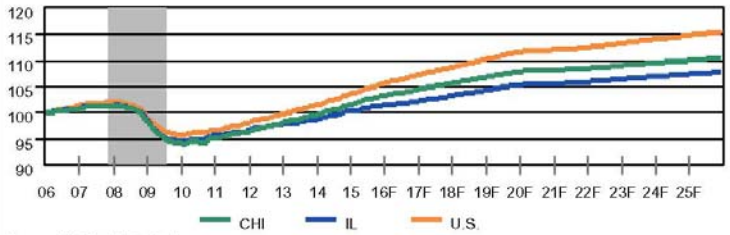
1998Q1=100, NSA



Sources: FHFA, Moody's Analytics

RELATIVE EMPLOYMENT PERFORMANCE

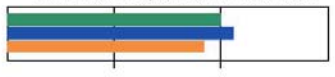
JAN 2006=100



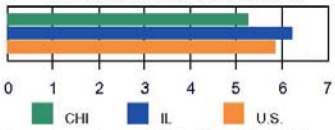
Sources: BLS, Moody's Analytics

VACANCY RATES

HOMEOWNER, % HOUSES FOR SALE



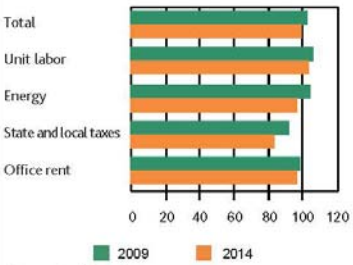
RENTAL, % INVENTORY FOR RENT



Sources: Census Bureau, ACS, Moody's Analytics, 2015

BUSINESS COSTS

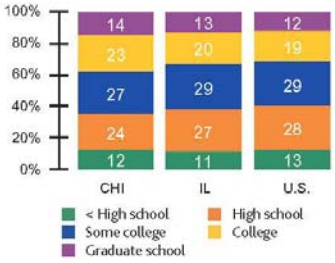
U.S.=100



Source: Moody's Analytics

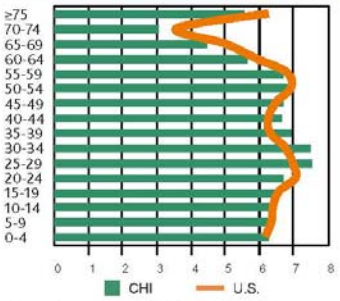
EDUCATIONAL ATTAINMENT

% OF ADULTS 25 AND OLDER



Sources: Census Bureau, Moody's Analytics, 2015

POPULATION BY AGE, %



Sources: Census Bureau, Moody's Analytics, 2015

MOODY'S ANALYTICS / Précis® U.S. Metro / Midwest / October 2016 29

PRÉCIS® U.S. METRO MIDWEST » Chicago-Naperville-Arlington Heights IL

EMPLOYMENT & INDUSTRY

TOP EMPLOYERS

Advocate Health Care System	18,556
University of Chicago	16,025
JPMorgan Chase & Co.	15,015
Northwestern Memorial Healthcare	14,550
Walgreen Co.	14,528
United Continental Holdings Inc.	14,000
AT&T	13,000
Presence Health	11,279
Chicago Transit Authority	11,031
University of Illinois	10,100
Abbott Laboratories	10,000
Jewel-Osco Stores	9,572
Northwestern University	9,265
Health Care Service Corp.	9,000
American Airlines	8,700
Rush University Medical Center	7,765
Allstate Insurance Co.	7,759
Wal-Mart Stores Inc.	7,620
Archdiocese of Chicago	7,376
Exelon Corp.	7,052

Source: Crain's Chicago, 2015

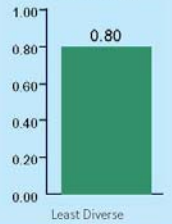
PUBLIC

Federal	44,603
State	41,623
Local	335,452

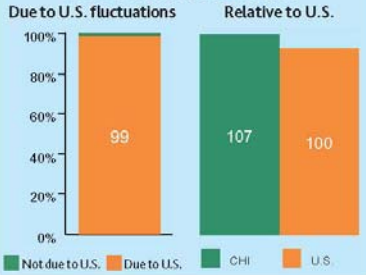
2015

INDUSTRIAL DIVERSITY

Most Diverse (U.S.)



EMPLOYMENT VOLATILITY



MIGRATION FLOWS

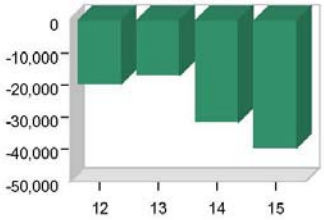
INTO CHICAGO IL

	Number of Migrants
Elgin IL	16,332
Lake County IL	13,469
Gary IN	6,089
New York NY	4,000
Los Angeles CA	2,112
Milwaukee WI	2,034
Phoenix AZ	2,011
Rockford IL	1,890
Minneapolis MN	1,731
Atlanta GA	1,625
Total in-migration	*136,797*

FROM CHICAGO IL

Elgin IL	20,218
Lake County IL	16,136
Gary IN	9,410
Austin TX	4,158
Phoenix AZ	4,156
New York NY	3,610
Houston TX	3,418
Los Angeles CA	3,338
Atlanta GA	3,325
Dallas TX	3,198
Total out-migration	*190,766*
Net migration	**-53,969**

NET MIGRATION,



	2012	2013	2014	2015
Domestic	-40,413	-40,504	-59,170	-67,203
Foreign	21,123	23,668	27,711	27,840
Total	-19,290	-16,836	-31,459	-39,363

Sources: IRS (top), 2014, Census Bureau, Moody's Analytics

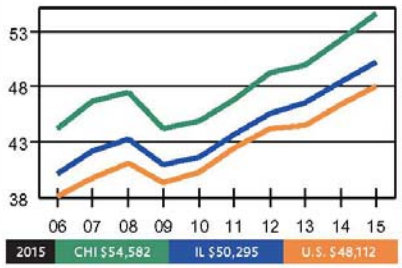
COMPARATIVE EMPLOYMENT AND INCOME

Sector	% of Total Employment			Average Annual Earnings		
	CHI	IL	U.S.	CHI	IL	U.S.
Mining	0.0%	0.2%	0.5%	$63,215	$46,418	$120,418
Construction	3.4%	3.6%	4.5%	$79,015	$67,485	$61,574
Manufacturing	7.7%	9.8%	8.7%	$83,464	$88,212	$79,044
Durable	*57.8%*	*60.0%*	*63.0%*	*nd*	*$83,886*	*$80,519*
Nondurable	*42.2%*	*40.0%*	*37.0%*	*nd*	*$94,731*	*$76,577*
Transportation/Utilities	5.1%	4.8%	3.8%	$65,417	$69,232	$65,923
Wholesale Trade	5.3%	5.1%	4.1%	$99,229	$92,270	$82,045
Retail Trade	9.7%	10.3%	11.0%	$34,365	$33,679	$33,469
Information	2.0%	1.7%	1.9%	$106,131	$85,340	$107,082
Financial Activities	6.9%	6.4%	5.7%	$71,054	$58,799	$52,630
Prof. and Bus. Services	18.5%	15.4%	13.9%	$79,893	$72,446	$65,291
Educ. and Health Services	15.7%	15.1%	15.5%	$53,907	$52,214	$52,394
Leisure and Hosp. Services	9.8%	9.7%	10.7%	$29,705	$28,189	$26,315
Other Services	4.4%	4.2%	4.0%	$41,384	$39,303	$35,748
Government	11.5%	13.9%	15.5%	$81,933	$75,695	$73,979

Sources: Percent of total employment — BLS, Moody's Analytics, 2015, Average annual earnings — BEA, Moody's Analytics, 2014

PER CAPITA INCOME

$ THS



Sources: BEA, Moody's Analytics

HIGH-TECH EMPLOYMENT

	Ths	% of total
CHI	180.9	5.0
U.S.	6,767.6	4.8

HOUSING-RELATED EMPLOYMENT

	Ths	% of total
CHI	317.2	8.7
U.S.	13,151.2	9.3

Source: Moody's Analytics, 2015

LEADING INDUSTRIES BY WAGE TIER

	NAICS	Industry	Location Quotient	Employees (ths)
HIGH	5511	Management of companies & enterprises	1.3	72.6
	5415	Computer systems design & related srvcs.	1.4	63.8
	5416	Mgmnt., scientific & technical consult. srvcs.	1.9	58.1
	5221	Depository credit intermediation	1.3	54.0
MID	GVL	Local Government	0.9	332.5
	6221	General medical and surgical hospitals	1.2	130.9
	6113	Colleges, universities & prof. schools	1.6	68.5
	GVS	State Government	0.3	41.7
	7225	Restaurants and other eating places	0.9	223.1
LOW	5613	Employment services	1.7	149.4
	4451	Grocery stores	1.0	63.5
	5617	Services to buildings and dwellings	1.1	54.9

Source: Moody's Analytics, 2015

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Conclusion

The Chicago metropolitan area has had an established history of economic stability due to its accessibility to major markets, its central location, excellent transportation facilities, and diversified economic base. These features of the subject area are positive factors reinforcing the value of real estate located within the area over the long term. Projections for the area are for continued long-term economic growth. This is expected to have a supportive effect leading to increasing property values for all property types within the near future. Its size, location, and economic diversity provide investors with a perceived safe harbor during downturns in the national economic cycle.

AREA ANALYSIS

Subject
Bricher Rd
St Charles, IL 60174
Chicago
Lake Michigan
Rockford
Aurora
Joliet
Naperville
Elgin
Schaumburg
Waukegan
Gurnee
Crystal Lake
Woodstock
McHenry
Belvidere
Freeport
Machesney Park
Loves Park
Dekalb
St. Charles
Geneva
Batavia
Streamwood
Carpentersville
Algonquin
Lake in the Hills
Palatine
Arlington Heights
Des Plaines
Oak Lawn
Orland Park
Tinley Park
Romeoville
Bolingbrook
Plainfield
Yorkville
Sycamore
Genoa
Marengo
Rochelle
Dixon
Sterling
Rock Falls
Oregon
Polo
Byron
Forreston
Shannon
Mount Morris
Monroe Center
Cherry Valley
Seward
Winnebago
Pecatonica
Franklin Grove
Ashton
Flagg
Shabbona
Hinckley
Sugar Grove
Paw Paw
Amboy
Somonauk
Sandwich
Leland
Earlville
Mendota
La Moille
Walnut
Ohio
Manlius
Malden
Cherry
Sheridan
Northville
Little Rock
Plano
Bristol
Oswego
Montgomery
North Aurora
Shorewood
Channahon
Lockport
Crest Hill
Romeoville
Lemont
Burr Ridge
Westmont
Downers Grove
Lombard
Villa Park
Glen Ellyn
Wheaton
Naperville
Woodridge
Darien
Burbank
Evergreen Park
Oak Lawn
Palos Heights
Blue Island
Dolton
Harvey
South Holland
Lansing
Hammond
East Chicago
Gary
Portage
Chesterton
Porter
Munster
Highland
Hobart
Schererville
Merrillville
Valparaiso
Crown Point
Lake Station
South Haven
Calumet Park
Alsip
Oak Forest
Tinley Park
Mokena
Matteson
Richton Park
Frankfort
Chicago Heights
Park Forest
University Park
Crete
St. John
New Lenox
Homewood
Glenwood
Country Club Hills
Hazel Crest
Markham
Maywood
Melrose Park
Berwyn
Cicero
Oak Park
Forest Park
Westchester
Oak Brook
La Grange
Lyons
Countryside
Summit
Bridgeview
Justice
Burr Ridge
Maple Lake
Saganashkee Slough
Tampier Slough
Calumet
Elmhurst
Addison
Bensenville
Itasca
Elk Grove Village
Glendale Heights
Carol Stream
West Chicago
Winfield
Warrenville
Hoffman Estates
Schaumburg
Streamwood
Elgin
South Barrington
Barrington
Inverness
Palatine
Rolling Meadows
Prospect Heights
Mount Prospect
Des Plaines
Niles
Park Ridge
Harwood Heights
Norridge
River Grove
Elmwood Park
Morton Grove
Skokie
Glenview
Wilmette
Evanston
Winnetka
Northbrook
Wheeling
Buffalo Grove
Deerfield
Highland Park
Lincolnshire
Highwood
Lake Forest
Lake Bluff
Mundelein
Libertyville
Vernon Hills
Hawthorn Woods
Lake Barrington
Cary
Fox River Grove
Lake Zurich
Wauconda
Island Lake
Fremont Center
Round Lake Park
Grayslake
North Chicago
Huntley
Marengo
Cherry Valley
Belvidere
Rockford
Machesney Park
Loves Park
Freeport
Seward
Winnebago
Pecatonica
Shannon
Forreston
Byron
Mount Morris
Polo
Oregon
Rochelle
Flagg
Franklin Grove
Ashton
Dixon
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Mundelein
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Hawthorn Woods
Lake Barrington
Cary
Fox River Grove
Lake Zurich
Wauconda
Island Lake
Fremont Center
Round Lake Park
Grayslake
North Chicago
Waukegan
Gurnee
Crystal Lake
Woodstock
McHenry

According to the *PwC Real Estate Investor Survey*, 4th Quarter 2016:

> In *Emerging Trends in Real Estate®* 2017, development ranks as the second preferred investment category/strategy among Emerging Trends respondents for 2017 – ahead of opportunistic and core investments and just below value-added investments. Even though development's rating slipped this year compared to last year's report – down from 3.82 to 3.53 on a scale of 1 (abysmal) to 5 (excellent), it's a trend seen in each of the four investment strategies. Ratings declined from 0.11 (core investments) to 0.29 (development) and averaged 0.19.
>
> When looking at development prospects for each of the five major commercial real estate (CRE) sectors included in *Emerging Trends*, individual rating declines are also noted. The largest decline over the past year occurred for the retail sector, where the rating fell from 2.82 to 2.42. According to the report, a consensus is emerging that e-commerce will decrease the overall demand for retail space, but will not come anywhere near supplanting it. The key for retailers and developers will be to design spaces for successfully blending bricks and clicks.
>
> Outside of traditional CRE property sectors, *Emerging Trends* respondents felt development prospects in 2017 were strong for fulfillment assets, age-restricted housing, medical office, urban/high-street retail, and student housing, which has become a popular sector in recent years. Even though some *Emerging Trends* respondents believe that investing in student housing has largely played out with sufficient supply to meet the demand from a small high-income market, the volume of students at respected colleges and universities is expected to stay strong for the foreseeable future.
>
> Of the 78 U.S. metros included in *Emerging Trends*, the top five individual markets with regard to development prospects in the year ahead were (in order) Austin, Portland, Nashville, Raleigh/Durham, and Dallas/Fort Worth. New to this list for 2017 were both Portland and Raleigh/Durham while Boston and Charlotte were dropped from the top-five list from last year. Other cities that received strong development prospect ratings were Los Angeles, Seattle, Charlotte, Denver, and Orange County. On the other hand, cities that received poor development prospect ratings included Providence, Buffalo, Tacoma, and Hartford.
>
> On an unleveraged basis, discount rates (including developers' profit) for the national development land market range from 10.00% to 20.00% and average 16.00% this quarter. This average is 50 basis points higher than the average from both six months ago and a year ago.
>
> The typical time that a property is on the market prior to selling ranges from 3 to 36 months and averages 16 months.
>
> Looking ahead over the next 12 months, surveyed investors unanimously forecast property values in the national development land market to increase. Their expected

appreciation rate ranges up to 10.0% and averages 5.6% – slightly below the rate six months ago (5.9%). (56)

National Market Yield Rates for Real Estate Investments National Development Land Market Fourth Quarter 2016		
	Current Quarter	Second Quarter 2016
Free & Clear Range	10.00%-20.00%	10.00%-20.00%
Average	16.00%	15.50%
Preferred Absorption	1 to 20+	1 to 20+
Change Rates		
Lot Prices	1.0% to 10.0%	0.0% to 8.0%
Development Costs	3.0% to 5.0%	1.0% to 5.0%
Marketing Period	3 to 36 months	3 to 36 months
Average	16	16

Source: PwC Real Estate Investor Survey, 4th Quarter 2016

CHICAGO MULTI-FAMILY MARKET

According to the Marcus and Millichap 4th Quarter 2016 Chicago Metro Area Multifamily Research Market Report:

> A deep pool of renters is helping bolster fundamentals amid a construction boom. Healthy job growth coupled with the allure of an urban lifestyle will underpin improvements in the Chicagoland apartment market this year. The local economy is registering strong gains across an array of employment sectors, highlighting the metro's economic strength and diversity. Additionally, the continued corporate migration from the suburbs to the city is bringing young professionals and high-paying job opportunities to the core. These working millennials overwhelmingly favor renting over homeownership and seek residence in city cores that offer walkability and a live-work-play lifestyle. The strength of the city apartment market will be put to the test with an unprecedented wave of construction set to come online in the next two years. The deep pool of renters will absorb most of the new space, though a rise in vacancy and concession usage may occur. The suburbs will face similar challenges as development also ramps up outside the core, albeit at a lower intensity. Suburban vacancy will remain on the decline as robust apartment demand outstrips new deliveries. Falling vacancy coupled with the surge of high-end construction hitting the market will enable another year of healthy rent growth throughout Chicagoland.
>
> Interest rates at historical lows coupled with improving property fundamentals have kept buyer demand strong for Chicagoland apartments. Deal flow is accelerating and cap rates are low, though buyers are beginning to show resistance to outsize pricing, stifled by concerns about the length of the current expansion. Seller expectations, on the other hand, continue to escalate, creating a widening disconnect between property owners and

buyers. Well-priced deals will receive multiple competing offers, though many owners are unwilling to part with their properties unless stellar pricing can be achieved. As a result, a lot of investors are investigating Class C properties in the suburbs where higher yields can be found. These assets will generally change hands at cap rates in the mid-7 percent range,

Suburban Highlights

After sliding 80 basis points last year, the suburban vacancy rate fell 20 basis points in the past 12 months to 3.1 percent in September, the lowest level in over five years. Central Cook County boasts the lowest vacancy among all submarkets at 1.7 percent, down 30 basis points year over year.

In the last four quarters ending in September, the average effective rent jumped 5.6 percent to $1,159 per month. The most expensive apartments can be found in the Evanston/Rogers Park/Uptown submarket with tenants paying $1,502 per month on average.

Conclusion

Development land ranks as the second preferred investment category/strategy among Emerging Trends respondents for 2017 – ahead of opportunistic and core investments and just below value-added investments. Constriction trends for multi-family seem to be on the rise locally and nationally. Vacancy rates are at all-time lows and rental rates are rising.

Demographic data within one-, three- and five-miles of the subject is summarized below.

Demographic and Income Comparison Profile

St. Charles
Bricher Rd, St Charles, Illinois, 60134
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 41.89778
Longitude: -88.33659

	1 mile	3 miles	5 miles
Census 2010 Summary			
Population	10,692	56,218	104,237
Households	4,142	20,831	37,369
Families	2,982	15,017	28,007
Average Household Size	2.48	2.63	2.75
Owner Occupied Housing Units	3,073	16,150	30,167
Renter Occupied Housing Units	1,069	4,681	7,202
Median Age	38.5	39.7	40.0
2016 Summary			
Population	10,846	57,498	107,050
Households	4,163	21,053	37,876
Families	2,967	15,045	28,194
Average Household Size	2.50	2.67	2.78
Owner Occupied Housing Units	2,951	15,764	29,762
Renter Occupied Housing Units	1,212	5,289	8,114
Median Age	39.1	40.5	40.7
Median Household Income	$83,460	$90,123	$99,962
Average Household Income	$106,747	$117,646	$126,086
2021 Summary			
Population	11,048	58,314	109,015
Households	4,222	21,224	38,304
Families	2,992	15,079	28,390
Average Household Size	2.52	2.68	2.80
Owner Occupied Housing Units	2,980	15,814	30,024
Renter Occupied Housing Units	1,242	5,410	8,280
Median Age	39.8	41.3	41.5
Median Household Income	$96,312	$101,833	$108,225
Average Household Income	$116,160	$126,928	$135,912
Trends: 2016-2021 Annual Rate			
Population	0.37%	0.28%	0.36%
Households	0.28%	0.16%	0.22%
Families	0.17%	0.05%	0.14%
Owner Households	0.20%	0.06%	0.18%
Median Household Income	2.91%	2.47%	1.60%

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	1 mile		3 miles		5 miles	
2016 Households by Income	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
<$15,000	231	5.5%	949	4.5%	1,730	4.6%
$15,000 - $24,999	255	6.1%	1,071	5.1%	1,793	4.7%
$25,000 - $34,999	298	7.2%	1,377	6.5%	2,129	5.6%
$35,000 - $49,999	435	10.4%	2,053	9.8%	3,151	8.3%
$50,000 - $74,999	647	15.5%	3,330	15.8%	5,524	14.6%
$75,000 - $99,999	535	12.9%	2,622	12.5%	4,616	12.2%
$100,000 - $149,999	822	19.7%	4,229	20.1%	8,041	21.2%
$150,000 - $199,999	526	12.6%	2,726	12.9%	5,173	13.7%
$200,000+	414	9.9%	2,695	12.8%	5,718	15.1%
Median Household Income	$83,460		$90,123		$99,962	
Average Household Income	$106,747		$117,646		$126,086	
Per Capita Income	$39,585		$43,492		$45,168	
2021 Households by Income	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
<$15,000	230	5.4%	930	4.4%	1,676	4.4%
$15,000 - $24,999	231	5.5%	965	4.5%	1,543	4.0%
$25,000 - $34,999	416	9.9%	1,963	9.2%	2,896	7.6%
$35,000 - $49,999	262	6.2%	1,301	6.1%	2,140	5.6%
$50,000 - $74,999	517	12.2%	2,682	12.6%	4,318	11.3%
$75,000 - $99,999	516	12.2%	2,495	11.8%	4,380	11.4%
$100,000 - $149,999	951	22.5%	4,749	22.4%	9,127	23.8%
$150,000 - $199,999	648	15.3%	3,236	15.2%	6,110	16.0%
$200,000+	451	10.7%	2,903	13.7%	6,115	16.0%
Median Household Income	$96,312		$101,833		$108,225	
Average Household Income	$116,160		$126,928		$135,912	
Per Capita Income	$42,632		$46,560		$48,302	

Demographic and Income Comparison Profile

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Latitude: 41.89778
Longitude: -88.33659

	1 mile		3 miles		5 miles	
2010 Population by Age	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Age 0 - 4	623	5.8%	3,169	5.6%	5,915	5.7%
Age 5 - 9	751	7.0%	4,058	7.2%	8,176	7.8%
Age 10 - 14	843	7.9%	4,497	8.0%	9,036	8.7%
Age 15 - 19	847	7.9%	4,409	7.8%	8,199	7.9%
Age 20 - 24	599	5.6%	2,774	4.9%	4,702	4.5%
Age 25 - 34	1,179	11.0%	5,861	10.4%	9,536	9.1%
Age 35 - 44	1,537	14.4%	7,951	14.1%	15,227	14.6%
Age 45 - 54	1,743	16.3%	9,720	17.3%	18,769	18.0%
Age 55 - 64	1,309	12.2%	7,160	12.7%	13,353	12.8%
Age 65 - 74	657	6.1%	3,337	5.9%	5,962	5.7%
Age 75 - 84	401	3.7%	2,104	3.7%	3,507	3.4%
Age 85+	202	1.9%	1,177	2.1%	1,855	1.8%
2016 Population by Age	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Age 0 - 4	591	5.4%	3,033	5.3%	5,697	5.3%
Age 5 - 9	667	6.1%	3,548	6.2%	7,221	6.7%
Age 10 - 14	767	7.1%	4,222	7.3%	8,696	8.1%
Age 15 - 19	852	7.9%	4,204	7.3%	7,937	7.4%
Age 20 - 24	630	5.8%	3,304	5.7%	5,692	5.3%
Age 25 - 34	1,368	12.6%	6,698	11.6%	11,111	10.4%
Age 35 - 44	1,369	12.6%	7,108	12.4%	13,563	12.7%
Age 45 - 54	1,583	14.6%	8,783	15.3%	17,166	16.0%
Age 55 - 64	1,486	13.7%	8,383	14.6%	15,602	14.6%
Age 65 - 74	907	8.4%	4,848	8.4%	8,753	8.2%
Age 75 - 84	413	3.8%	2,091	3.6%	3,600	3.4%
Age 85+	215	2.0%	1,274	2.2%	2,012	1.9%
2021 Population by Age	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Age 0 - 4	596	5.4%	3,027	5.2%	5,694	5.2%
Age 5 - 9	633	5.7%	3,289	5.6%	6,643	6.1%
Age 10 - 14	705	6.4%	3,797	6.5%	7,927	7.3%
Age 15 - 19	801	7.3%	4,036	6.9%	7,861	7.2%
Age 20 - 24	622	5.6%	2,945	5.1%	5,151	4.7%
Age 25 - 34	1,376	12.5%	7,138	12.2%	12,038	11.0%
Age 35 - 44	1,508	13.7%	7,564	13.0%	14,161	13.0%
Age 45 - 54	1,422	12.9%	7,704	13.2%	15,309	14.0%
Age 55 - 64	1,534	13.9%	8,650	14.8%	16,182	14.8%
Age 65 - 74	1,122	10.2%	6,196	10.6%	11,361	10.4%
Age 75 - 84	507	4.6%	2,667	4.6%	4,623	4.2%
Age 85+	221	2.0%	1,300	2.2%	2,066	1.9%

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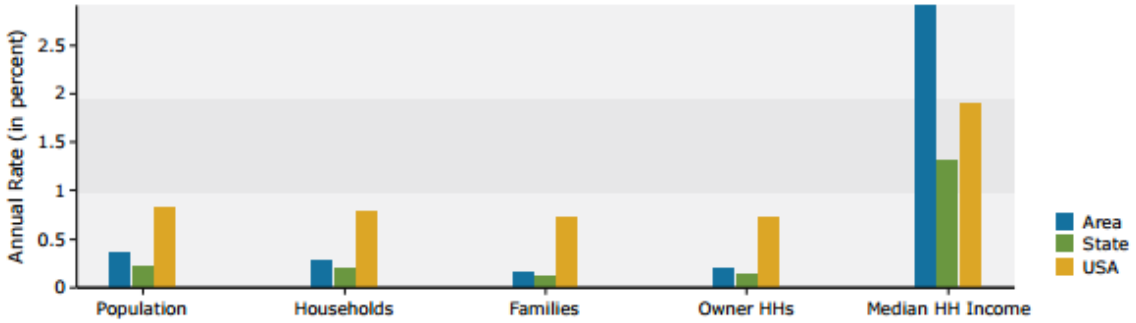
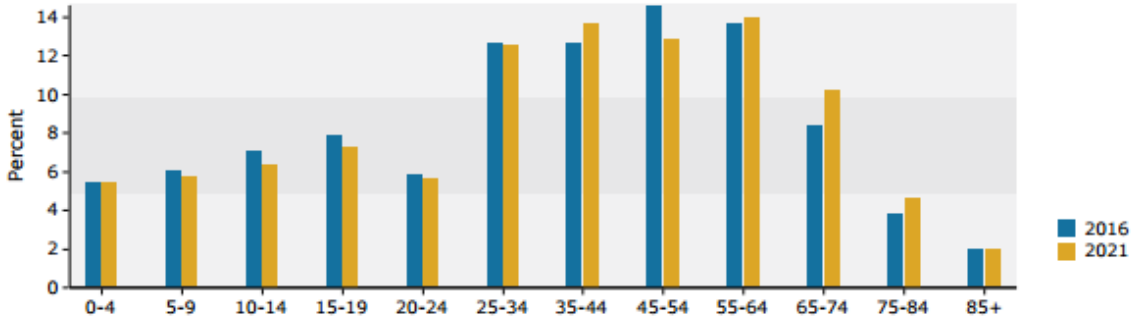
1 mile

Trends 2016-2021



Population by Age



Demographic and Income Comparison Profile

St. Charles
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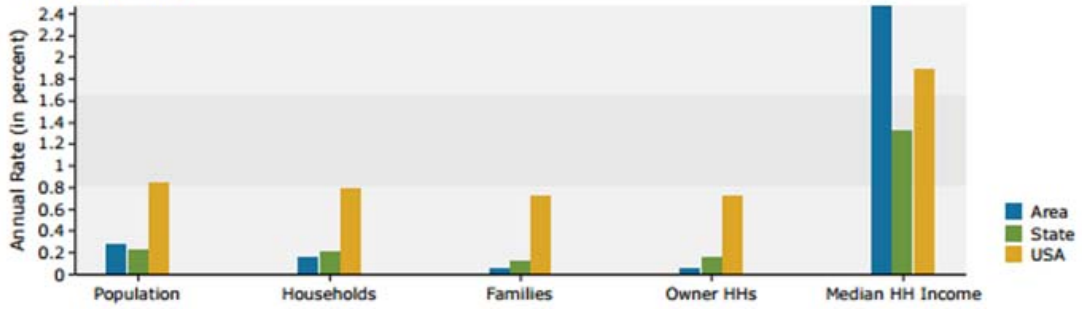
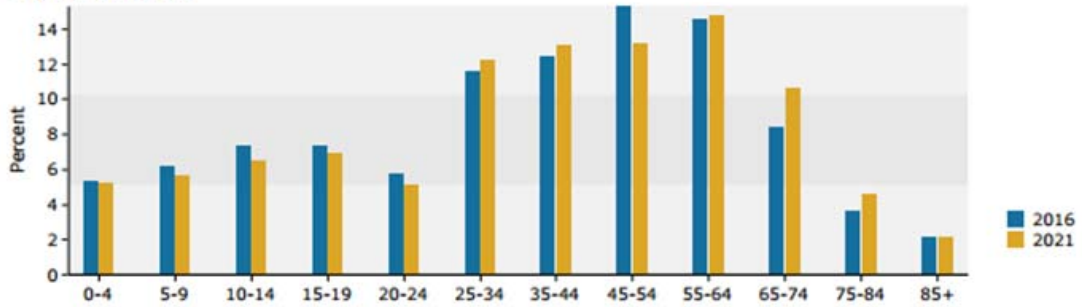
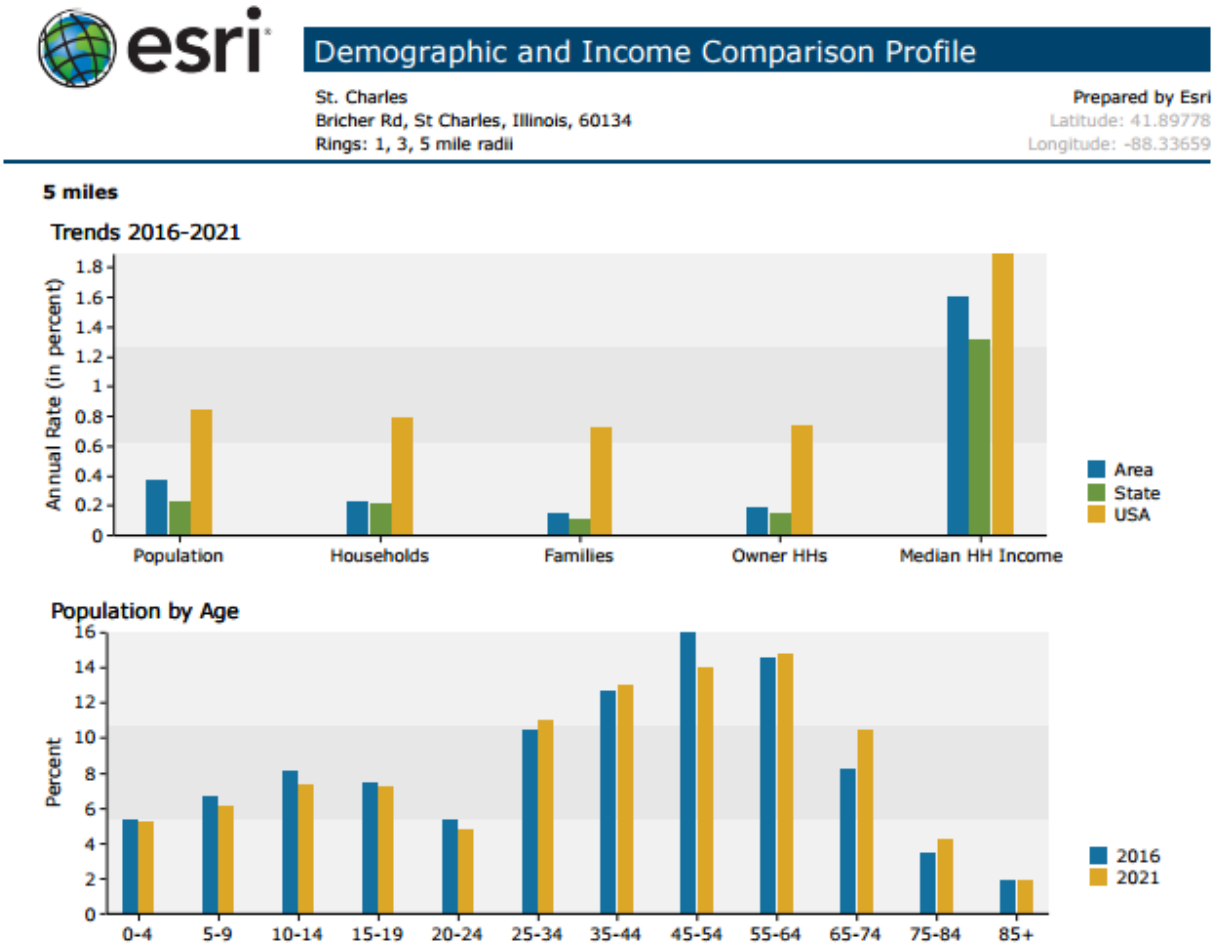
3 miles

Trends 2016-2021



Population by Age





According to the 2010 census, the population within a one-mile radius of the subject is 10,692, increasing to 56,218 in a three-mile radius and 104,237 in a five-mile radius. There are 4,142 households within a one-mile radius, increasing to 20,831 in a three-mile radius and 37,369 in a five-mile radius. In 2016, the median household income in a one-mile radius is $83,460, increasing to $90,123 in a three-mile radius and $99,962 in a five-mile radius. There are 1,212 renter occupied housing unit within one-mile of the subject in 2016, increasing to 6,289 in a three-mile radius and 8,114 in a five-mile radius.

Conclusion

The current neighborhood uses are mostly residential to the south and commercial to the east with vacant farmland to the north and west. The neighborhood is in the growth stage of its economic life cycle with no significant sources of external obsolescence noted. There appears to be a transition from less intensive, agricultural or idle land use to residential and some commercial use in the immediate area of the subject. Property values within the neighborhood are expected to continue to increase gradually over the longer term, inclusive of the subject's.

A neighborhood is defined as: "A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises." [5] A neighborhood should be distinguished from a district, which is defined as "a neighborhood characterized by homogenous land use." [6] For example, predominantly residential neighborhoods typically contain some commercial properties that provide services for local residents. The boundaries of a neighborhood can be physical such as a lake, stream or major highway or they may be less easily discernible such as changes in prevailing land use or occupant characteristics.

The subject is in Saint Charles, Illinois, which had a population of 32,974 as of the 2010 US Census. The official city slogan is Pride of the Fox, after the Fox River that runs through the center of town. Saint Charles is part of a tri-city area along with Geneva and Batavia, all western suburbs of similar size and relative socioeconomic condition.

The top employers for the area, according to the Saint Charles 2009 Comprehensive Annual Financing Report, are Saint Charles Community School District (1,780 employees), System Sensor (550 employees), OMRON (500 employees), Pheasant Run Resort (450 employees), City of Saint Charles (350 employees) and Saint Charles Park District (300 employees).

Saint Charles is home to the Kane County Fair in July and the Kane County Flee Market every month. Saint Charles is also home to the Arcada theatre, which has hosted Martin Short, Joan Rivers and Bill Cosby. Downtown Saint Charles was named one of the region's "Top 10" by the Chicago Tribune for fine dining, arts and entertainment, recreational opportunities, unique shopping and a lively nighttime personality. Family Circle named Saint Charles #1 in its 2011 Annual Survey of Best Towns and Cities for families. The survey included communities from across the country and is featured in the magazine's August 2011 issue. The communities in the magazine combine affordable housing, good neighbors, green spaces, strong public schools and giving spirits.

The Saint Charles Public Library is nationally ranked among the best libraries in the U.S. and has earned a "three star" rating in the 201 Library Journal Index. In 2008, as a part of a promotional effort by a local water gardening company, Saint Charles named itself the water garden capital of the world.

Saint Charles is home to the Q Center, a 95-acre conference site. Originally built as a Catholic Women's Liberal Arts College, St. Dominic College, it later became Arthur Andersen's Center for Professional Education. It is now used by Accenture, and hosts meetings, conferences and executive learning for Fortune 500 companies, associations and social, military, education, religious and fraternal organizations from all over the world.

Conclusion

The subject is positioned in an area that is surrounded by retail and residential and is part of a larger farmland piece that will be sectioned off upon sale of the property and later developed.

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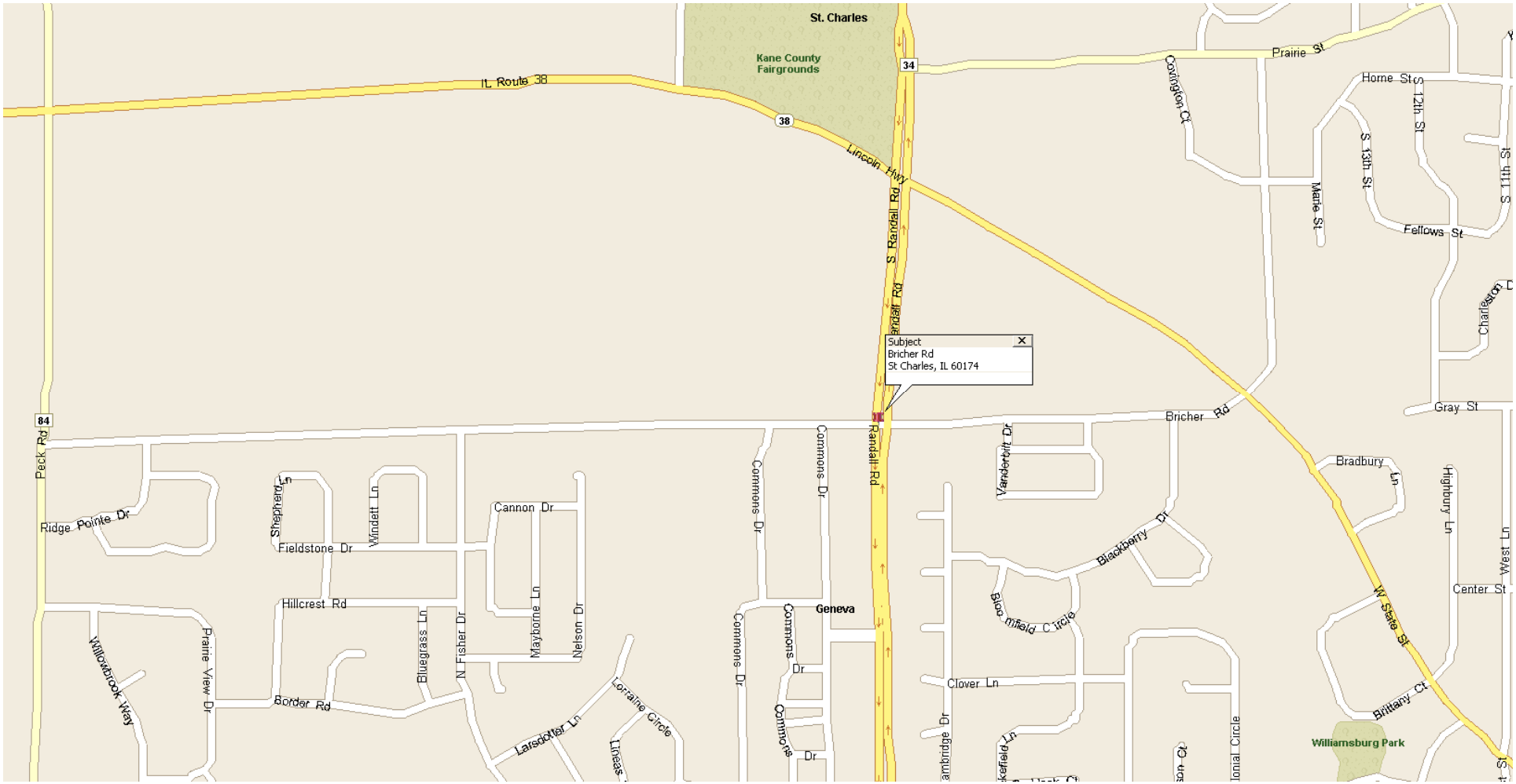
5 *The Dictionary of Real Estate Appraisal,* Fifth Edition, (Appraisal Institute 2010), Page 133.
6 *The Dictionary of Real Estate Appraisal,* Fifth Edition, (Appraisal Institute 2010), Page 60.

Neighborhood Map

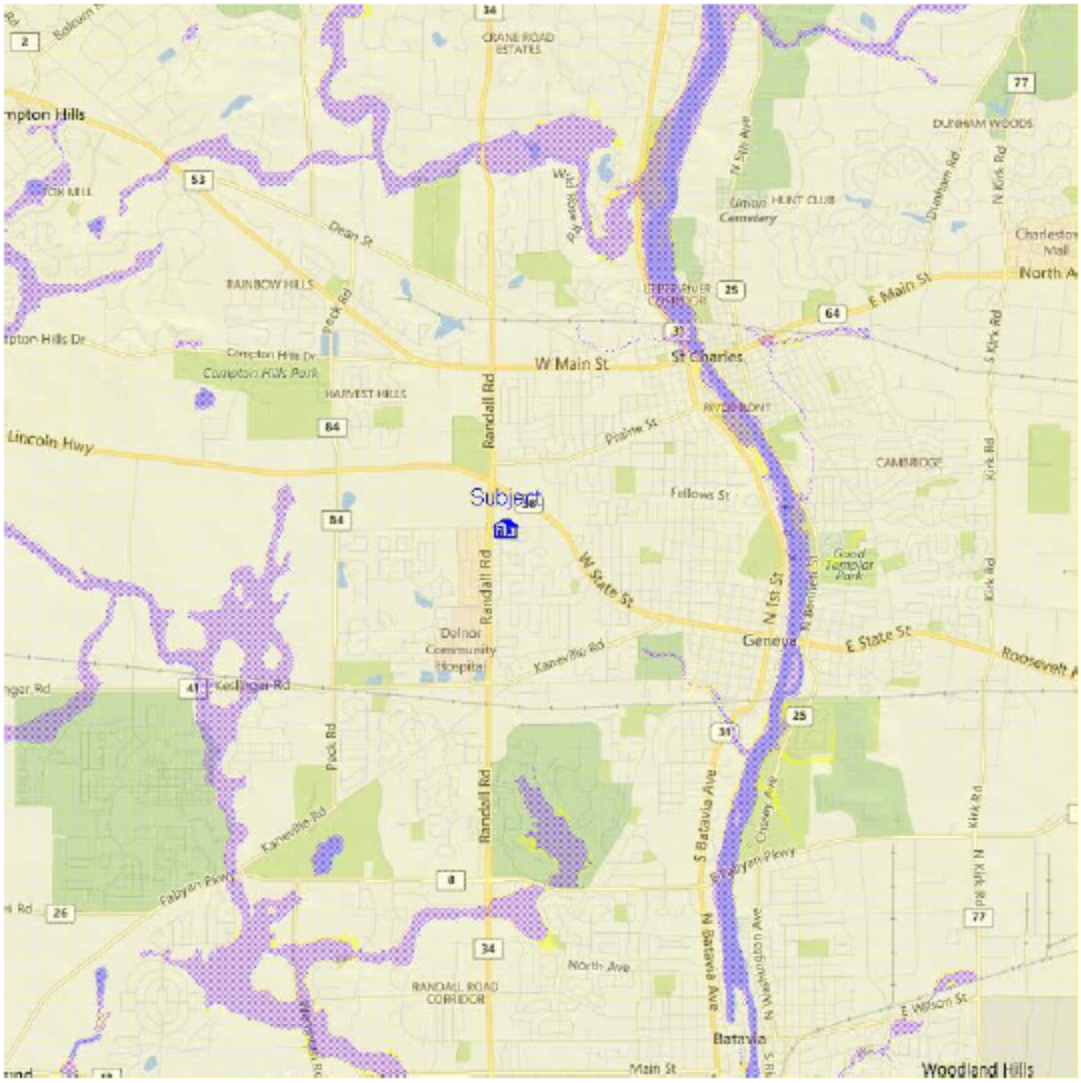


SITE DESCRIPTION

LOCATION:	Appraisal of the Vacant Land at Bricher Road in Saint Charles, Illinois.
SHAPE/SIZE/FRONTAGE:	The subject is a slightly irregular site encompassing 20.48 acres.
TOPOGRAPHY:	The site's topography appears flat and it is currently being farmed by one tenant.
FLOOD HAZARD:	According to FEMA flood map ID 17089C0264H dated August 3, 2009, the site does not appear to be in a 100-year or 500-year flood plain and is in Zone X.
ACCESSIBILITY/VISIBILITY:	The subject has frontage along Bricher Road.
SOIL CONDITIONS AND EASEMENTS:	Environmental studies of the subject property were not available for our review (See Assumptions and Limiting Conditions).
IMPROVEMENTS:	There are no building improvements on the site, but water and sewer lines have been installed to the site.
UTILITIES AND SERVICES:	The subject site has access to all utilities (electricity, telephone, water/sewer, and gas service) available along Bricher Road, a two-lane, asphalt paved street that will be the primary points of access for the future subdivision. We assume normal utility easements. We also assume no detrimental easements exist on the site.
SUMMARY:	The site appears to be adequate for the intended residential improvements.
ZONING:	BR – Regional Business and part of PUD 47 (see Extraordinary Assumptions).

STDB

You are currently logged in as: (Michael Maglocci) on 03-Mar-2017
Bricher Road, St Charles, IL
BRICHER RD, ST CHARLES, IL



MAP DATA

Map Number : **17089C0264H**
Panel Date : **August 03,2009**
FIPS Code : **17089**

Census Tract : **8522.01**
Geo Result : **S4 - single close match, point located at the center of shape point path**

Flood
- X or C Zone
- X500 or B Zone
- A Zone
- V Zone
- D Zone
- Area Not Mapped

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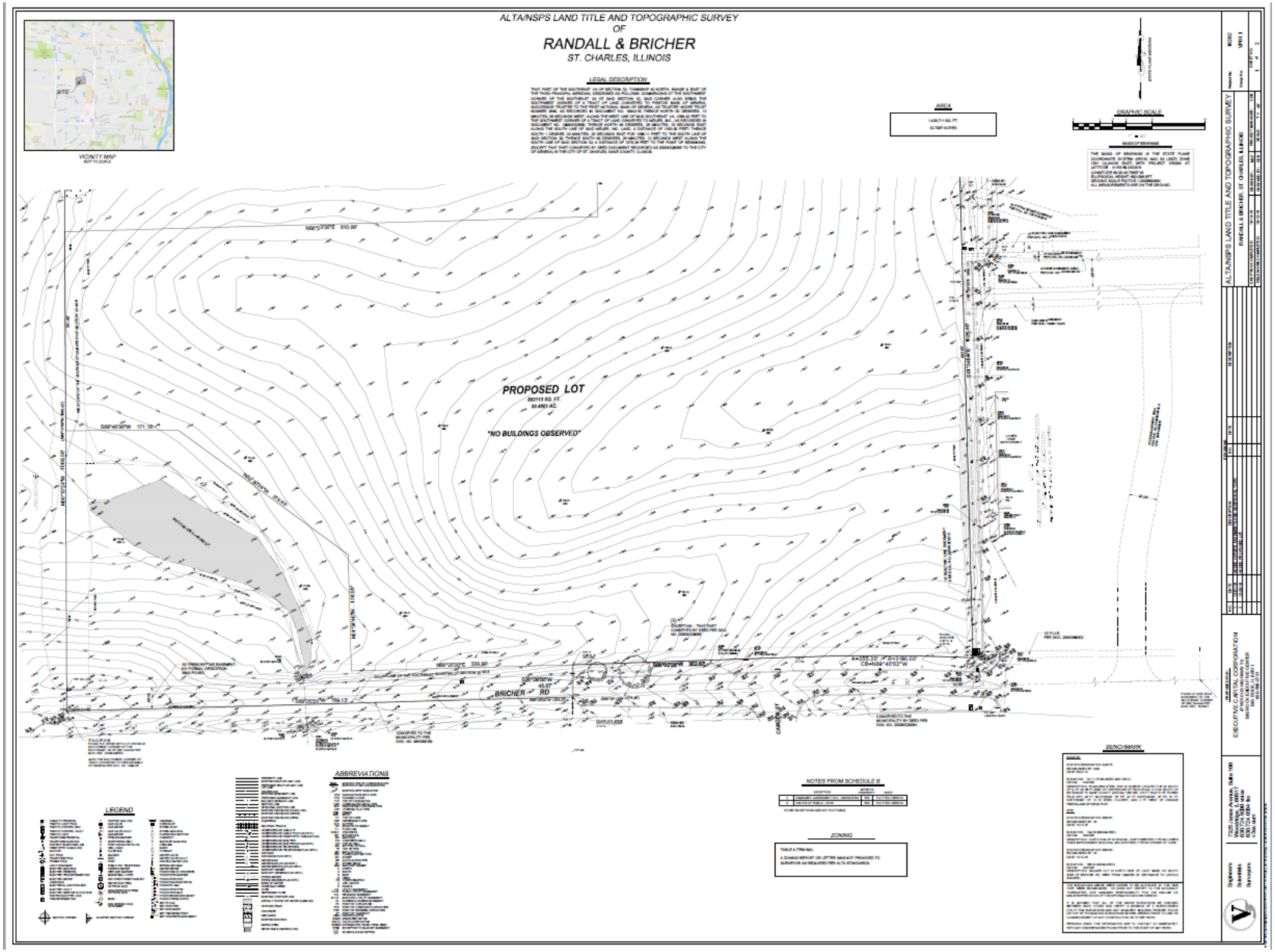
SITE DESCRIPTION



Joseph J. Blake and Associates, Inc.

SITE DESCRIPTION

The land referred to in this Commitment is described as follows:

NOTE: THIS LEGAL DESCRIPTION IS FOR INFORMATIONAL PURPOSES ONLY AND SHOULD NOT BE USED ON LEGAL DOCUMENTS.

PART OF:

THAT PART OF THE SOUTHEAST 1/4 OF SECTION 32, TOWNSHIP 40 NORTH, RANGE 8, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHEAST 1/4 OF SAID SECTION 32, SAID CORNER ALSO BEING THE SOUTHWEST CORNER OF A TRACT OF LAND CONVEYED TO FIRSTAR BANK OF GENEVA, SUCCESSOR TRUSTEE TO THE FIRST NATIONAL BANK OF GENEVA, AS TRUSTEE UNDER TRUST NUMBER 2640. AS RECORDED IN DOCUMENT NO. 1884216; THENCE NORTH 00 DEGREES, 13 MINUTES, 06 SECONDS WEST, ALONG THE WEST LINE OF SAID SOUTHEAST 1/4, 1068.42 FEET TO THE SOUTHWEST CORNER OF A TRACT OF LAND CONVEYED TO MEIJER, INC., AS RECORDED IN DOCUMENT NO. 1999K032600; THENCE NORTH 88 DEGREES, 26 MINUTES, 16 SECONDS EAST ALONG THE SOUTH LINE OF SAID MEIJER, INC. LAND, A DISTANCE OF 1353.30 FEET; THENCE SOUTH 1 DEGREE, 33 MINUTES, 25 SECONDS EAST FOR 1068.11 FEET TO THE SOUTH LINE OF SAID SECTION 32; THENCE SOUTH 88 DEGREES, 26 MINUTES, 12 SECONDS WEST ALONG THE SOUTH LINE OF SAID SECTION 32, A DISTANCE OF 1378.26 FEET TO THE POINT OF BEGINNING, (EXCEPT THAT PART CONVEYED BY DEED DOCUMENT RECORDED AS 2000K028065 TO THE CITY OF GENEVA) IN THE CITY OF ST. CHARLES, KANE COUNTY, ILLINOIS.

THIS COMMITMENT IS VALID ONLY IF SCHEDULE B IS ATTACHED.

REAL ESTATE TAXES

The subject is identified by the City of Saint Charles, Kane County Assessor's Office by the following tax parcel number:

09-32-400-028

Tax bills in Kane County are typically payable semi-annually, one year in arrears. The subject is assessed as vacant land. However, it is part of a larger parcel that has not been legally subdivided. In addition, the current property's assessed value is based on vacant land and will increase as infrastructure and residential development is completed.

ZONING

The subject is zoned BR – Regional Business and part of PUD 47 (Bricher Commons PUD). The purpose of this district is to provide locations along Strategic Regional Arterial corridors for shopping centers and business uses that draw patrons from St. Charles, surrounding communities and the broader region. This district consists primarily of large-scale development that has the potential to generate significant automobile traffic.

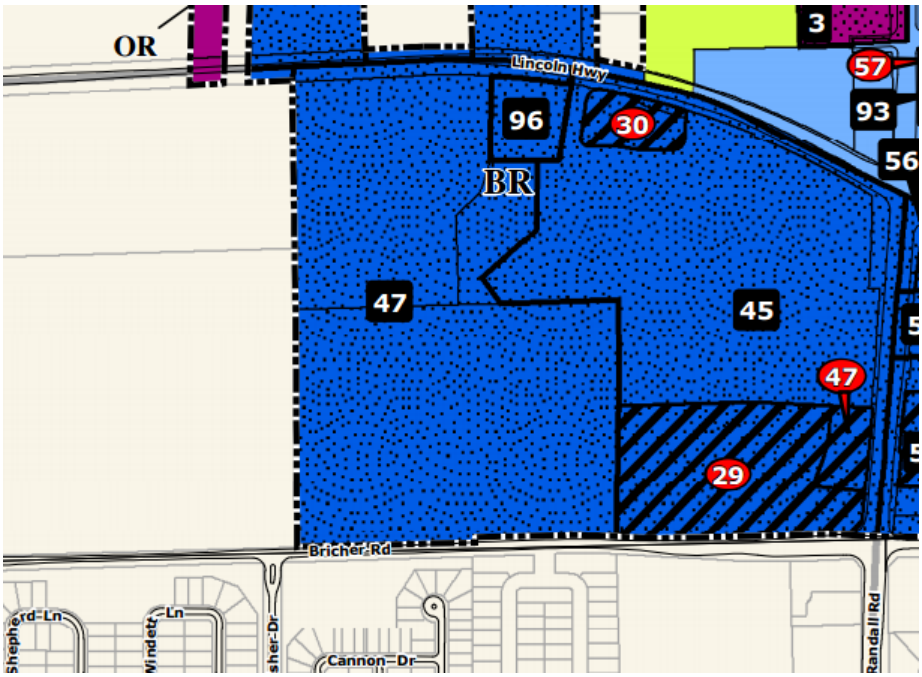
Residential uses were not permitted in this district when the PUD was initially approved for commercial development under Ordinance No. 1999-Z-11. Permitted uses include various cultural/religious/recreational and entertainment uses as well as college, medical center, hospital, post office, public service facility, bank, day care center, financial institution, gas station, home improvement center, dental clinic, motor vehicle rental, office, outdoor sales, personal services, restaurant, retail sales, tavern, theater , animal hospital, mini warehouse, temporary motor vehicle storage, etc.

In 2006, the PUD was amended under Ordinance No. 2006-Z-7. In addition to the commercial uses already permitted on the property, the amendment allowed for multi-family residential uses on up to 34.5 acres of the property, subject to a density limitation (maximum of 250 units) and that 20% of the units must be affordable. A conceptual site plan was included illustrating the intended residential and commercial land uses and internal circulation, including a roadway through the site connection Bricher Road and Route 38. No preliminary plans were submitted for development of the property as contemplated under the 2006 PUD ordinance.

The comprehensive plan design for this area is an industrial/business part with potential for residential uses.

The zoning classification has been obtained from the Saint Charles zoning map. See below. The property is contingent on the property being rezoned to RM3 to allow for a proposed 250+ unit Class A apartment property. However, we have appraised the as is value of the subject site under its existing zoning without contingencies. This property does not have existing improvements and is currently farmland. According to the prospective buyer, the property will be replatted as it is currently part of a larger parcel of land. We assume that the zoning as noted above is correct and that the site can be replatted without delay.

ZONING


OR
Lincoln Hwy
3
57
93
56
96
30
BR
47
45
47
29
Bricher Rd
Cannon Dr
Randall Rd

Highest and best use, as defined by the Appraisal Institute, is: "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."[7]

In determining the highest and best use of the subject, careful consideration was given to the economic, legal and social factors, which motivate investors to develop, own, buy and sell, manage, and lease real estate.

In estimating the highest and best use of a vacant parcel of land there are essentially four stages of analysis:

1. Possible Use - What uses of the site in question are physically possible?

2. Permissible Use (legal) - What uses are permitted by zoning and deed restrictions on the site in question?

3. Feasible Use - Which possible and permissible uses will produce a net return to the owner of the site?

4. Highest and Best Use - Among the feasible uses, which will produce the highest net return or highest present worth of the site in question?

The following tests must be met in estimating the Highest and Best Use of a vacant parcel: the potential use must be physically possible and legally permissible, there must be a profitable demand for such use, and it must return to the land the highest net return for the longest period of time. These tests have been applied to the subject site and are discussed below.

Physically Possible - The first constraint imposed upon the possible use of a site, as if vacant, is dictated by its physical characteristics. Size, shape, area, and terrain affect the uses to which land may be developed. Utility of a parcel may depend on its frontage and depth. Irregularly shaped parcels may cost more to develop, and when developed may have less utility than a regularly shaped parcel of the same size.

The site is 20.48 acres and has accessibility from Bricher Road. All public utilities are reportedly at the property.

The subject site is sufficient in size and shape to accommodate a variety of uses, including residential, industrial, office, retail or office flex uses. Surrounding land uses are mostly retail, residential, and agricultural. Considering the visibility and accessibility of the site, residential or agricultural (interium) use appears to be the most appropriate use of the site.

Legally Permissible –The subject is zoned BR – Regional Business and part of PUD 47. The zoning has been obtained from the Saint Charles zoning map. The pending sale and price are contingent on the property being rezoned to RM3 to allow for a proposed 250+ unit Class A

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7 The Dictionary of Real Estate Appraisal, Fifth Edition, (Appraisal Institute 2010), Page 93.

apartment property. However, we have appraised the as is value of the subject site under its existing zoning. This property does not have existing improvements and is currently farmland.

Financially Feasible – Sales of large tracts of land are not common in this market. In addition, there does not appear to be any significant development occurring. The planned development of the site is for residential housing if rezoning can be obtained. A complete feasibility analysis would be required to establish a time-line for development of the proposed use, which is outside the scope of this appraisal.

Highest and Best Use, As If Vacant - Based on the uses of the subject site which have been determined to be physically possible, legally permissible, and financially feasible, it is concluded that one of the highest and best uses of the subject site, as if vacant, is ultimately for a residential development (pending zoning approval) and subject to financial feasibility. Otherwise, a likely interim use is for agriculture.

THE LAND SALES COMPARISON APPROACH

The Sales Comparison Approach is based upon the assumption that a prudent buyer would not pay more for a property than it would cost to acquire a comparable substitute property. This approach involves direct comparison of the property being appraised to other similar type properties that have sold or are currently offered for sale. Since no two properties are ever identical, adjustments for differences in quality, location, size, and market appeal are often necessary.

The reliability of this technique is dependent upon the availability of comparable sales data, the verification of the sales data, the degree of comparability of each sale with the subject property, the date of the sale in relation to the date of the appraisal, taking into account market changes during the interim, and consideration of any non-typical conditions affecting price or terms of the sale.

The price a typical purchaser pays is usually the result of an extensive shopping process in which available alternatives are compared. The property purchased typically represents the best available balance between the buyer's specifications and the purchase price. Hence, carefully verified and analyzed data will generally provide good evidence of value, if it represents typical actions and reactions of buyers and sellers active in the market.

In applying the Sales Comparison Approach, the characteristics of the subject are compared with the characteristics of properties that have sold in the marketplace. The sales have been analyzed on a price per acre basis with adjustments made for variances in property rights conveyed, financing terms, condition of sale, time of sale, location, size, exposure/access other factors as noted, and economic characteristics.

Land Sales Analysis

In this section **the price per acre of gross land area** is the unit of comparison employed to determine an opinion of value of the subject. Within the following paragraphs are discussions relative to the adjustments, which compensate for any economic and physical differences between the comparable sale data and the subject property.

Land Sale 1

PROPERTY	
Location:	Kirk and Legacy Road Saint Charles, IL
SALE DATA:	
Date of Sale:	October 2015
Days on Market:	N/A
Sale Price:	$2,122,500
Property Rights Sold:	Fee Simple Interest
Financing:	Cash to Seller
Condition of Sale:	Arm's Length Transaction
Grantor:	Venture One Real Estate, LLC
Grantee:	AJR Filtration, Inc.
SITE DATA:	
Area:	15.10 acres or 657,756 SF
Topography:	Level
Improvements:	None
Zoning:	M-1 PUD, Saint Charles
UNIT OF COMPARISON:	
Price Per Acre:	$140,563
COMMENTS:	The land is at the intersection of Kirk Road and Legacy Boulevard. The land acquired will be the future site of a build-to-suit industrial property that will be the corporate headquarters for AJR Filtration, a manufacturer of air filters. This sale had a condition of a build to suit development being included in the sale of this property.

Land Sale 2

PROPERTY	
Location:	6N917 Route 25 Saint Charles, IL
SALE DATA:	
Date of Sale:	October 2015
Days on Market:	N/A
Sale Price:	$1,375,000
Property Rights Sold:	Fee Simple Interest
Financing:	Cash to Seller
Condition of Sale:	Arm's Length Transaction
Grantor:	Wayne Pierre LLC
Grantee:	Honey Bridge Ranch LLC
SITE DATA:	
Area:	28.84 acres or 1,256,270 SF
Topography:	Level
Improvements:	2 Barns (Horse Farm)
Zoning:	E-1
UNIT OF COMPARISON:	
Price Per Acre :	$47,677
COMMENTS:	This property was previously operated as an equestrian facility, but the new buyer planned to turn it into single-family residences. It consisted of four separate parcels.

Land Sale 3

PROPERTY	
Location:	South Street & Burgess Road Geneva, IL
SALE DATA:	
Date of Sale:	August 2016
Days on Market:	856 days
Sale Price:	$2,000,000
Property Rights Sold:	Fee Simple Interest
Financing:	Cash to Seller
Condition of Sale:	Assemblage
Grantor:	Richard T. Cooper
Grantee:	Havlicek Builders, Inc.
SITE DATA:	
Area:	8.5 acres or 370,260 SF
Topography:	Level
Improvements:	Horse
Zoning:	R1
UNIT OF COMPARISON:	
Price Per Acre:	$235,294
COMMENTS:	This land was purchased by Havlicek Builders, Inc. The sale included 4 parcels immediately west of Geneva Golf Club. An application with the city has been filed for the rezoning from R1 to R2. The buyer was proposing to develop a 25 lot detached single-family subdivision.

Land Sale 4

PROPERTY	
Location:	Deerpath Road Batavia, IL
SALE DATA:	
Date of Sale:	June 2014
Days on Market:	N/A
Sale Price:	$1,450,000
Property Rights Sold:	Fee Simple Interest
Financing:	Cash to Seller
Condition of Sale:	REO Sale
Grantor:	West Suburban Bancorp Inc.
Grantee:	Toll IL IV, LP
SITE DATA:	
Area:	38.18 acres or 1,663,120 SF
Topography:	Level
Improvements:	None
Zoning:	Residential
UNIT OF COMPARISON:	
Price Per Acre:	$37,978
COMMENTS:	This property was proposed to be made into 63 lots for single-family homes. The transaction was in escrow for 515 days. The property was part of an REO sale.

Listing 1

PROPERTY	
Location:	7N504 Route 31 South Elgin, IL
SALE DATA:	
Date of Sale:	Available
Days on Market:	N/A
Sale Price:	$1,500,000
Property Rights Sold:	N/A
Financing:	N/A
Condition of Sale:	N/A
Grantor:	N/A
Grantee:	N/A
SITE DATA:	
Area:	20.11 acres or 875,992 SF
Topography:	Flat
Improvements:	None
Zoning:	Residential
UNIT OF COMPARISON:	
Price Per Acre:	$74,590
COMMENTS:	This property is currently available and zoned single-family residential low density.

Adjustment Grid

	Sale 1	Sale 2	Sale 3	Sale 4	Listing 1
Address	Kirk & Legacy Rd. Saint Charles, IL	6N917 Route 25 Saint Charles, IL	South Street & Burgess Rd. Geneva, IL	Deerpath Road Batavia, IL	7N504 Route 31 South Elgin, IL
Zoning	M-1 PUD	E-1	R1	Residential	Residential
Sale Date	October-15	October-15	August-16	June-14	Available
Land Size - Acres	15.10-acres	28.84-acres	8.5-acres	38.18-acres	20.11-acres
Land Size - SF	657,756 SF	1,256,270 SF	370,260 SF	1,663,120 SF	875,992 SF
Sale Price	$2,122,500	$1,375,000	$2,000,000	$1,450,000	$1,500,000
Price Per Acre	$140,563	$47,677	$235,294	$37,978	$74,589.76
Comments	The land will be the future site of a corporate headquarters.	This property was operated as an equestrian facility.	This land is proposed to be developed with a 25-lot single-family subdivision.	This property was an REO sale and the proposed use was for 63 single-family homes.	This property is currenlty available.
Adjustments					
Property Rights Conveyed	0.00%	0.00%	0.00%	0.00%	0.00%
	$2,122,500	$1,375,000	$2,000,000	$1,450,000	$1,500,000
Financing Terms	0.00%	0.00%	0.00%	0.00%	0.00%
	$2,122,500	$1,375,000	$2,000,000	$1,450,000	$1,500,000
Conditions of Sale	0.00%	0.00%	-15.00%	25.00%	-5.00%
	$2,122,500	$1,375,000	$1,700,000	$1,812,500	$1,425,000
Market Conditions	4.00%	4.00%	2.00%	8.00%	0.00%
	$2,207,400	$1,430,000	$1,734,000	$1,957,500	$1,425,000
Adjusted Sale Price Per Acre	$146,185	$49,584	$204,000	$51,270	$70,860
Physical Characteristics					
Location	-15.00%	15.00%	-15.00%	15.00%	15.00%
Zoning	5.00%	5.00%	-5.00%	-5.00%	-5.00%
Accessibility/Visibility	0.00%	0.00%	0.00%	25.00%	25.00%
Size	-5.00%	8.00%	-12.00%	18.00%	0.00%
Utilities/Infrastructure	0.00%	0.00%	0.00%	0.00%	0.00%
Total Physical Adjustments	-15.00%	28.00%	-32.00%	53.00%	35.00%
Adjusted Price Per Acre	**$124,258**	**$63,467**	**$138,720**	**$78,444**	**$95,661**
			High:		$138,720
			Low:		$63,467
			Mean:		$100,110
			Median:		$95,661

Analysis of Comparable Data

Property Rights Conveyed

The subject is being appraised on a fee simple basis. All of the sales transferred on a fee simple basis and therefore no adjustment was required to their sale prices per square foot.

Financing Terms

Adjustments for non-market financing arrangements estimated by using cash equivalency calculation are applied to any sales transactions with unusual financing in order to equate them to comparable market transactions. The comparables sales presented within this report were reported as being sold on a cash or equivalent basis. Therefore, no adjustments are warranted for this element of comparison.

Conditions of Sale

An adjustment for conditions of sale is necessary to ascertain the motivation of buyers and sellers of comparable sales, which are not arms length transactions. Numerous factors may exist, such an existing relationship between the buyer and the seller, inadequate market exposure, economic restraints, or legal considerations that influence the sales price or timing of the sale. Sale 3 was part of an assemblage, indicating a downward adjustment to its price per acre. Sale 4

appears to be an REO sale (real estate owned by the former lender). As such, an upward adjustment was made to the price per acre of this sale. Sales 1 and 2 appear to be an arm's length transactions and no adjustments were made to the prices per acre of these sales. Listing 1 was adjusted downward, as this is a current listing and its price will likely be negotiated downward.

Market Conditions (Time)

Comparable Sales 1-4 occurred in June 2014 through August 2016 and their sale prices per acre were adjusted upward in varying degrees. No adjustment was made to the price per acre of Listing 1.

Location

Comparables 1 and 3 is in a superior locations and their prices per acre was adjusted downward. Sale 2, 4 and Listing 1 are in inferior locations and their prices per acre were adjusted upward for location.

Size

Comparables 1 and 3 are smaller than the subject, requiring downward adjustments to their sale prices per acre. Comparables 2 and 4 are larger than the subject and their sale prices per acre were adjusted upward. No adjustment was made to the price per acre of Listing 1.

Zoning

The subject is Regional Business District. Sale 1 is an industrial district and Sale 2 is zoned for a horse farm. As such, both sales required an upward adjustment per acre for zoning. However, Sales 1, 3 and 4 were contingent upon rezoning, requiring downward adjustments to their prices per acre. Listing 1 is zoned for residential, indicating a downward adjustment to its price per acre.

Utility/Infrastructure

According to the prospective buyer, utilities are to the site for the subject and no infrastructure is in place on the site. No adjustments were made under this heading.

Access and Exposure

Sales 1-3 have similar exposure and their sale prices per acre were not adjusted under this heading. Sale 4 and Listing 1 were adjusted upward under this heading for inferior access and exposure.

Summary and Conclusion

The sales comparables indicated the following unadjusted market range:

	$/Acre Before Adjustments	$/Acre After Adjustments
High	$235,294	$138,720
Low	$37,978	$$63,467
Mean	$99,921	$98,648

We spoke with Mark Coleman of Coleman Land Company (630.377.1600). He is familiar with the subject site and proposed use. According to Mr. Coleman, he has a 7-acre parcel in Carpentersville, Illinois that is proposed for multi-family. He stated that it is in an inferior area as the subject but also smaller than the subject. In his opinion, the price per square foot of the subject site is currently $2.50, or $108,900 per acre. We also spoke with Russ Nelms with Coldwell Banker Commercial (630.587.4632). According to Mr. Nelms, there was a sale on September 9, 2014 at Randall Road and Silver Glen in South Elgin (St. Charles school district). A 50.85 acre parcel sold for $7,600,000 or $149,459 per acre. This property was owned by First Midwest and sold to Pulte. He stated that they planned to build single-family homes. He said a second property sold across from the subject on Bricher Road. The sale date was August 15, 2014 and the sale price is $3,304,500. The site size was 14.42-acres or $229,161 per acre. According to Mr. Nelms, both of these sales have a very high price per acre and his opinion is that they are both overpriced and surprised him when they sold for such a high price per square foot. However, these two sales were most likely contingent upon rezoning, indicating a higher price per acre.

Considering the above, with consideration given to the brokers in the area, the subject's land value is projected between $100,000 and $125,000 per acre for an average of $112,500. The land value is calculated as:

Size		Estimated Value per acre	Final Opinion of Subject As Is
20.48 acres	x	$112,500	$2,304,000
Rounded			**$2,300,000**

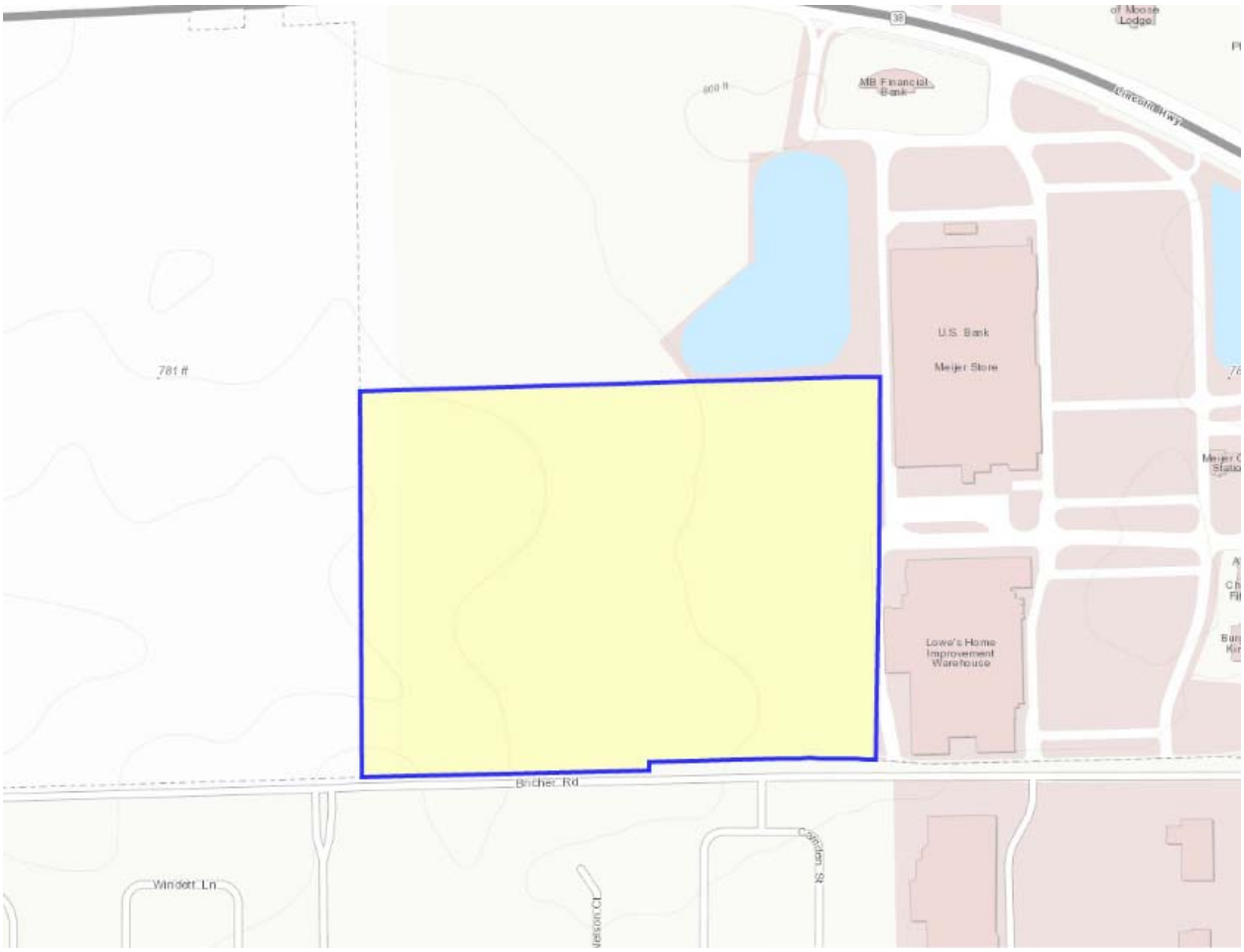
ESTIMATED MARKET VALUE
VIA THE SALES COMPARISON APPROACH,
Rounded to… $2,300,000

Based on our inspection and analysis of economic trends influential to the property, it is our opinion that the market value of the fee simple interest in the 20.48-acre subject site at Bricher Road in the City of Saint Charles, Kane County, Illinois, as of the effective date of the appraisal, February 25, 2017, and subject to the incorporated Assumptions and Conditions under its existing zoning, is:

TWO MILLION THREE HUNDRED THOUSAND ($2,300,000) DOLLARS

We are of the opinion that a reasonably achievable marketing time for the market value opinion, assuming the property was properly priced and actively marketed, is 12 to 36 months commencing from the effective date of appraisal going forward. We estimate an exposure period of 12 to 36 months preceding the effective date of appraisal, if properly priced and actively marketed.

ADDENDA


MB Financial Bank
U.S. Bank
Meijer Store
Lowe's Home Improvement Warehouse
781 ft
Bircher Rd
Windett Ln

BLAKE

JOSEPH J. BLAKE AND ASSOCIATES, INC.
REAL ESTATE VALUATION AND CONSULTING

10 South LaSalle Street, Suite 1140 | Chicago, Illinois 60603 | Phone: 312-372-1333 | Fax: 312-372-5333 | www.josephjblake.com

VIA E-MAIL: jeff@e-a.net

February 15, 2017

Executive Capital
c/o Mr. Jeff Ratzer
Vice President
Big Rock Executive Center
47W210 Route 30
Big Rock, IL 60511

Re: Fee Proposal for Land Appraisal and
Apartment Supply and Demand Analysis of:
20± Acre Site and Proposed 250± Unit Class A+ Apartment in
St. Charles, IL

Dear Ratzer:

In accordance with your request, herewith submitted is our fee proposal for preparing an appraisal and appraisal report of the above referenced property as well as a supply and demand analysis of the immediate and local Class A apartment market.

The purpose of the appraisal will be to provide our opinion of the fee simple interest in a 20± acre site under its current zoning for agricultural use. Under separate cover, we will also provide a local supply and demand analysis relating to a proposed 250± unit proposed Class A+ apartment.

The fee for the assignment will be $4,000, due upon completion and delivery of the final appraisals.

We will put forth our best efforts to provide you with an electronic copy of the appraisal within 3 weeks of authorization. *The date of authorization is the date we receive a signed copy of this fee proposal along with all information required to complete this assignment.*

If court testimony, arbitration or additional consulting services are required, the additional fee will be based on $300 per hour plus travel and all related expenses including but not limited to pre and post trial/arbitration meetings, appraisal reviews, air fare, auto mileage, meals, lodging, messenger and overnight services, telephone calls, ground transportation, copying charges, clerical service, etc.

As always, the appraisals will conform to the standards set forth in the Code of Professional Ethics and Standards of Valuation Practice of the Appraisal Institute, and Uniform Standards of Valuation Practice of the Appraisal Foundation, FIRREA (Financial Institutions Reform, Recovery and Enforcement Act), as well as the attached Assumptions and Limiting Conditions.

If certain information is not received in a timely fashion, the delivery date of the appraisals may be delayed beyond the stated time frame.

If the assignment is canceled, the fees and expenses incurred to that point will be $300 per hour plus related expenses not to exceed the total fee.

If after the assignment is placed on hold by the client, or if within a 10 day period after cancellation by the client, authorization is given to proceed with the assignment, the fee structure will remain the same and all fees and expenses paid will be credited against the original fee assuming the scope of work has not changed. The revised delivery date of the final reports may then be set by mutual agreement. Please keep in mind that any assignments placed on hold by the client may result in extended delivery dates for the final report.

If a draft report is issued at the request of the client, and final comments on the draft are not provided by the client in order to finalize the report in 5 days of issue, then the entire agreed upon fee will be due and payable at that point, if not already paid and service charges will begin to accrue the 50th day after the draft was sent out (see below).

We reserve the right to access a service charge of 1 ½ percent per month (18 percent) on any outstanding balance for which payment has not been received after 45 days from the invoice date. The service charge shall be capitalized and become part of the outstanding balance as the interest accrues.

In the event we must take legal action to collect any portion of our outstanding fees, reasonable attorneys' fees, court costs, sheriffs' fees and other related costs associated with the collection of the account shall be paid by *Executive Capital,* if Joseph J. Blake and Associates, Inc. prevails in such action. This proposal, at the option of Joseph J. Blake and Associates, Inc., may be revised or withdrawn if not signed and received by Joseph J. Blake and Associates by March 30, 2017.

If the nature or scope of the assignment is changed, we reserve the right to alter the time frame and fee structure accordingly. Additional copies of the appraisal reports will be available at a cost of $75 per copy plus messenger or overnight delivery charges.

If the terms and conditions of this proposal are agreeable, kindly indicate your acceptance by signing in the space provided below and return a copy together with all information required to commence the assignment at your earliest convenience.

We wish to thank you for utilizing the services of Joseph J. Blake and Associates, Inc. and for the confidence you have demonstrated in our ability to perform this assignment.

Respectfully submitted,

JOSEPH J. BLAKE AND ASSOCIATES, INC.

Michael J. Maglocci, MAI, Managing Partner
State-Certified General Real Estate Appraiser
NO. 553.000119

I understand and accept that the final appraisals will be subject to the above fee proposal and the attached Assumptions and Limiting Conditions. I also certify that I am authorized by my company or client to engage the services described in this contract.

By_____ Print: JEFF Nagl

Title: V.P Date: 2/15/17

Phone Number: 630 556 3771

Enclosure: Assumptions and Limiting Conditions

Definition of Market Value

Wiring Instructions

Privacy Notice

MICHAEL J. MAGLOCCI, MAI, MRICS

Mr. Maglocci holds the position of Managing Partner with the Chicago office of Joseph J. Blake and Associates, Inc., at 10 S. LaSalle Street, Suite 1140, Chicago, Illinois.

FORMAL EDUCATION

Pennsylvania State University – State College, Pennsylvania
Bachelor of Science in Business Administration
Concentration in Real Estate

REAL ESTATE AND APPRAISAL EDUCATION

Course Name	Provider
Real Estate Appraisal Principles	Appraisal Institute
Basic Valuation Procedures	Appraisal Institute
Capitalization Theory and Techniques, Part I	Appraisal Institute
Capitalization Theory and Techniques, Part II	Appraisal Institute
Capitalization Theory and Techniques, Part B	Appraisal Institute
Case Studies in Real Estate Valuation	Appraisal Institute
Standards of Professional Practice	Appraisal Institute
Residential Valuation	Appraisal Institute
Valuation Analysis and Report Writing	Appraisal Institute
Market Analysis	Appraisal Institute
Litigation Valuation	Appraisal Institute

PROFESSIONAL AFFILIATIONS

Affiliation	Number
Appraisal Institute, Designated Member	No. 7107
Royal Institution of Chartered Surveyors, Member	No. 6328662
Illinois State Certified General Real Estate Appraiser	No. 553.000119
Indiana State Certified General Real Estate Appraiser	No. CG69100363
Iowa State Certified General Real Estate Appraiser	No. 198507083
Michigan State Certified General Real Estate Appraiser	No. 1201001719
Ohio State Certified General Real Estate Appraiser	No. 384673
Pennsylvania State Certified General Real Estate Appraiser	No. GA001005-R
Wisconsin State Certified General Real Estate Appraiser	No. 114-10
Illinois Coalition of Appraisal Professionals, Founding Member and Past President	

Appraisal Institute Service	Dates
Government Relations Committee, Member	2014/2015
Chicago Chapter, President	1999
National Board of Directors, Member	Past
Region III, Chair	Past
Chicago Chapter Board of Directors, Member	Past
Non-Residential Demonstration Appraisal Reports Subcommittee, Member	Past
Regional Standards and Ethics Panel, Member	Past
Master's Degree Committee, Member	Past

APPRAISAL EXPERIENCE

Responsibilities include the appraisal of all types of investment grade and noninvestment grade real estate, including office buildings, regional malls, power centers, community centers, neighborhood centers, industrial properties and apartments, condominium complexes, residential subdivisions, hotels, cineplexes, restaurants, vacant land and special use properties, as well as providing related consulting. Mr. Maglocci has appraised and has supervised appraisals as well as prepared consulting studies of properties for a variety of public pension funds, large institutional investors, pension fund advisors, insurance companies and banks.

Mr. Maglocci has been qualified as an expert witness in Federal Bankruptcy Court in the State of Wisconsin (Milwaukee) and Illinois (Chicago) and has given oral and written testimony in each. He has also testified in the Supreme Court of New York. In addition, he has provided testimony in litigation matters, both civil and criminal.

Recent awards include:

- Appraisal Institute President's Appreciation Award (2011)
- Chicago Chapter Exceptional Leadership and Dedicated Service Award (2010)
- Appraisal Institute Region III Service Award (2009/2010)
- Heritage Award (2007)

CERTIFICATION

State of Illinois

Department of Financial and Professional Regulation

Division of Real Estate

LICENSE NO.

553.000119

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

EXPIRES:

09/30/2017

CERTIFIED

GENERAL REAL ESTATE APPRAISER

MICHAEL J MAGLOCCI
MICHAEL MAGLOCCI
JOSEPH J BLAKE AND ASSOCIATES INC
10 SOUTH LASALLE STREET SUITE 1140
CHICAGO, IL 60603

BRYAN A. SCHNEIDER
SECRETARY

The official status of this license can be verified at www.idfpr.com

9959622

JAIME SCHEETZ

Ms. Scheetz holds the position of Senior Appraiser with the Chicago office of Joseph J. Blake and Associates, Inc., at 10 S. LaSalle Street, Suite 1140, Chicago, Illinois.

FORMAL EDUCATION

University of Illinois, Champaign-Urbana
Bachelor of Science in Finance

REAL ESTATE AND APPRAISAL EDUCATION

Course Name	Provider
Real Estate Appraisal Principles	Appraisal Institute
Basic Valuation Procedures	Appraisal Institute
Capitalization Theory and Techniques, Part A	Appraisal Institute
Standards of Professional Practice	Appraisal Institute
Fundamentals of Real Estate Appraisal	Appraisal Institute
Appraising the Single Family Residence	Appraisal Institute

PROFESSIONAL AFFILIATIONS

Affiliation	Number
Illinois State Certified General Real Estate Appraiser	No. 553.002450

APPRAISAL EXPERIENCE

Variety of assignments for financial institutions and banks, including: retail, shopping centers, industrial properties, market studies, apartments, and vacant land.

CERTIFICATION

State of Illinois

Department of Financial and Professional Regulation

Division of Real Estate

LICENSE NO.

553.002450

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

EXPIRES:

09/30/2017

CERTIFIED

GENERAL REAL ESTATE APPRAISER

JAIME M SCHEETZ
42 SPYGLASS CIRCLE
PALOS HEIGHTS, IL 60463

BRYAN A. SCHNEIDER
SECRETARY

The official status of this license can be verified at www.idfpr.com

10092279

BLAKE

Joseph J. Blake and Associates, Inc.

Real Estate Valuation and Consulting

10 South LaSalle Street, Suite 1140 | Chicago, Illinois 60603 | Phone: 312-372-1333 | Fax: 312-372-5333 | www.josephjblake.com

April 13, 2017

Executive Capital
c/o Mr. Jeff Ratzer
Vice President
Big Rock Executive Center
47W210 Route 30
Big Rock, IL 60511

Re: Supplement to the Appraisal of
the 20.48 -Acre Vacant Land Parcel
on Bricher Road, Saint Charles, Kane County, IL

Dear Mr. Ratzer:

At your request, on March 3, 2017, we issued an appraisal report pertaining to the above referenced 20.48-acre parcel of vacant land in St. Charles, IL. The purpose of that appraisal report was to provide our opinion of the market value of the fee simple interest in the site under its then existing zoning.

This supplement incorporates by reference, is made part of, and should only be used in conjunction with our appraisal of the above referenced site dated March 3, 2017. This supplement should not be construed as an appraisal, comparable set for a specific property or an opinion of value. It is merely raw market data.

The purpose of this supplemental analysis is to provide you with sales and listings of finished single family residential lots (around 1-acre) that are located in the city of St. Charles, IL

We have performed our services and prepared this report in accordance with applicable, generally accepted appraisal practices. We make no other warranties, either expressed or implied, as to the character and nature of such services and product.

The parameters of our research included searching the connectMLS (MRED real estate data) for both closed single family lot sales that occurred within the last year ranging in size from .5 acres to 2.00 acres and current listings of lots available for sale ranging from roughly .5 acres to 2.00 acres all within the city of St. Charles, IL. Our findings are summarized in the attached spread sheets.

We uncovered 9 closed lot sales ranging from .55 acres to 1.74 acres and averaging 1.10 acres dating back to April of 2016. The average price per acre of the 9 sales uncovered equated to $107,474 per acre. The closed prices were roughly 87% of the reported asking prices.

We uncovered approximately 68 current lot listings ranging in size from .5 acres to 2.11 acres with an average asking price of $138,152 per acre. If we apply the 13% average discount negotiated for the 9 lot sales to the listing's average per acre price (sales price divided by list price), the adjusted price averages $120,191.

In addition to compiling the attached lot sales and listings, we also spoke with Ms. Ashley Johnson, Sales Consultant for the Lincoln Square single family residential subdivision offered by Pulte homes at 2683 Camden Street, Geneva, IL. Ms. Johnson indicated that they are offering lots averaging around 7,500 SF for prices ranging from $5,000 to $10,000 as part of a lot plus house sale package which equates to $29,040 to $58,080/acre.

Attached is a summary of the closed sales and active listings uncovered in our research for St. Charles, IL. It was not meant to be an absolutely exhaustive search, but rather was made within the above described parameters via connectMLS.

If you have any questions about this supplement to our original report, please contact us at your earliest convenience.

Respectfully submitted,

JOSEPH J. BLAKE AND ASSOCIATES, INC.

Michael J. Maglocci, MAI
Managing Partner
Illinois Certified General Real Estate Appraiser No. 553.000119; Expires 09/30/17

Active Land Listings in St. Charles in the Last 12 Months

MLS #	Status	Street Number	Compass Point	Street Name	Street Suffix	Subdivision Lot Number	Area	List Price	Acreage	Lot Size	Zoning Type	Price/Acre
9472214	ACTV	6N690	N/A	Tuscola	AVE	N/A	St. Charles	$29,900.00	0.5	.50-.99 Acre	Single Family	$59,800.00
9472219	ACTV	6N690	N/A	Tuscola	AVE	N/A	St. Charles	$29,900.00	0.5	.50-.99 Acre	Single Family	$59,800.00
9249195	ACTV	Lot 1	N/A	Allen	LN	N/A	St. Charles	$236,900.00	0.5	.50-.99 Acre	Single Family	$473,800.00
9487045	ACTV	LOT 89	N/A	Switchgrass	LN	N/A	St. Charles	$197,900.00	0.54	.50-.99 Acre	Single Family	$366,481.48
9472004	ACTV	Lot 87	N/A	Switchgrass	LN	N/A	St. Charles	$200,000.00	0.54	.50-.99 Acre	Single Family	$370,370.37
9559724	A/I	35W743	N/A	South	LN	N/A	St. Charles	$85,000.00	0.6	.50-.99 Acre	Single Family	$141,666.67
9376528	ACTV	Lot 89	N/A	Burlington	RD	N/A	St. Charles	$90,000.00	0.74	.50-.99 Acre	Single Family	$121,621.62
9472019	ACTV	Lot 126	N/A	Longmeadow	LN	N/A	St. Charles	$200,000.00	0.78	.50-.99 Acre	Single Family	$256,410.26
9189428	ACTV	Lot 99	N/A	Brierwood	DR	18	St. Charles	$69,000.00	0.84	.50-.99 Acre	Single Family	$82,142.86
9202272	ACTV	Lot 98	N/A	Burlington	RD	98	St. Charles	$50,000.00	0.87	.50-.99 Acre	Single Family	$57,471.26
8961848	A/I	3N541	N/A	Prairie	DR	13	St. Charles	$88,800.00	1.04	1.0-1.99 Acres	Single Family	$85,384.62
9579133	ACTV	895	N/A	Geneva	RD	N/A	St. Charles	$395,000.00	1.04	1.0-1.99 Acres	Single Family	$379,807.69
9044264	ACTV	6N255	N/A	Old Farm	LN	N/A	St. Charles	$145,000.00	1.05	1.0-1.99 Acres	Single Family	$138,095.24
9571200	ACTV	35W247	N/A	Fox River	DR	N/A	St. Charles	$174,900.00	1.06	1.0-1.99 Acres	Single Family	$165,000.00
9044259	ACTV	Lot 69	N/A	Old Farm	LN	N/A	St. Charles	$145,000.00	1.07	1.0-1.99 Acres	Single Family	$135,514.02
9479191	ACTV	LOT 15	N/A	HearthStone	CT	15	St. Charles	$89,900.00	1.14	1.0-1.99 Acres	Single Family	$78,859.65
9206078	ACTV	Lot 40	N/A	Lancanster	ST	N/A	St. Charles	$249,900.00	1.16	1.0-1.99 Acres	Single Family	$215,431.03
9152362	ACTV	LOT 1	N/A	Citation	LN	1	St. Charles	$70,000.00	1.2	1.0-1.99 Acres	Planned Unit Development	$58,333.33
9486792	ACTV	Lot 76	N/A	Bristol	CT	76	St. Charles	$325,900.00	1.21	1.0-1.99 Acres	Single Family	$269,338.84
9398449	ACTV	41W629	N/A	Fox Bend	DR	N/A	St. Charles	$74,500.00	1.25	1.0-1.99 Acres	Single Family	$59,600.00
8667202	ACTV	Lot 101	N/A	Oak Pointe	DR	N/A	St. Charles	$229,000.00	1.25	1.0-1.99 Acres	Single Family	$183,200.00
9189760	ACTV	37W206	N/A	Deer Pond	CT	6	St. Charles	$299,900.00	1.25	1.0-1.99 Acres	Single Family	$239,920.00
9336707	ACTV	5N074	N/A	White Bridge	RD	N/A	St. Charles	$199,900.00	1.26	1.0-1.99 Acres	Single Family	$158,650.79
9095471	ACTV	Lot 16	N/A	Deer Pond	DR	N/A	St. Charles	$249,900.00	1.26	1.0-1.99 Acres	Single Family	$198,333.33
9578487	ACTV	Lot 3	N/A	Oak Shadows	LN	3	St. Charles	$288,000.00	1.26	1.0-1.99 Acres	Planned Unit Development	$228,571.43
9309807	CTGO	LOT 112	N/A	Black Willow	DR	112	St. Charles	$170,000.00	1.27	1.0-1.99 Acres	Single Family	$133,858.27
9508385	ACTV	LOT 27	N/A	Ferson	CT	27	St. Charles	$54,900.00	1.29	1.0-1.99 Acres	Single Family	$42,558.14
9284558	ACTV	37W217	N/A	Deer Pond	CT	9	St. Charles	$149,900.00	1.3	1.0-1.99 Acres	Single Family	$115,307.69
9327977	ACTV	Lot 16	N/A	Heather	LN	16	St. Charles	$99,000.00	1.31	1.0-1.99 Acres	Single Family	$75,572.52
9327989	ACTV	Lot 4	N/A	Trail Ridge	DR	4	St. Charles	$99,000.00	1.31	1.0-1.99 Acres	Single Family	$75,572.52
9400100	ACTV	LOT 17	N	Sunset Views	DR	17	St. Charles	$75,000.00	1.33	1.0-1.99 Acres	Single Family	$56,390.98
9058699	ACTV	43W819	N/A	Morningside	CT	44	St. Charles	$89,000.00	1.33	1.0-1.99 Acres	Single Family	$66,917.29
9328011	ACTV	Lot 19	N/A	Trail Ridge	DR	19	St. Charles	$99,000.00	1.33	1.0-1.99 Acres	Single Family	$74,436.09
9185609	A/I	43W685	N/A	Sunset	CT	69	St. Charles	$59,000.00	1.34	1.0-1.99 Acres	Single Family	$44,029.85
9581555	ACTV	LOT 19	N/A	Foxmoor	DR	N/A	St. Charles	$130,000.00	1.34	1.0-1.99 Acres	Single Family	$97,014.93
9322376	ACTV	Lot 2	N/A	Prairie Wood	CT	2	St. Charles	$199,500.00	1.34	1.0-1.99 Acres	Single Family	$148,880.60
9171547	ACTV	06N115	E	Sunset Views	DR	12	St. Charles	$50,000.00	1.35	1.0-1.99 Acres	Single Family	$37,037.04
9018222	ACTV	Lot 122	N/A	Hickory	DR	122	St. Charles	$259,000.00	1.35	1.0-1.99 Acres	Single Family	$191,851.85
9393540	ACTV	43W724	N/A	Twilight	LN	N/A	St. Charles	$89,000.00	1.36	1.0-1.99 Acres	Single Family	$65,441.18
9328018	ACTV	Lot 6	N/A	Heather	LN	N/A	St. Charles	$99,000.00	1.36	1.0-1.99 Acres	Single Family	$72,794.12
8815482	ACTV	Lot 2	N/A	Prairie Valley	DR	N/A	St. Charles	$35,000.00	1.4	1.0-1.99 Acres	Single Family	$25,000.00
9488439	ACTV	43W812	N	Sunset Views	DR	20	St. Charles	$50,000.00	1.4	1.0-1.99 Acres	Single Family	$35,714.29
7127169	ACTV	LOT 35	N/A	West Sunset Views	DR	N/A	St. Charles	$69,000.00	1.41	1.0-1.99 Acres	Single Family	$48,936.17
9041359	ACTV	Lot 2	N/A	Denker	RD	2	St. Charles	$225,000.00	1.45	1.0-1.99 Acres	Single Family	$155,172.41
9579682	ACTV	Lot72	N/A	Timbergate	LN	72	St. Charles	$225,000.00	1.48	1.0-1.99 Acres	Single Family	$152,027.03
9400099	ACTV	LOT 1	E	Sunset views	DR	1	St. Charles	$55,000.00	1.51	1.0-1.99 Acres	Single Family	$36,423.84
9294653	ACTV	41W	N/A	IL RT 64	HWY	N/A	St. Charles	$99,999.00	1.51	1.0-1.99 Acres	Single Family	$66,224.50
9161667	ACTV	Lot 11	N/A	Old Farm	RD	11	St. Charles	$299,000.00	1.52	1.0-1.99 Acres	Single Family	$196,710.53
9497800	ACTV	Lot 8	N/A	Mission Hills	DR	8	St. Charles	$199,900.00	1.62	1.0-1.99 Acres	Single Family	$123,395.06
9045476	ACTV	LOT 4	N/A	Cranston North	RD	N/A	St. Charles	$79,900.00	1.64	1.0-1.99 Acres	Single Family	$48,719.51
9488998	ACTV	36W115	N/A	Silver Glen	RD	N/A	St. Charles	$139,900.00	1.64	1.0-1.99 Acres	Agriculture	$85,304.88
9408272	ACTV	Lot 5	N/A	Knoll Creek	DR	N/A	St. Charles	$149,900.00	1.65	1.0-1.99 Acres	Single Family	$90,848.48
9279793	ACTV	LOT 1	N/A	Oak Shadows	LN	1	St. Charles	$199,900.00	1.65	1.0-1.99 Acres	Single Family	$121,151.52
9387036	ACTV	5N538	N/A	Trail Ridge	DR	18	St. Charles	$99,000.00	1.68	1.0-1.99 Acres	Single Family	$58,928.57
7127193	ACTV	LOT 28	N/A	West Sunset Views	DR	N/A	St. Charles	$79,000.00	1.72	1.0-1.99 Acres	Single Family	$45,930.23
7127175	ACTV	LOT 36	N/A	West Sunset Views	DR	N/A	St. Charles	$55,000.00	1.74	1.0-1.99 Acres	Single Family	$31,609.20
9563249	ACTV	Lot 7	N/A	Weeping Beech	LN	7	St. Charles	$418,500.00	1.75	1.0-1.99 Acres	Planned Unit Development	$239,142.86
9151928	ACTV	4N812	N/A	Old Farm	RD	N/A	St. Charles	$180,000.00	1.79	1.0-1.99 Acres	Single Family	$100,558.66
9569645	ACTV	33	N/A	Autumn	CT	33	St. Charles	$85,000.00	1.83	1.0-1.99 Acres	Single Family	$46,448.09
9474867	ACTV	Lot 11	N/A	Deer Pond	DR	N/A	St. Charles	$349,000.00	1.85	1.0-1.99 Acres	Single Family	$188,648.65
7018261	ACTV	Lot 18	N/A	Oakmont	DR	18	St. Charles	$325,900.00	1.87	1.0-1.99 Acres	Single Family	$174,278.07
7437000	ACTV	LOT 25	N/A	West Sunset Views	DR	N/A	St. Charles	$89,000.00	1.88	1.0-1.99 Acres	Single Family	$47,340.43
9508302	ACTV	LOT 2	N/A	Deer Pond	DR	2	St. Charles	$199,990.00	1.9	1.0-1.99 Acres	Single Family	$105,257.89
9400102	ACTV	LOT 29	W	Sunset Views	DR	29	St. Charles	$75,000.00	1.95	1.0-1.99 Acres	Single Family	$38,461.54

Active Land Listings in St. Charles in the Last 12 Months

9213695	ACTV	41W765	N/A	Griffin	LN	N/A	St. Charles	$99,800.00	1.95	1.0-1.99 Acres	Single Family	$51,179.49
9387045	ACTV	43W632	N/A	Coleman	LN	3	St. Charles	$140,000.00	1.99	1.0-1.99 Acres	Single Family	$70,351.76
6944602	ACTV	LOT 24	N/A	North Sunset View	DR	N/A	St. Charles	$85,000.00	2.11	1.0-1.99 Acres	Single Family	$40,284.36
								Average Lot Size (Acres)	1.338382353		**Average Price/Acre**	$138,151.70

Closed Land Sales in St. Charles in the 12 Months

MLS #	Status	Street Number	Compass Point	Street Name	Street Suffix	Subdivision Lot Number	Area	Date	List Price	Sold Price	Acreage	Lot Size	Zoning Type	Price/Acre
9274383	CLSD	Lot 92	N/A	Prairie Lakes	BLVD	92	St. Charles	2/6/2017	$140,000.00	$136,000.00	0.55	.50-.99 Acre	Single Family	$247,272.73
9134667	CLSD	Lot 84	N/A	Longmeadow	LN	84	St. Charles	5/31/2016	$199,900.00	$166,000.00	0.55	.50-.99 Acre	Single Family	$301,818.18
9133196	CLSD	6n540	N/A	IL Route 31	N/A	N/A	St. Charles	5/19/2016	$139,000.00	$100,000.00	0.76	.50-.99 Acre	Agriculture	$131,578.95
9178565	CLSD	Lot 26	N/A	Bolcum	RD	N/A	St. Charles	2/13/2017	$50,000.00	$36,000.00	1.14	1.0-1.99 Acres	Single Family	$31,578.95
9103146	CLSD	Lot 15	N/A	HearthStone	CT	15	St. Charles	4/15/2016	$65,000.00	$52,000.00	1.14	1.0-1.99 Acres	Single Family	$45,614.04
8967358	CLSD	109	W	Ridgewood	LN	109	St. Charles	11/30/2016	$54,900.00	$20,000.00	1.22	1.0-1.99 Acres	Single Family	$16,393.44
9342913	CLSD	Lot 4	N/A	Emerald	CT	N/A	St. Charles	3/30/2017	$89,900.00	$45,000.00	1.33	1.0-1.99 Acres	Single Family	$33,834.59
9312441	PEND	Lot 41	N/A	Autumn	LN	41	St. Charles	3/22/2017(OFF MARKET)	$49,900	$49,900.00	1.46	1.0-1.99 Acres	Single Family	$34,178.08
9177457	CLSD	36W023	N/A	Crane	RD	N/A	St. Charles	9/27/2016	$249,900.00	$217,500.00	1.74	1.0-1.99 Acres	Single Family	$125,000.00

Average Lot Size (Acres) 1.098889 **Average Price/Acre** $107,474.33

FOURTH AMENDMENT TO ANNEXATION AGREEMENT
(BRICHER COMMONS PUD – PRAIRIE WINDS)

THIS FOURTH AMENDMENT to an Annexation Agreement (hereinafter the "Amendatory Agreement") is made as of this ____ day of ____ 2017, by the City of St. Charles, an Illinois home rule municipal corporation (hereinafter the "CITY"), Prairie Winds, LLC, a Delaware Limited Liability Company (hereinafter the "DEVELOPER") and Todd L. Dempsey Declaration of Trust (hereinafter the "OWNER") (the CITY, DEVELOPER, and OWNER are hereinafter sometimes collectively referred to as the "Parties").

WITNESSETH:

WHEREAS, the CITY has previously entered into a certain Annexation Agreement dated August 4, 1999 ("**1999 Annexation Agreement**") by and between the CITY OF ST. CHARLES and FIRSTAR BANK ILLINOIS as Trustee under the provisions of Trust No. 2640 dated December 7, 1987 and DGT PARTNERSHIP, recorded as Document Number 1999K094392 in Kane County, Illinois; and

WHEREAS, the CITY has previously entered into a certain Amended Annexation Agreement dated November 15, 1999 ("**First Amendment**") by and between the CITY OF ST. CHARLES and FIRSTAR BANK of ILLINOIS as Trustee under the provisions of Trust No. 2640 dated December 7, 1987 and DGT PARTNERSHIP, recorded as Document Number 2000K037389 in Kane County, Illinois; and

WHEREAS, the CITY has previously entered into a certain Amended Annexation Agreement dated March 20, 2006 ("**Second Amendment**") by and between the CITY OF ST. CHARLES and DGT, LLC, recorded as Document Number 2006K056293 in Kane County, Illinois; and

WHEREAS, the CITY has previously entered into a certain Amended Annexation Agreement dated January 19, 2016 ("**Third Amendment**") by and between the CITY OF ST.

CHARLES, METRO STORAGE ST. CHARLES, LLC, AND UNBEL, LLC, recorded as Document Number 2016K003108 in Kane County, Illinois; and

WHEREAS, the 1999 Annexation Agreement, First Amendment, Second Amendment, and Third Amendment shall hereinafter collectively be referred to as the "Amended Annexation Agreement"; and

WHEREAS, the OWNER is the owner of record of certain real property (hereinafter the "Subject Property") heretofore annexed to the CITY pursuant to the Amended Annexation Agreement, the Subject Property being legally described in Exhibit "A", attached hereto and incorporated herein by reference; and

WHEREAS, the DEVELOPER is the purchaser under contract of the Subject Property and, following its closing on the Subject Property, shall undertake and be fully responsible for the development of the Subject Property in full compliance with the terms and provisions of this Agreement and shall thereupon become the OWNER hereunder; and

WHEREAS, the DEVELOPER, with permission granted from the OWNER, has filed petitions with the CITY (a) to amend the Amended Annexation Agreement, and (b) to amend the Special Use for Planned Unit Development described in Ordinance No. 1999-Z-11 entitled "An Ordinance Granting a Special Use as a Planned Unit Development (Bricher Commons PUD)", ("**Bricher Commons PUD**") and for approval of PUD Preliminary Plans (including a Subdivision Preliminary Plat) in conjunction therewith; and

WHEREAS, pursuant to the provisions of 65 ILCS 5/11-15.1 *et seq.*, a proposed amendment to the Amended Annexation Agreement, substantially in the form of an Amendatory Agreement, was submitted to the CITY, and a public hearing was held thereon by the CITY on April 17, 2017, pursuant to the notice duly published in the Daily Herald newspaper, being a newspaper of general circulation, on March 31, 2017, all as required by law.

NOW, THEREFORE, in consideration of the foregoing premises and of the mutual covenants, conditions and agreements hereinafter set forth, IT IS HEREBY AGREED BY AND BETWEEN THE CITY, DEVELOPER, and OWNER as follows:

1. APPLICABILITY. Except as hereinafter otherwise expressly provided, upon the execution of this Agreement, the provisions of the Amended Annexation Agreement shall be superseded by this Agreement with respect to the Subject Property and shall thereafter become null and void and shall have no further force or effect with respect to the Subject Property.

2. ZONING. As soon as reasonably practicable and legally permissible following the execution of this Agreement, the CITY shall adopt and approve all ordinances and take such actions as necessary and appropriate to:

A. RM-3 ZONING: Rezone the Subject Property from the existing BR Regional Business District zoning classification under Chapter 17.14 of Title 17 of the St. Charles Municipal Code to RM-3 General Residential District zoning classification under Chapter 17.12 of Title 17 of the St. Charles Municipal Code.

B. PUD: Amend the Bricher Commons PUD with respect to the Subject Property, which amending ordinance shall be in the form and substance of Exhibit "B" attached hereto, entitled "An Ordinance Amending Ordinance No. 1999-Z-11 (Bricher Commons PUD) and Granting Approval of a New Planned Unit Development and PUD Preliminary Plan for Prairie Winds of St. Charles" ("**Prairie Winds PUD Ordinance**").

Following the adoption of said ordinances, the Subject Property shall be developed only in accordance with the provisions of this Agreement, the Prairie Winds PUD Ordinance (as from time to time amended by the CITY pursuant to application by DEVELOPER), applicable provisions of the CITY'S Municipal Code, to the extent not modified or varied pursuant to this Agreement or the Prairie Winds PUD Ordinance, and all other applicable statutes, rules and regulations of the State of Illinois and Kane County, as the same may, from time to time, apply to the development of the Subject Property.

3. TERM. This Agreement shall be effective beginning on the date hereof and shall continue in full force and effect until August 4, 2019, which constitutes a period of twenty (20) years following the date of the 1999 Annexation Agreement.

4. BINDING EFFECT. If OWNER and/or DEVELOPER sells or conveys all or any portion of the Subject Property or otherwise transfers or assigns any of its rights and/or duties hereunder during the term of this Agreement, all of OWNER's and/or DEVELOPER'S obligations specified in this Agreement shall devolve upon and be assumed by such purchaser, grantee, successor or assignee in interest ("**Transferee**"), as to the portion of the Subject Property so conveyed or the specific rights and/or duties so transferred.

5. COVENANT RUNNING WITH THE LAND. This Agreement shall constitute a covenant running with the land and shall be binding upon and inure to the benefit of the Parties hereto and all of their grantees, successors in interest, assignees, and ground lessees.

6. AMENDMENTS AND MODIFICATIONS. OWNER and DEVELOPER agree that the CITY and other appropriate parties may elect to modify the terms of the Amended Annexation Agreement for portions of the Bricher Commons Property, other than the Subject Property, without the consent of OWNER or DEVELOPER or either of them.

7. RECORDING. This Agreement may be recorded in the office of the Kane County Recorder's Office by either party; DEVELOPER shall pay for the recording fee.

8. COUNTERPARTS. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same document.

Prairie Winds LLC
A Delaware Limited Liability Company

By: _____

Title: _____

Attest: _____

Title: _____

STATE OF ILLINOIS)
) SS
COUNTY OF _____)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that _____, _____, and _____, _____, of _____, a _____, who are personally known to me to be the same persons whose names are subscribed to the foregoing instruments as such _____ and _____, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth; and the said _____ then and there acknowledged that _he, as custodian of the records of the corporation, did affix the corporate seal of said corporation to said instrument as h__ own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this ___ day of _____, 2016.

_____
Notary Public

Todd L. Dempsey Declaration of Trust
an Illinois Limited Liability Company

By: Gerard R. Dempsey
Its sole trustee

By: _____
Title: _____

STATE OF ILLINOIS)
) SS
COUNTY OF _____)

I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that _____, Trustee of Todd L. Dempsey Declaration of Trust, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered this instrument as his own free and voluntary act, and as the free and voluntary act of UNBEL, LLC, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this ____ day of _____, 2016.

_____
Notary Public

The CITY OF ST. CHARLES

By: _____
Mayor

Attest: _____
City Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF KANE)

I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Raymond P. Rogina, personally known to me to be the Mayor of the City of St. Charles, a municipal corporation, and Nancy Garrison, personally known to me to be the City Clerk of the City of St. Charles, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Mayor and City Clerk of said municipal corporation, and caused the corporate seal of said corporation to be affixed thereto, pursuant to the authority given by the City Council of the City of St. Charles as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this ____ day of _____, 2016.

_____
Notary Public

EXHIBIT “A”
Legal Description of Subject Property

THAT PART OF THE SOUTHEAST 1/4 OF SECTION 32, TOWNSHIP 40 NORTH, RANGE 8, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF THE SOUTHEAST 1/4 OF SAID SECTION 32, SAID CORNER ALSO BEING THE SOUTHWEST CORNER OF A TRACT OF LAND CONVEYED TO FIRSTAR BANK OF GENEVA, SUCCESSOR TRUSTEE TO THE FIRST NATIONAL BANK OF GENEVA, AS TRUSTEE UNDER TRUST NUMBER 2640 AS RECORDED IN DOCUMENT NO. 1884216; THENCE NORTH 00 DEGREES, 13 MINUTES 24 SECONDS WEST, ALONG THE WEST LINE OF SAID SOUTHEAST 1/4, A DISTANCE OF 418.83 FEET TO A PLACE OF BEGINNING; THENCE CONTINUING NORTH 00 DEGREES, 13 MINUTES 24 SECONDS WEST, ALONG SAID WEST LINE, 281.02 FEET; THENCE NORTH 89 DEGREES 46 MINUTES 36 SECONDS EAST, 30.05 FEET; THENCE NORTH 47 DEGREES 46 MINUTES 45 SECONDS EAST, 51.14 FEET; THENCE NORTH 76 DEGREES 35 MINUTES 36 SECONDS EAST, 456.07 FEET, THENCE NORTH 88 DEGREES 25 MINUTES 56 SECONDS EAST, 846.63 FEET TO THE WEST LINE OF LOT 1 IN RESUBDIVISION # 2 OF THE RESUBDIVISION OF MEIJER #182 SUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 31, 2002 AS DOCUMENT NUMBER 2002K140590; THENCE SOUTH 01 DEGREES 34 MINUTES 04 SECONDS EAST ALONG SAID WEST LINE AND ALONG WEST LINE OF LOT 2 IN RESUBDIVISION # 1 OF THE RESUBDIVISION OF MEIJER #182 SUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 18, 2002 AS DOCUMENT NUMBER 2002K115360, A DISTANCE OF 782.90 FEET TO THE NORTHEAST CORNER OF PROPERTY CONVEYED TO THE CITY OF GENEVA BY DEED DOCUMENT RECORDED AS 2000K028065; THENCE THE FOLLOWING TWO (2) COURSES AND DISTANCES ALONG THE NORTH LINE OF SAID CONVEYED PROPERTY: 1) WESTERLY ALONG A CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 3190.04 FEET, HAVING A CHORD BEARING NORTH 89 DEGREES 40 MINUTES 02 SECOND WEST, FOR AN ARC LENGTH OF 255.20 FEET TO A POINT OF TANGENCY; 2) SOUTH 88 DEGREES 02 MINUTES 28 SECONDS WEST, 352.67 FEET TO THE NORTHWEST CORNER OF SAID CONVEYED PROPERTY; THENCE SOUTH 88 DEGREES 25 MINUTES 20 SECOND WEST ALONG LINE 48.85 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF SECTION 32, A DISTANCE OF 349.59 FEET; THENCE NORTH 01 DEGREES 57 MINUTES 32 SECONDS WEST, 234.95 FEET; THENCE NORTH 53 DEGREES 15 MINUTES 53 SECONDS WEST, 208.23 FEET; THENCE SOUTH 89 DEGREES 46 MINUTES 36 SECONDS WEST, 246.25 FEET TO THE PLACE OF BEGINNING; IN KANE COUNTY, ILLINOIS.

EXHIBIT “B”
Prairie Winds PUD Ordinance