



APPRAISAL OF REAL PROPERTY

LOCATED AT:

Lakemoor - Parcel #'s 10-20-300-020, 10-20-400-011, 10-20-451-003 - See Att:
See Addendum #2 for the Discussion of the Subject's Legal Description
Lakemoor, IL 60051

FOR:

Jim Kanzler
30846 N. US Highway 12
Volo, IL 60073

AS OF:

07/08/2008

BY:

Stephen C. Lauer

LAND APPRAISAL REPORT

File No. 080708001 Page #2

File No. 080708001

Borrower Kanzler Census Tract 8707.02 Map Reference 16974
 Property Address Vacant Site in Lakemoor - Parcel #'s 10-20-300-020, 10-20-400-011, 10-20-451-003 - See Attached Discussion
 City Lakemoor County Lake State IL Zip Code 60051
 Legal Description See Addendum #2 for the Discussion of the Subject's Legal Description
 Sale Price \$ N/A Date of Sale N/A Loan Term N/A yrs. Property Rights Appraised ☒ Fee ☐ Leasehold ☐ De Minimis PUD
 Actual Real Estate Taxes \$ Not Available (yr) Loan charges to be paid by seller \$ N/A Other sales concessions
 Lender/Client Jim Kanzler Address 30845 N. US Highway 12
 Occupant Kanzler Appraiser Stephen C. Lauer Instructions to Appraiser

Location ☐ Urban ☒ Suburban ☐ Rural
 Built Up ☐ Over 75% ☒ 25% to 75% ☐ Under 25%
 Growth Rate ☐ Fully Dev. ☐ Rapid ☒ Steady ☐ Slow
 Property Values ☐ Increasing ☒ Stable ☐ Declining
 Demand/Supply ☐ Shortage ☒ In Balance ☐ Oversupply
 Marketing Time ☐ Under 3 Mos. ☒ 4-6 Mos. ☐ Over 6 Mos.
 Present Land Use ☒ 88% 1 Family ☐ 1% 2-4 Family ☐ 1% Apts. ☐ % Condo ☐ 5% Commercial
 % Industrial ☐ 5% Vacant ☐ %
 Change in Present Land Use ☐ Not Likely ☒ Likely (*) ☐ Taking Place (*)
 (*) From Vacant Land To Single Family Housing
 Predominant Occupancy ☒ Owner ☐ Tenant ☐ 0-5 % Vacant
 Single Family Price Range \$ 53,000 to \$ 495,000 Predominant Value \$ 252,000
 Single Family Age 0 yrs. to 85+ yrs. Predominant Age 10 yrs.

Employment Stability ☐ Good ☒ Avg. ☐ Fair ☐ Poor
 Convenience to Employment ☐ ☒ ☐ ☐
 Convenience to Shopping ☐ ☒ ☐ ☐
 Convenience to Schools ☐ ☒ ☐ ☐
 Adequacy of Public Transportation ☐ ☒ ☐ ☐
 Recreational Facilities ☐ ☒ ☐ ☐
 Adequacy of Utilities ☐ ☒ ☐ ☐
 Property Compatibility ☐ ☒ ☐ ☐
 Protection from Detrimental Conditions ☐ ☒ ☐ ☐
 Police and Fire Protection ☐ ☒ ☐ ☐
 General Appearance of Properties ☐ ☒ ☐ ☐
 Appeal to Market ☐ ☒ ☐ ☐

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) US Highway 12/59, a major traffic artery, is within two miles and offers access to schools, parks, shopping, and employment centers. Property values have been relatively stable. Demand for the area is average. Improvements do conform to the surrounding parcels. The neighborhood has no apparent adverse factors affecting the subject's marketability.

Dimensions Subject to Survey = 23.09 Sq. Ft. or Acres ☒ Corner Lot
 Zoning classification RS-1 Residential Present Improvements ☒ do ☐ do not conform to zoning regulations
 Highest and best use ☒ Present use ☐ Other (specify) _____
 Public ☐ Other (Describe) _____
 Elec. ☐ None ☐ Street Access ☐ Public ☒ Private
 Gas ☐ None ☐ Surface Gravel
 Water ☐ None ☐ Maintenance ☐ Public ☒ Private
 San Sewer ☐ None ☐ Storm Sewer ☐ Curb/Gutter
☐ Underground Elect. & Tel. ☐ Sidewalk ☐ Street Lights
 Topo Generally Level
 Size Approximately 23.09 Acres
 Shape Rectangular
 View Open Area/Lake
 Drainage Appears Adequate-See Attached Discussion
 Is the property located in a HUD Identified Special Flood Hazard Area? ☒ No ☐ Yes
 Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions): The topography is typical for similar parcels within the subject's market area. Typical easements have been considered in estimating the subject's market value.

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	Vacant Site in Lakemoor - Parcel Lakemoor	1380 Rand Road Fox Lake	80 S US Highway 12 Fox Lake	31350 N. Highway 12 Lakemoor
Proximity to Subject		1.80 miles SW	2.51 miles NE	3.55 miles SE
Sales Price	\$ N/A	\$ 2,400,000	\$ 3,500,000	\$ 27,545,493
Price	\$ N/A	\$	\$	\$
Data Source	Inspected 07/08/08	MLS# 06333649	County Recorder's # 6191790	County Recorder's # 6186341
Date of Sale and Time Adjustment	N/A	DESCRIPTION +(-) \$ Adjust	DESCRIPTION +(-) \$ Adjust	DESCRIPTION +(-) \$ Adjust
Location	Suburban	Clad 09/18/07	Clad 05/31/07	Clad 05/18/07
Site/View	23.09 Acres / Lake	Equal Neigh	Equal Neigh	Equal Neigh
	15.49 Developable*	4 Acres/Retail	10.224 Acres/Open	50.21 Acres/Open
Sales or Financing Concessions		Conv / 0 Points Paid By Seller	Conv / 0 Points Paid By Seller	Conv / 0 Points Paid By Seller
Net Adj. (Total)		\$ + - \$	\$ + - \$	\$ + - \$
Indicated Value of Subject		Net % \$ 2,400,000	Net % \$ 3,500,000	Net % \$ 27,545,493

Comments on Market Data: The nine comparable sales and listings utilized in this report are vacant parcels located within the subject property's market area. The range in average sales prices per acre is from \$130,000 - \$600,000. Please see attached sales comparison comments in the attached supplemental addendum.

Comments and Conditions of Appraisal: This appraisal is being made "as is". This is a "Summary Appraisal Report". No liability is assumed for the structural or mechanical elements of the property.

Final Reconciliation: Indicated value by Sales Comparison: \$2,700,000. The Sales Comparison Approach best reflects the actions of the typical buyer. The Cost and Income Approaches to Value have been considered but are not applicable to this assignment.

I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF 07/08/2008 to be \$ 2,700,000

Stephen C. Lauer
 Appraiser(s) Review Appraiser (if applicable) ☐ Did ☐ Did Not Physically Inspect Property

(72K)

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ITEM		SUBJECT PROPERTY		COMPARABLE NO. 4		COMPARABLE NO. 5		COMPARABLE NO. 6	
Address Vacant Site in Lakemoor - Parcel Lakemoor		812 East Grand Avenue Fox Lake		30913 N. Route 12 Volo		30943 N. Route 12 Volo			
Proximity to Subject		3.40 miles NE		3.78 miles SE		3.80 miles SE			
Sales Price		\$ N/A		\$ 2,600,000		\$ 3,082,282		\$ 3,094,147	
Price		\$ N/A		\$		\$		\$	
Data Source		Inspected 07/08/08		MLS# 06652197		MLS# 06399696		MLS# 06887626	
Date of sale and		DESCRIPTION		+(-)\$ Adjust		DESCRIPTION		DESCRIPTION	
Time Adjustment		N/A		Active Listing		Active Listing		Active Listing	
Location		Suburban		Equal Neigh		Equal Neigh		Equal Neigh	
Site View		23.09 Acres / Lake		15.53 Acres/Lake		9.44 Acres/Open		9.46 Acres/Open	
		15.49 Developable*							
Sales or Financing						Conv./ 0 Points		Conv./ 0 Points	
Concessions						Paid By Seller		Paid By Seller	
Net Adj. (Total)				+ - \$		+ - \$		+ - \$	
Indicated Value									
of Subject		Net %		\$ 2,600,000		Net %		\$ 3,082,282	

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COMMENTS

Supplemental Addendum

File No. 080708001

Borrower	Kanzler
Property Address	Vacant Site in Lakemoor - Parcel #'s 10-20-300-020, 10-20-400-011, 10-20-451-003 - See Attached Discussion
City	Lakemoor
County	Lake
State	IL
Zip Code	60051
Lender	Jim Kanzler

This summary appraisal report is intended for use by the property owner for a private estimate of land value only. This report is not intended for any other use.

"In Accordance with Illinois Public Act 92-0180 Section 10-15, the individual ordering the appraisal was Jim Kanzler for a private land valuation."

In compliance with USPAP and FNMA Guidelines, an effort was made to verify that the property owner is owner of record. Although information provided in this report has been verified by tax records, the client is advised to verify the owners' legal right to transfer the property.

Condition of the Improvements:

The subject is a 23.09 acre parcel of land located in the town of Lakemoor. According to the village engineer and documentation provided by the client, the subject parcels included approximately 15.49 acres of land and approximately 7.6 acres of lake. At the time of inspection, the subject's site was found to be unimproved with no utilities (electrical, sewer, water, etc). The subject parcels have not been developed. It is likely that the parcels will be eventually developed with single family homes. The subject was inspected for physical, functional and external inadequacies. The subject has no apparent physical, functional or external obsolescences.

The subject's drainage appears to be adequate. It is recommended that a qualified expert make a final determination as grade and drainage may change should the parcels within the site be developed. This appraiser is not an expert in engineering or drainage.

As the subject site/parcels have not been developed, the town of Lakemoor, Lake County and the US Postal Service have not assigned identifying mailing address(es). For purposes of this appraisal the subject site/parcels are identified through the parcel identification numbers provided by the client.

*For purposes of this appraisal it is assumed that the 15.49 acres of the site are developable. This appraiser is unaware of any soil boring tests or any similar determinations regarding the full developability of the parcels within the 15.49 acre site. The remaining 7.6 acres of non-developable lake property was valued as contributory excess land. As a result minimal contributory value was given due to the non-developability of the lake.

Sales Comparison Comments

The subject and all comparables are vacant parcels of land located in the competing towns of Volo, Fox Lake, Ingleside and Lakemoor. Comparable one was listed as 6.95 acres being sold. Per conversations with the listing agent, only four acres were sold. The remaining 2.95 acres are currently listed for sale by the same listing agent. The range in average sales prices per acre is from \$130,000 - \$600,000. As comparables four and eight were the most similar in acreage, their average sales prices per acre were given the most weight in determining a value estimate. The value estimate contained in this report does not reflect any improvements or buildings located on the subject site. Nor does the value estimate in this report take into account the costs and related expenses of bringing utilities (water, electrical, sewer, etc.) to the subject site.

Discussion of Exceptions to FNMA Guidelines:

FNMA suggests that comparables be within six months, one mile, and have gross adjustments less than 25%, net adjustments less than 15%, and individual adjustments not exceeding 10%. A lack of recent sales data required the use of comparable sales older than the desired six months old and over the desired one mile radius. All comparables are from similar and competing areas. As a result, no neighborhood or location adjustments were considered necessary.

Transmittal Letter and FIRREA Checklist:

The subject was inspected on 07/08/2008. The estimated market value as of 07/08/2008 (effective date) is \$2,700,000.

The property was inspected by Stephen C. Lauer, Certified Appraiser.

I certify that to the best of my knowledge and belief the report analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized agents.

This appraisal is a "Summary Appraisal" as defined by the revised Uniform Standards of Professional Appraisal Practice effective July 1, 1994.

No responsibility has been assumed for matters which are legal in nature, nor has any opinion on them been rendered, other than assuming marketable title. Liens and encumbrances, if any, have been disregarded and the property was appraised as though free of indebtedness.

Please feel free to call with any questions.

1. The purpose of this appraisal is to estimate the market value of the subject for federally regulated mortgage purposes.
2. Per Title XI of FIRREA (Section 323.4 appraisal standards, paragraph 14B: unavailability of information), the appraiser was unable to obtain the legal description of the subject property. The owner(s) or the owner's agent did not provide a copy of the plat of survey, a deed or title policy, any of which contains the legal description. It is recommended that the lender require the survey, deed or title policy at the time of closing as to verify the subject's legal description.
3. The reasonable marketing time for the subject is 90-120 days.
4. Effective 01/01/03 USPAP Standards Rule 1-5 requires analysis of all sales of the subject property for a minimum of three years prior to the effective date of the appraisal. Listed below is the three year sales history of the subject property: According to county tax records and the MLS, the subject has not been sold within the past three years. The subject has not been listed for sale, through the NIMLS, within the past twelve months.

Supplemental Addendum

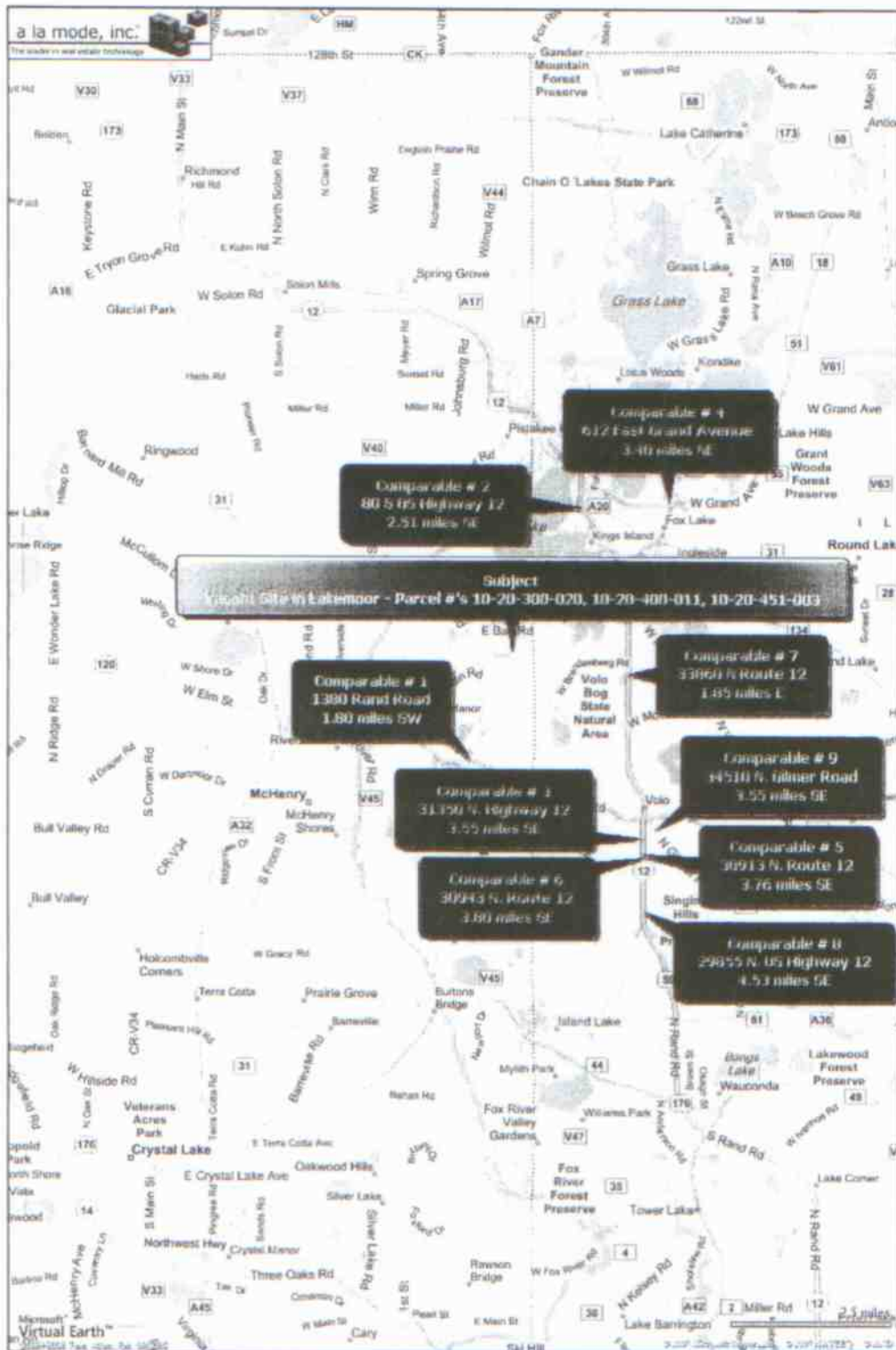
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Property Address	Vacant Site in Lakemoor - Parcel #'s 10-20-300-020, 10-20-400-011, 10-20-451-003 - See Attached Discussion		
City	Lakemoor	County	Lake
Lender	Jim Kanzler	State	IL
		Zip Code	60051

5. The subject was inspected on 07/08/2008. This report was prepared on 07/08/2008. The effective date of this appraisal is 07/08/2008.
6. The subject is a 23.09 acre parcel of land. 15.49 acres appear to be developable, however this appraiser is not an expert in soil testing or developability. 7.6 acres are part of a non-developable lake. This appraisal is made "as is".
7. Personal property and any related improvement or buildings on the subject site were not included in the appraised value.
8. We have considered all three approaches to value. The income and Cost approaches to value were not utilized as they do not apply to this assignment.
9. The subject is a parcel of land that is approximately ten acres. Revenues, expenses, and/or vacancies do not apply to this assignment.
10. Current and future employment or compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
11. This appraisal report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
12. The photos included in this report are digital/electronic. They have not been enlarged, enhanced, or altered in any way. Some of the comparable photos have been taken from the MLS photo file database to avoid persons in the photos.
13. This appraisal report has been digitally signed. The digital signatures used in this appraisal report are password protected and are in conformance with USPAP and FIRREA Guidelines.

Location Map

Borrower	Kanzler			
Property Address	Vacant Site in Lakemoor - Parcel #'s 10-20-300-020, 10-20-400-011, 10-20-451-003 - See Attached Discussion			
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Subject Photo Page

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		Zip Code	60051

**Subject Front**

Vacant Site in Lakemoor - Parcel #'s 10-20-300-
 Sales Price N/A
 Gross Living Area
 Total Rooms
 Total Bedrooms
 Total Bathrooms
 Location Suburban
 View 23.09 Acres / Lake
 Site
 Quality
 Age

**Subject Rear****Subject Street**