

ANNORENO MANAGEMENT

DATE: 1-11-21
TO: DAVE SVEE
FAX (708) 788-7990
FROM: MARY ANNORENO
RE: 2240 S. MICHIGAN AVE.

MESSAGE.

APPRAISAL REPORT
2240 S. MICHIGAN AVE.
CHICAGO, IL.

TOTAL NUMBER OF PAGES INCLUDING THIS PAGE: 62
IF YOU DO NOT RECEIVE ALL PAGES, PLEASE CALL MARY at (708) 567-7152

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Appraisal Report

**of the
Market Value
of the**

**Retail Building
Located at**

**2240 South Michigan Avenue
Chicago, Illinois 60616**

As of

July 13, 2018

For

**Mr. Steven Annoreno
706 Mills Street
Hinsdale, Illinois 60521**

**Service Appraisal Company, Inc.
1356 West 87th Street
Willow Springs, Illinois 60480**

50/50

SERVICE APPRAISAL COMPANY, INC.

REAL ESTATE APPRAISERS

1356 West 87th Street

Willow Springs, Illinois 60480

(708) 839-0080 Fax (708) 839-0119

September 3, 2019

Mr. Steven Annoreno
706 Mills Street
Hinsdale, Illinois 60521

Re: Retail Office Building
2240 South Michigan Avenue
Chicago, Illinois 60616

Mr. Annoreno:

Pursuant to your request, I have inspected and appraised the above captioned property. My purpose is to estimate the "As Is" Market Value of the fee simple interest, at its highest and best use, as of July 13, 2018. I understand the purpose of the appraisal to be for estate tax purposes.

The subject property consists of two and part one-story brick constructed retail office building. The structure was reportedly built in 1888 and contains approximately 10,300± square feet of gross building area with no basement. The building has been partially remodeled in recent years and reflects overall average condition. The building stands on an interior rectangular shaped land parcel containing approximately 6,032± square feet indicating a land to building ratio of 0.59 to 1. The property is zoned DS-5, Downtown Service District, by the City of Chicago.

Based on analysis of the property and the data presented herein, it is my opinion that the "As Is" market value of the fee simple interest in the subject property, as of July 13, 2018 was \$1,250,000. The accompanying Complete Summary Appraisal report was prepared in conformity with and subject to the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute and is subject to the assumptions and limiting conditions contained within. The report describes in detail the identification of the subject property, pertinent facts about the property and the comparable data, the results of the investigations and analyses and the reasoning leading to the conclusions.

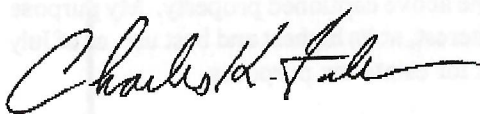
This appraisal report has been prepared for the exclusive benefit of and requested by Mr. Steven Annoreno. It may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at his own risk.

September 3, 2019
Page Two

I certify that, to the best of my knowledge and belief, 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 and Standards of Professional Appraisal Practice of the Appraisal Institute. that I have no present or prospective interest in the property under appraisal; that my employment is in no way contingent upon the amount of value reported; that I have personally inspected the property exterior and surrounding area; that the statements made and the information contained in this report are true to the best of my knowledge and belief.

It has been completed in accordance with the Uniform Standards of Professional Appraisal Practice, in accordance with Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) and in accordance with the guidelines set forth by the Comptroller of Currency's (OCC) Standards of 12 CFR, Part 34.

Respectfully submitted,



Charles K. Faber
Certified General Real Estate
Appraiser - Illinois #553-000179
Expiration 09/30/2021

SUMMARY OF CONCLUSIONS

Assignment: Estimate the Market Value of the property.

Property Rights
Appraised: Fee Simple

Property Description: The subject property consists of two and part one-story brick constructed retail office building. The structure was reportedly built in 1888 and contains approximately 10,300+ square feet of gross building area with no basement. The building has been partially remodeled in recent years and reflects overall average condition. The building stands on an interior rectangular shaped land parcel containing approximately 6,032+ square feet indicating a land to building ratio of 0.59 to 1. The property is zoned DS-5, Downtown Service District, by the City of Chicago.

Highest and Best Use: Present Use

Value Indications
Cost Approach: Not Applicable
Income Approach: Not Applicable
Sales Comparison
Approach: \$1,250,000

Final Opinion of Value: \$1,250,000

Date of Value Estimate: July 13, 2018

Marketing Period: 6 to 9 months

Service Appraisal Company, Inc.

LEGAL DESCRIPTION

A legal description has not been provided by the client. The description below was taken from the deed as seen on the Cook County Recorder's Office website. I understand the subject is further described by the permanent tax index number 17-27-101-023.

LOT 1 AND THE NORTH 9 FEET OF LOT 2 IN THE EAST HALF OF BLOCK 19 IN CANAL TRUSTEES SUBDIVISION OF THE WEST HALF OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

The above description should be verified by legal council before use in any transaction.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the "As Is" Market Value of the fee simple interest in the subject property, free and clear of all indebtedness, as of July 13, 2018.

USE OF THE APPRAISAL

The intended use of this reported is to be used for estate tax purposes as of July 13, 2018.

PROPERTY RIGHTS OF THE APPRAISED

The ownership interest appraised is the fee simple estate free and clear of all liens and encumbrances.

DATE OF VALUATION

The date of valuation reflected in this report is July 13, 2018. The effective date of the report is September 3, 2019.

Service Appraisal Company, Inc.

CLIENT & INTENDED USER(S) OF THE REPORT

The use of this appraisal is to estimate the market value of the subject property for estate tax purposes. The intended user is the client Mr. Steven Annoreno.

DEFINITION OF MARKET VALUE

The Appraisal of Real Estate (13th Edition, page 23) sponsored by the Appraisal Institute, provides the following definition of market value:

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."

HISTORY OF PROPERTY

According to the information provided by the Cook County Recorder's Office, as well as the *Realist* property data report available through Mredllc Multiple Listing Service, the subject property was transferred between trusts in January 1996 with \$50,000 as the stated consideration. I am unaware of any transfers during the previous five years.

Service Appraisal Company, Inc.

SCOPE OF THE APPRAISAL

This appraisal, communicated by a summary appraisal report, has been prepared for the sole purpose of presenting a value estimate for mortgage underwriting purposes. In keeping with this function, the value of the real estate has been estimated according to: the limiting instructions, extraordinary assumptions and hypothetical conditions that are set forth in this report. The definitions, when cited as the "13th Edition" are The Appraisal of Real Estate by the Appraisal Institute published in 2008.

In preparation of this appraisal we have:

1. Personally inspected the subject property at which time the property was photographed. I have noted the condition, quality of construction and functionality of the design and construction of the improvements.
2. Based the site data upon the appraiser's personal inspection, the Assessor's records, and public records and documents. A review was made of the applicable zoning maps, ordinances and statutes, and also the applicable flood maps.
3. An investigation and analysis was made to determine the property's Highest and Best Use. This included consideration of the present and anticipated future use, market trends in the surrounding areas, the property's physical characteristics, and economic feasibility factors for various development or redevelopment alternatives of the property.
4. Considered the Cost Approach, however it is not judged to be applicable for the subject since this approach is typically helpful with newer built or special use buildings. The subject property was built approximately 130 years ago. This approach is not typical used by sellers and buyers in the market place.
5. We have considered the Income Approach in the valuation of the subject property. No subject property historical income or expense data is available for review. While it is possible to estimate the market rent for the subject unit and the real estate tax and assessment expenses are known, most purchasers of small retail buildings are owner occupants. Investors for this type property are typically looking for appreciation over time instead of sustaining net income. Therefore, this approach was not employed. Sufficient sales data available via the Sale Comparison Approach provides a good basis for a value estimate.

Service Appraisal Company, Inc.

SCOPE OF THE APPRAISAL (CONT'D)

6. Employed the Sales Comparison Approach, wherein we have gathered information regarding the sales of similar retail buildings in the subject and surrounding market areas. We have made adjustments, where necessary, to these sales in order to compensate for any differences between the sales and the subject. All sales have been inspected and verified, whenever possible, to assure that the information is correct. We have extracted a unit of comparison and applied that unit to the subject in order to determine an estimate of Market Value.
7. Analyzed and compared the estimates obtained in each of the approaches employed and have assigned the greatest weight to the most appropriate indications. Based upon this process we have estimated the Market Value of the subject property.
8. Collected and confirmed market data, with regard to comparable rentals and improved sales, by one or more sources including real estate brokers, buyers, sellers, attorneys, public records, etc. Those comparables most similar were then compared to the appraised property and, where necessary, adjustments made in order to arrive at an indication of value for the appraised property.

The Scope of the Appraisal is subject to all the assumptions and limiting conditions set forth within this report.

Service Appraisal Company, Inc.

AREA ANALYSIS

The subject property is located within the 13 counties constituting the Chicago Primary Metropolitan Statistical Area ("CPMSA"). CPMSA is the third largest population center in the United States and it acts as the "capital" of the Midwest. Its central geographic location within the United States has helped the Metropolitan Chicago area become a major transportation, manufacturing, financial, service, communication, wholesale and retail center.

Chicago has one of the world's largest and most diversified economies. More than 400 large corporate headquarters including 34 Fortune 500 headquarters are located in Chicago. Chicago's diverse sectors include Business & Financial Services, Manufacturing, Information Technology, Health Services, and Transportation & Distribution. According to Crain's Chicago Business as of December 31, 2016, the top 10 Chicago employers are (1) U.S. Government, (2) Chicago Public Schools, (3) City of Chicago, (4) Cook County, (5) Advocate Health Care, (6) University of Chicago, (7) Northwestern Memorial Healthcare, (8) JPMorgan Chase & Co., (9) United Continental Holdings Inc., and (10) State of Illinois.

Inc. Magazine stated 104 companies fare on the 2015 year's Inc. 5000 proving that Chicago continues to be a hotspot for entrepreneurship. Chicago has been the birthplace of countless new businesses through the decades, from Kraft Foods to Crate & Barrel.

U.S. Bureau of Labor Statistics has provided in its New Release dated January 4, 2019 that "Total nonfarm employment for the Chicago-Naperville-Elgin, IL-IN-WI Metropolitan Statistical Area stood at 4,804,300 in November 2018, up 45,700, or 1.0 percent, over the year, the U.S. Bureau of Labor Statistics reported today. During the same period, the national job count increased by 1.6 percent. Assistant Commissioner for Regional Operations Charlene Peiffer noted that the Chicago metropolitan area has had over-the-year employment increases each month since October 2010.

The Chicago metropolitan area is made up of four metropolitan divisions—separately identifiable employment centers within the larger metropolitan area. The Chicago-Naperville-Arlington Heights Metropolitan Division, which accounted for 80 percent of the area's workforce, added 32,300 jobs from November a year ago. In the Lake County-Kenosha County, IL-WI Metropolitan Division, employment increased by 6,500 jobs over the year. Employment in the Gary, IN Metropolitan Division increased by 3,500 from November a year ago; employment in the Elgin, IL Metropolitan Division increased by 3,400 over the year."

AREA ANALYSIS

Table 1 below provided by US Bureau of Labor Statistics indicates Financial Activities with a 2.2 percent increase, Information and Other Services with a 3.5 percent decrease and Construction with a 1.7 percent increase from November 2017 to November 2018 in Chicago-Naperville-Arlington Heights, IL-Metropolitan Division.

Chicago-Naperville-Arlington Heights, IL-Metropolitan Division						
Industry	2017	2018	2017	2018	Change	% Change
Chicago-Naperville-Arlington Heights, IL-Metropolitan Division						
Information	4,739.4	4,731.3	4,793.2	4,804.3	11.1	0.2
Mining and logging	1.6	1.6	1.6	1.6	0.0	0.0
Construction	119.4	119.1	119.5	121.0	1.5	1.2
Manufacturing	419.1	423.7	425.8	426.7	0.9	0.2
Service industries and services						
Information	77.8	74.2	75.7	75.2	-0.5	-0.6
Financial activities	304.3	309.6	310.3	311.0	0.7	0.2
Professional and business services	840.2	838.0	843.5	843.6	0.1	0.0
Education and health services	754.6	756.2	738.5	743.5	5.0	0.7
Leisure and hospitality	474.2	490.2	486.8	476.5	-10.3	-2.1
Other services	193.2	191.7	191.8	192.0	0.2	0.1
Government	560.3	560.5	568.8	569.6	0.8	0.1
Chicago-Naperville-Arlington Heights, IL-Metropolitan Division						
Information	3,793.7	3,782.8	3,816.8	3,826.0	9.2	0.2
Mining and logging	1.2	1.2	1.2	1.2	0.0	0.0
Construction	132.3	140.3	141.1	134.5	-6.6	-4.7
Manufacturing	285.8	290.4	291.4	292.1	0.7	0.2
Trade, transportation, and utilities	768.3	743.3	733.3	769.9	36.6	5.0
Information	69.0	62.6	67.1	66.6	-0.5	-0.7
Financial activities	263.6	267.9	268.9	269.4	0.5	0.2
Professional and business services	704.2	701.4	705.1	705.3	0.2	0.0
Education and health services	602.1	596.7	607.5	611.9	4.4	0.7
Leisure and hospitality	380.2	392.3	380.1	383.4	3.3	0.8
Other services	157.1	155.5	155.6	155.8	0.2	0.1
Government	428.4	428.3	435.3	435.9	0.6	0.1

AREA ANALYSIS

According to the Illinois Department of Employment Security in a news release in January 25, 2019, "CHICAGO—Unemployment rates increased over-the-year in December in thirteen of Illinois's metropolitan areas, and decreased in one, according to preliminary data released today by the U.S. Bureau of Labor Statistics (BLS) and the Illinois Department of Employment Security (IDES). Data also show nonfarm jobs increased in twelve of the metropolitan areas.

Illinois businesses added jobs in twelve metro areas, with the largest percentage increases in: Kankakee (+5.0 percent, +2,400), Lake-Kenosha (+2.3 percent, +9,700), Davenport-Moline-Rock Island (+1.2 percent, +2,200), and Chicago-Naperville-Arlington Heights (+1.1 percent, +41,500). The Springfield MSA saw a decrease over-the-year (-0.4 percent, -400).

The industry sectors recording job growth in the majority of metro areas included Transportation, Warehousing and Utilities (10 of 14), Education and Health Services (10 of 14), Leisure and Hospitality (10 of 14), Mining and Construction (9 of 14), Manufacturing (9 of 14), Professional and Business Services (9 of 14), and Wholesale Trade (8 of 14).

Not seasonally adjusted data compares December 2018 with December 2017. The not seasonally adjusted Illinois rate was 4.4 percent in December 2018 and stood at 12.2 percent at its peak in this economic cycle in January 2010. Nationally, the not seasonally adjusted unemployment rate was 3.7 percent in December 2018 and 10.6 percent in January 2010 at its peak. The unemployment rate identifies those who are out of work and looking for work and is not tied to collecting unemployment insurance benefits."

According to the Chicago Area Economic Summary dated January 8, 2019 by U.S. Bureau of Labor Statistics, the Chicago area unemployment rates in November 2018 were 3.8% compared to 4.6% in November 2017. The U.S. Bureau of Labor Statistic indicates Cook, Lake, DuPage and Grundy Counties have the highest average wages for all industries. The U.S. Bureau of Labor Statistic also indicates that the Chicago area has been experiencing employment growth since November 2015; however, such growth slowed from the end of 2015 throughout 2016 to the end of 2017, and has since rebounded slightly. This summary also indicates that construction, financial activities and manufacturing have experienced the largest growth in employment from December 2016 to December 2017.

Chicago's O'Hare International Airport is one of the world busiest airports, and Midway International Airport is one of the fastest growing. O'Hare in 2016 has been awarded the Global Traveler Award for "Best Airport in North America," according to Global Traveler on December 1, 2016.

AREA ANALYSIS

Chicago has a significant advantage for freight handling due to its superior airport volume, inter-state highway access, superior rail configuration, access to the Mississippi River and the Great Lakes - St. Lawrence Seaway. Together, the dynamics of modern distribution and material handling are uniquely addressed in Chicago. Containers from overseas can be directed to cross docks and the products redistributed either by rail nationwide or piggybacked via rail to be trucked to another city, moved directly by truck, or warehoused locally for air shipment nationwide out of either airport.

For this reason, each of these shipping industries has established a dominant presence in Chicago. The rail freight industry handles millions of tons of goods from all around the world on over 30 rail routes that radiate from the region. Chicago remains one of the nation's largest trucking centers with more than 200 truck terminals. Also, Chicago is one of the nation's leading ports receiving goods from around the world through the St. Lawrence Seaway and shipping grain loaded along the Illinois and Mississippi Rivers for transport around the world.

TOURISM IN CHICAGO

Source: *Curbed Chicago, More Tourists Visited Chicago Than Ever in 2018, January 11, 2019*

In 2018 the city saw 57.6 million visitors, up from 55.2 million in 2017. Just as in previous years, the mayor is pleased and the city expects tourism numbers to keep growing. Could the bigger numbers have to do with *Condé Nast Traveler* ranking Chicago as the best big city for the second year in a row? Perhaps that put us on a few more radars.

McCormick Place, the largest convention center in North America, gives tourism numbers a huge boost. The first major convention there in 2019 hosted soccer coaches and youth players, a gathering with 20,000 people over five days.

Out of the 50 largest events at the center last year, 20 of them broke attendance or exhibitor records. Final numbers are still being calculated, according to McCormick Place, but it's estimated that events increased by 31 percent since 2017 with 3 million visitors. At least 59 major conventions committed to Chicago along with an additional 2,301 meetings, according to the mayor's office.

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More international travelers came to the city in 2018, according to Airline Passenger Information System (APIS) data collected from arriving nonstop international flights to Chicago. Visitors with passports from Brazil jumped 16.2 percent, United Kingdom was up 14.1 percent, Italy grew 10.9 percent, and South Korea increased by 9.2 percent.

According to Situs RERC Real Estate Report, 3Q2018, "Chicago added 30,000 tech jobs in the last seven years, becoming the 12th-largest tech market in North America in terms of employment. The tech industry has not only helped attract talent to the metro and boost the CBD market, but also helped the residential and retail markets cater to this population.

Chicago is the one of the largest markets in the U.S. in terms of industrial space, with reports indicating that the metro may have another record-breaking year for sales of industrial assets. The industrial market in the metro is driven by last-mile fulfillment centers, warehouses and distribution centers as e-commerce proliferates. "

Chicago is home to many financial organizations of nation-wide significance. The Downtown LaSalle Street corridor is where many of the area's largest financial institutions and other financial organizations are located. In addition, Chicago is a highly influential money center with more than 300 U.S. banks, 40 foreign bank branches, and some of the country's largest venture capital firms and accounting offices. Numerous small business lenders in the city play an active role in the health of the local business climate.

Retail shops in the Metropolitan Chicago area offer an extensive mix of price points and quality. The market area has extensive representation of discounters including Wal-Mart, Sam's Club, Costco, Home Depot, and Target. Middle market retailers are well represented, including Sears, JC Penney, Carson Pirie Scott, and Kohl's stores. An upper market clientele is served by Macy's, Bloomingdale's, Saks Fifth Avenue, Nieman Marcus, and Nordstrom. Additionally, many specialty stores serve each of these markets to create a depth of merchandise available which can satisfy any consumer. Michigan Avenue retail stores, Water Tower Place, North Bridge and 900 N. Michigan malls, Woodfield Mall, Northbrook Court, Old Orchard, and Oakbrook Shopping Center are tourist destinations that provide a wide variety of consumer offerings and entertainment venues.

AREA ANALYSIS

From IllinoisPolicy.org: "A report released November 27, 2018 by Realtor.com forecasts the Chicago-Naperville-Elgin Metropolitan Area will experience the worst housing market slowdown among 100 of the nation's metropolitan areas in 2019.

As mortgage rates are slowly creeping up to 5.5 percent, home sales are expected to slow nationwide. However, the slowdown is anticipated to be nearly four times worse in Chicago than in the rest of the nation.

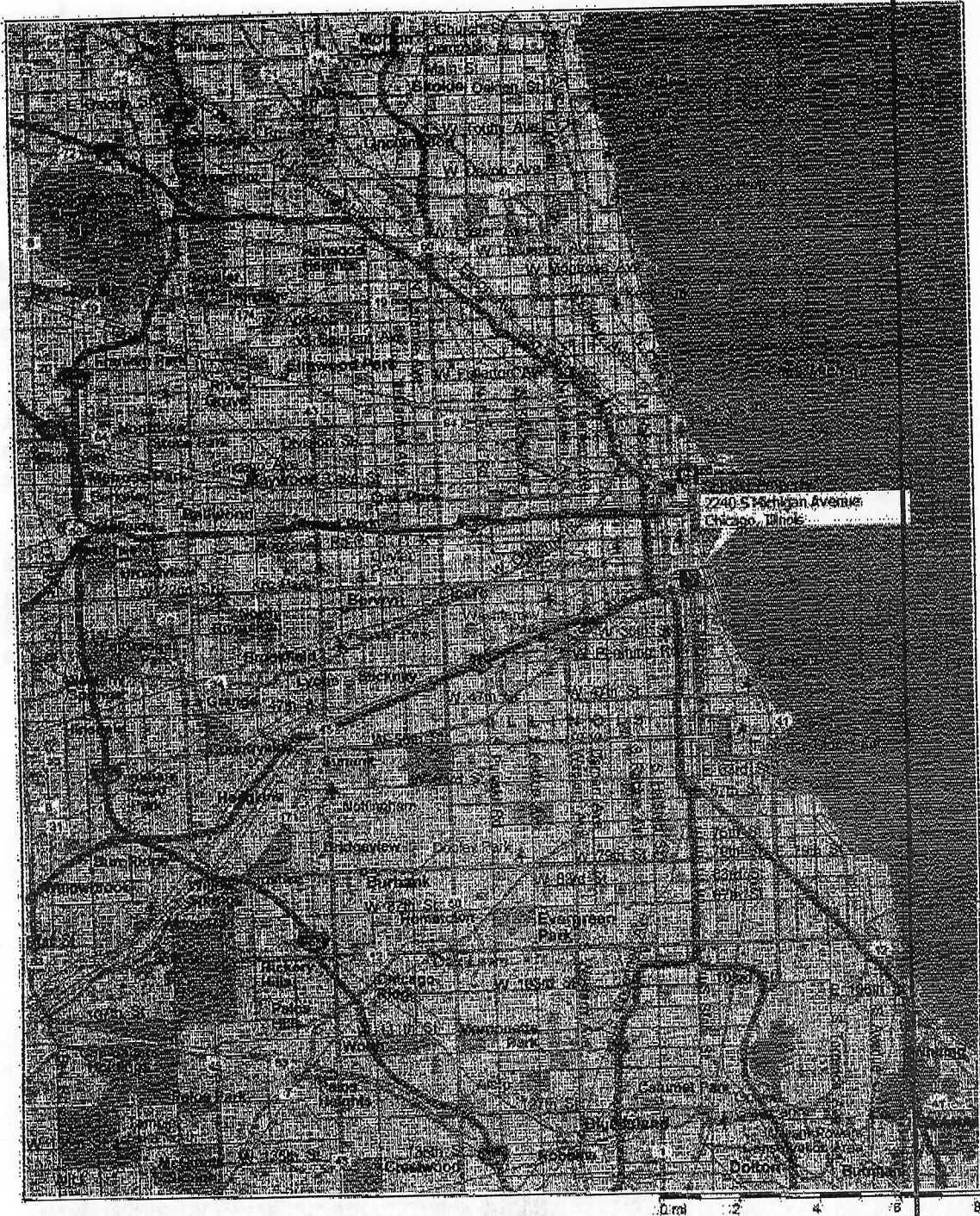
Illinois homeowners are subject to the highest overall tax burden in the country, including the second highest property taxes in the nation. They're also weathering the largest permanent income tax hike in state history. As these costs rise, the value of homeownership in the Land of Lincoln falls relative to other areas, reducing demand for housing.

Furthermore, as median home prices are expected to appreciate by 2.2 percent throughout the nation, the typical Chicago area home will likely lose nearly 2 percent of its total value in 2019, according to the realtor.com forecast. The combination of steeply declining home sales and values lands the Chicagoland housing market at the bottom for 2019.

Chicago has one of the world's largest and most diversified economies and is home to more than 400 major corporate headquarters. Although the state's fiscal woes and budget deficit remain a sticking point for companies looking to move to Chicago, the metro area continues to attract top talent, and that draws employers. Continued employment growth, improved consumer confidence and one of the world's largest economies will continue to support growth in Chicago.

The area map is presented on the following page.

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AREA MAP



Service Appraisal Company, Inc.

COMMUNITY ANALYSIS

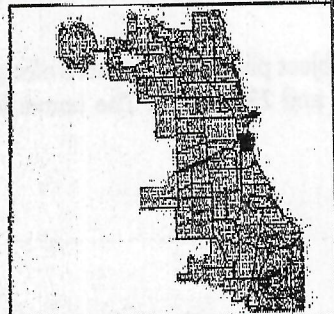
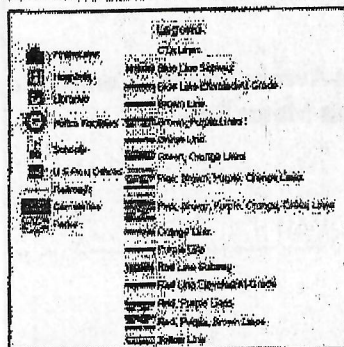
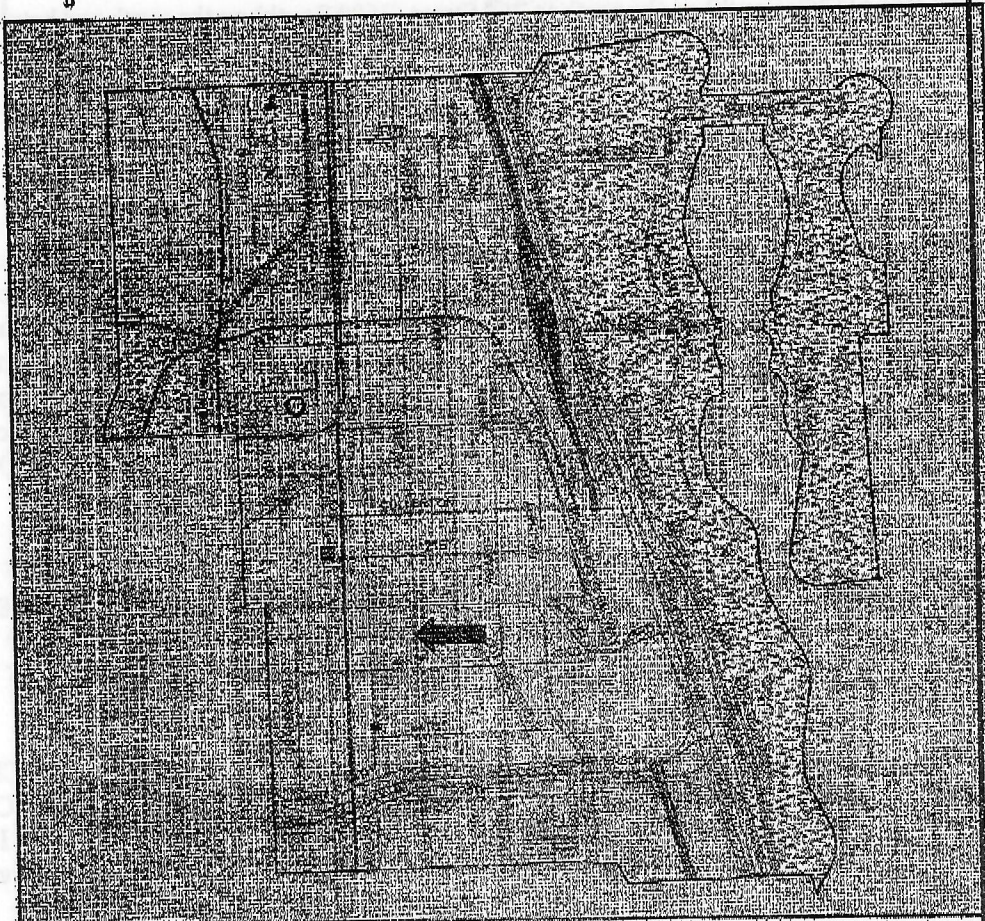
The subject property is positioned near the center of the Near South Side community area of Chicago which lies two miles south of the downtown business district. The Near South Side extends from Roosevelt Road (1200 South) on the north to 26th Street (2600 South) on the south and between the Dan Ryan Expressway (I-90/94) on the west and Lake Michigan at the east. The "Loop" central business district is to the immediate north and the Douglas community to the immediate south. According to MetroPulse, the 2016 population of the Near South Side was 23,190 with 13,106 households. The median household income in 2016 was \$87,813.

The Near South Side community has been described as having experienced as dramatic change and redevelopment as any Chicago community. Presently the community is home to some of the city's most well-known structures including Soldier Field, McCormick Place, the Field Museum, the Shedd Aquarium, the Adler Planetarium and Northerly Island (formerly Miegs Field). These structures are east of the Illinois Central Railroad along Lake Michigan. Property west of the railroad includes newer residential expansion from the South Loop area at the north as well as a few of the original mansions along Prairie Avenue and older industrial and commercial buildings. The anticipated continued redevelopment has not yet occurred throughout the community as Chicago's 2016 Olympic bid was unsuccessful.

According to MetroPulse, 84.6% of the housing type is "5 or more units" and 65.5 percent of the housing was built after 2000. According to the Mredlle Multiple Listing Service, during 2017 attached townhouse and condominium unit sale prices ranged from about \$115,000 to about \$3,000,000 with an average selling price of about \$455,000. There are very few one to four family buildings in the community.

The area has good transportation facilities. Surface buses operate along the primary streets. Chicago Transit Authority commuter trains operate along the Dan Ryan Expressway and the Illinois Central Railroad connecting to the downtown business district. The Dan Ryan Expressway (I-94 and I-90) is along the west edge of the community and Lake Shore is at the east edge. The Stevenson Expressway (I-55) crosses the southerly portion of the community and terminates at Lake Shore Drive.

The subject property is located along the west side of Michigan Avenue between Cermak Road (22nd Street) and 23rd Street. The immediate subject area is known as Motor Row.



Copyright © June 2015, City of Chicago

SITE DESCRIPTION

Location:	The subject property is located along the west side of Michigan Avenue between Cermak Road (22 nd Street and 23rd Street.
Shape:	The property has a rectangular shape.
Size:	According to the county assessor's records, the site comprises about 6,032 square feet with approximately 33.89 feet of frontage along Michigan Avenue and a depth of 178.0 feet.
Topography:	Level at the grade of the streets and the surrounding properties.
Utilities:	The subject site is served by municipal water and sewer as well as natural gas, electricity and telephone.
Soil:	A soil survey has not been provided to the appraisal. As the subject does not have any apparent settlement problems, it is assumed that the soil has adequate bearing capacity.
Access:	Access is provided from sidewalks along the streets.
Site Improvements:	The site is improved with a circa 1888 built two and part one-story retail office building.
Street Improvements:	The streets are asphalt paved asphalt paved with concrete curbs gutters and sidewalks.
Flood Zone:	According to Flood Insurance Rate Map, Community Panel 17031C0526J, dated August 19, 2008, the subject is situated within an area designated "X", areas not within the 100 and 500 year flood zone.
Zoning:	The property is zoned DS-5, Downtown Service District, by the City of Chicago.

SITE DESCRIPTION**Environmental
Issues:**

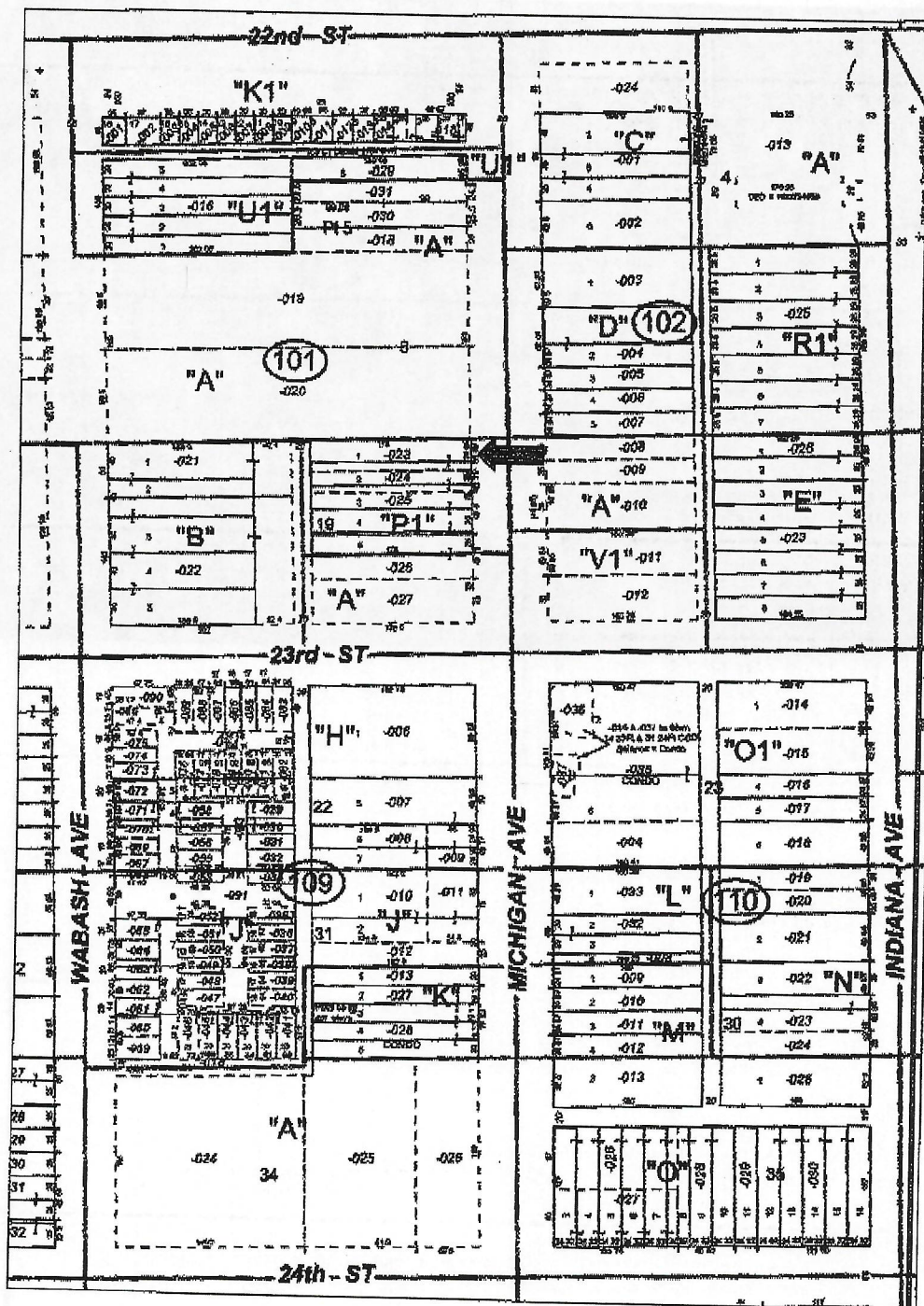
Hazardous substances, if present within a property, can introduce an actual or potential liability that may adversely affect marketability and value. Such effect may be in the form of immediate expense or future liability.

In the development of my opinion of value, no consideration will be given to such liability or its impact on value as we have not been provided with a copy of an environmental audit. If through further study it is determined that an environmental hazard exists with either the building or the site, I reserve the right to modify our value conclusion.

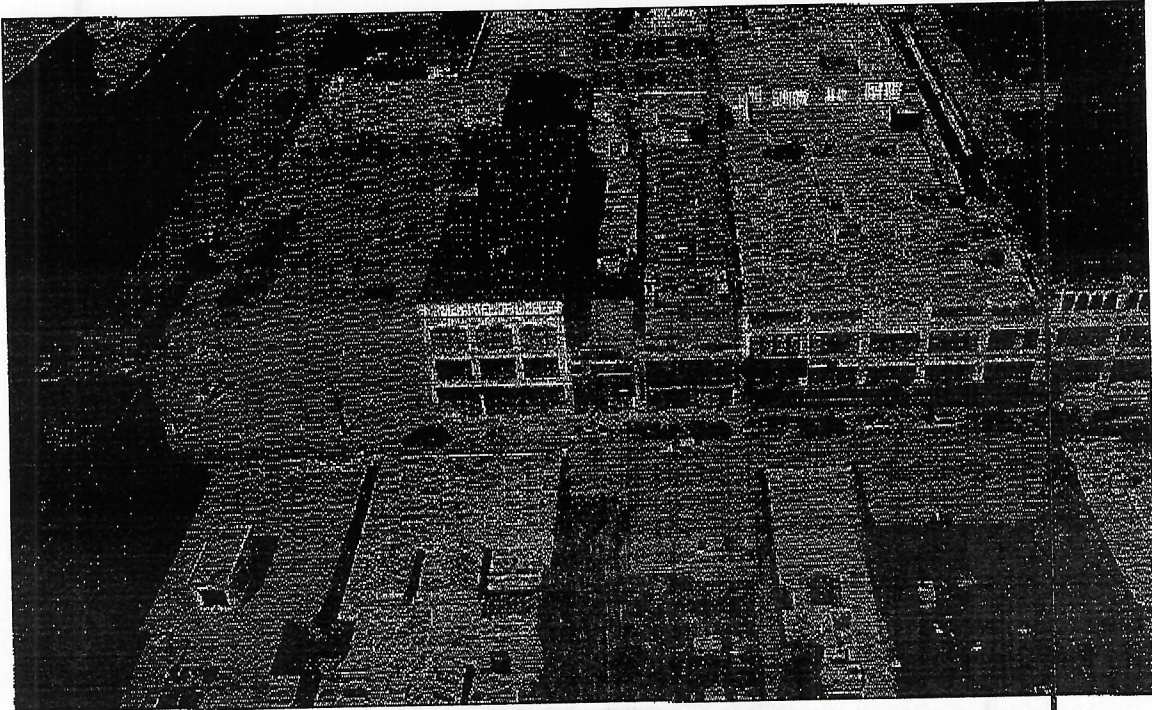
**Functional
Utility:**

The interior site comprises 6,032 square feet and has a rectangular shape. It is of adequate size conducive for small scale uses.

17
COUNTY TAX MAP



18
AERIAL MAP



DESCRIPTION OF IMPROVEMENTS

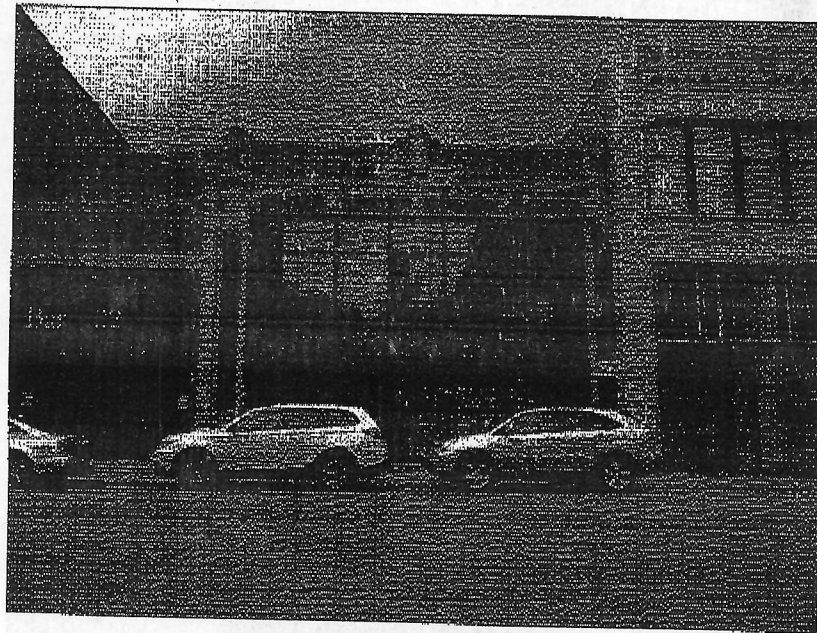
The subject property consists of two and part one-story brick constructed retail office building. The structure was reportedly built in 1888 and contains approximately 10,300± square feet of gross building area with no basement. The building has been partially remodeled in recent years and reflects overall average condition. The building stands on an interior rectangular shaped land parcel containing approximately 6,032± square feet indicating a land to building ratio of 0.59 to 1. The property is zoned DS-5, Downtown Service District, by the City of Chicago. Following is an outlined description of the improvements.

Building Area:	10,300 square feet
Age:	The building was reportedly constructed in 1888 with an indicated age of approximately 130 years as of the date of valuation.
Foundation:	Reinforced poured concrete
Basement:	None
Framing:	Masonry load bearing walls
Exterior Walls:	Face brick on the front and painted brick at the rear and common brick on the alternate sides.
Windows:	Front fixed plate glass in aluminum frames
Roof:	Flat with a rubber surface
HVAC:	The building is heated and cooled by roof mounted heating and cooling units.
Electrical:	The total electrical power was not presented; however the building appears to have adequate electrical power for the present use.
Lighting:	Lighting is typically provided by ceiling hung and mounted tube fluorescent lighting.
Plumbing:	Each of the six restrooms each feature one commode and one cabinet sink. The kitchen areas include modest cabinet sink areas. Waters heaters serve the tenant spaces.
Fire Protection:	None

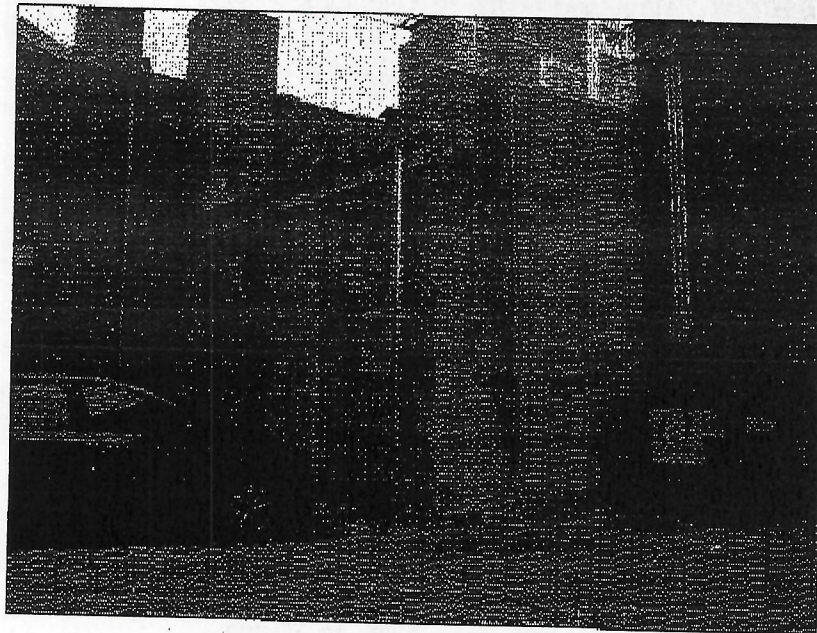
DESCRIPTION OF IMPROVEMENTS

Interior Finishes:	Walls and ceilings are typically painted drywall with perimeter exposed sandblasted brick walls. The floors include a mix of laminate and carpeting with ceramic tile in the restrooms. Some of the ceilings are exposed finished or painted roof beams and others are unfinished. The garage/storage area is unfinished with a concrete floor and brick walls.
Ceiling Heights:	10± feet overall reduced in the rear areas to about 8 feet on each level.
Truck Doors:	One rear overhead garage door
Personal Property:	Personal property in use by the tenants has been excluded from this valuation.
Site Improvements:	The subject building nearly occupies the entire site with the exception of a small concrete area at the rear along the public alley.
Physical Depreciation:	Considering the subject unit was constructed in 1888 and remodeled in more recent years, it reflects overall average condition, with typical wear and tear.
Functional Obsolescence:	The subject property has an interior street position with no off street parking.
External Obsolescence:	There may be an increment of external obsolescence due to moderate vacancy rate in the subject general area.

SUBJECT PHOTOGRAPHS

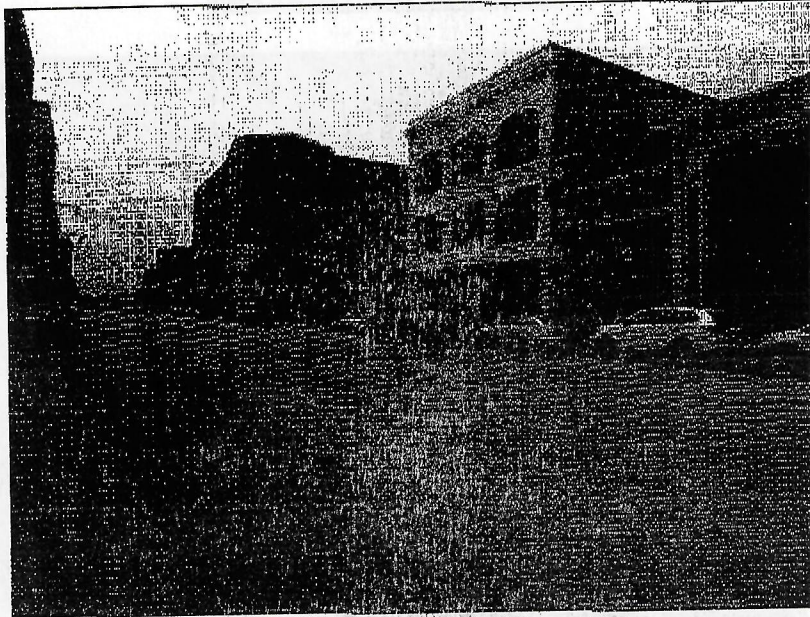


Subject building front elevation

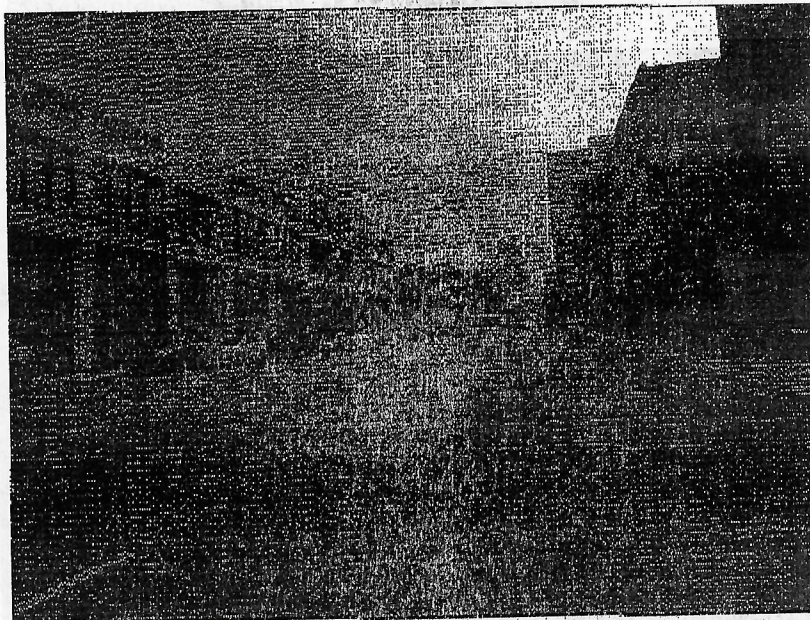


Subject building rear elevation

SUBJECT PHOTOGRAPHS

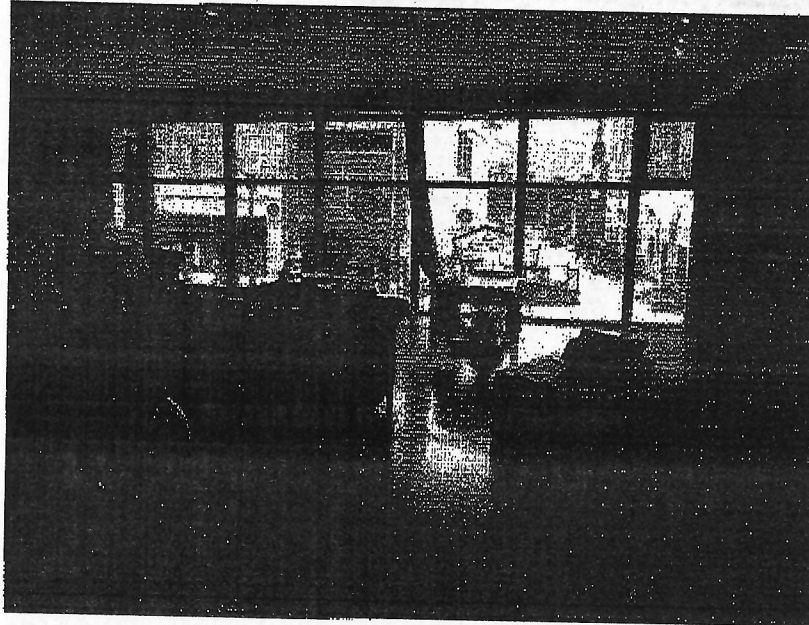


South along Michigan Avenue

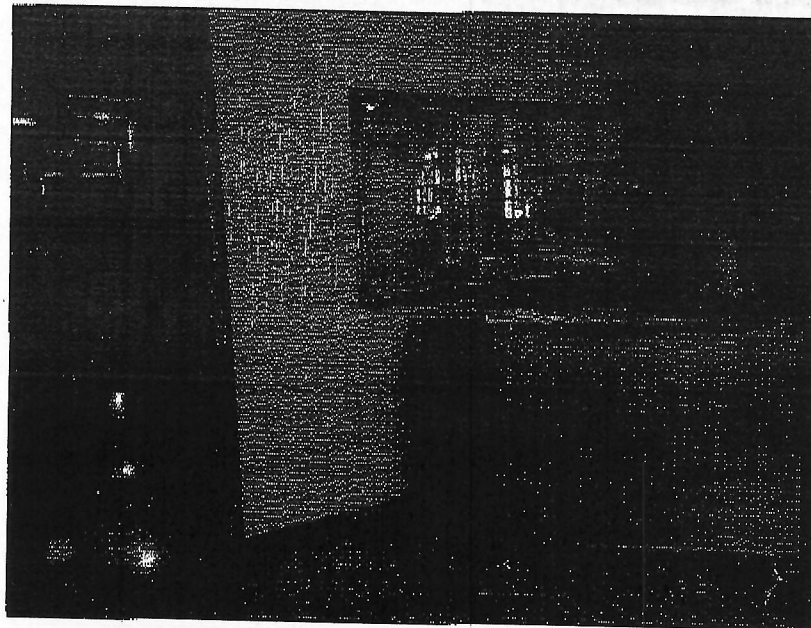


North along Michigan Avenue

SUBJECT PHOTOGRAPHS



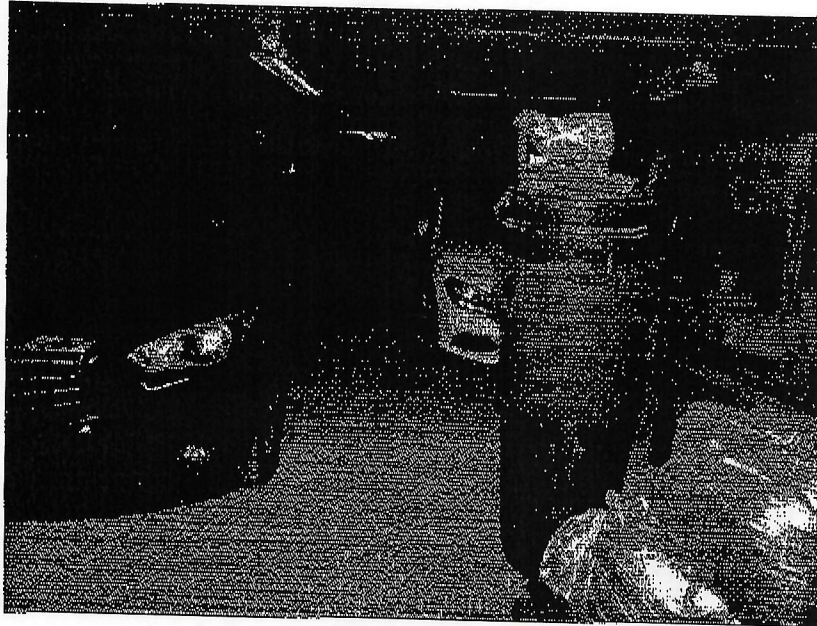
Second floor front retail office space



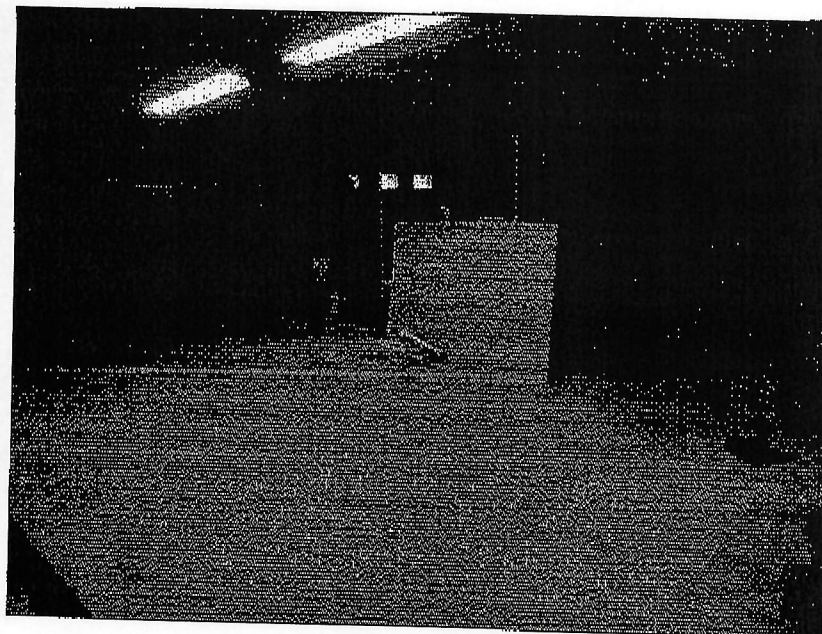
First floor front retail space

SUBJECT PHOTOGRAPHS

Anno nemo
2240
Sale



Rear garage space with lowered ceiling for second floor loft

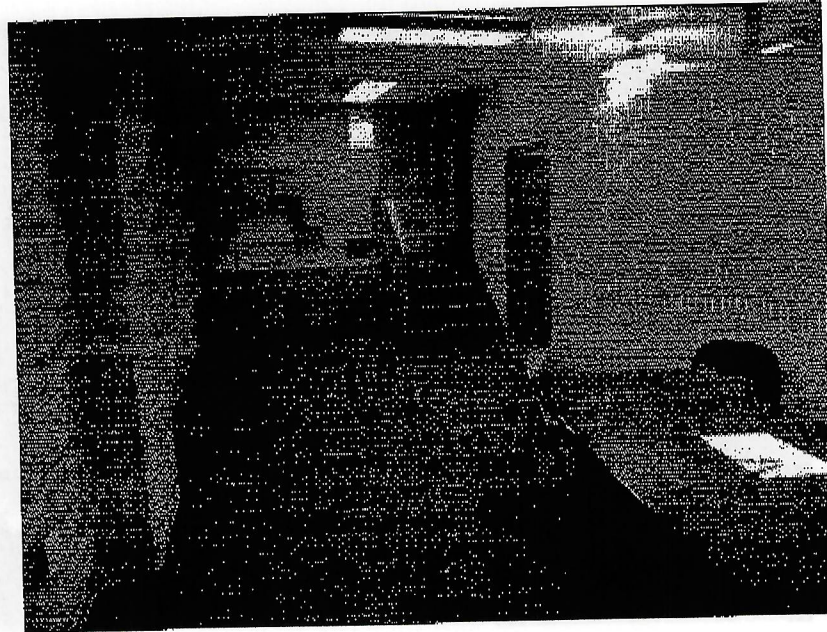


Second floor loft over garage (not included in square footage)

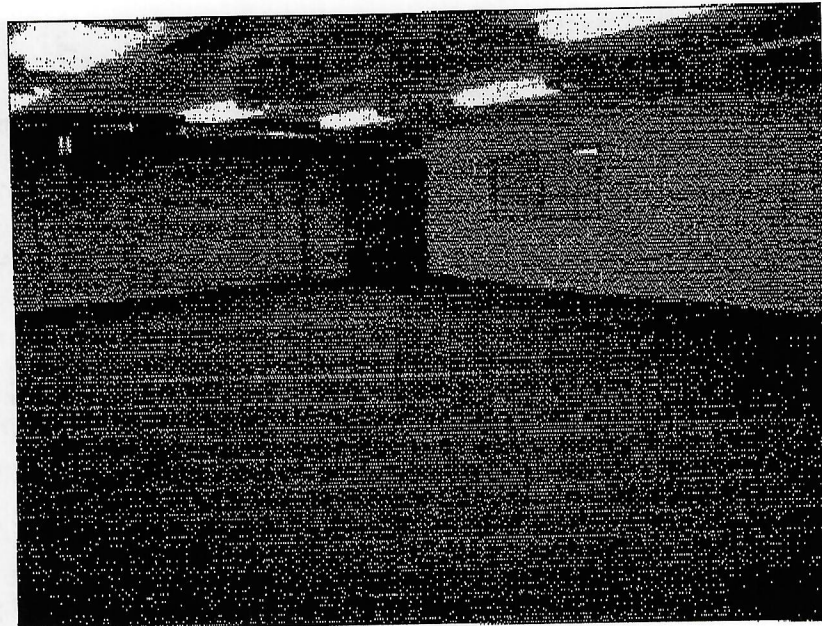
Service Appraisal Company, Inc.

cont.

SUBJECT PHOTOGRAPHS



Kitchenette



Open finished space