

## IMPACT STUDY

Proposed Patriot Acres Compost Facility  
9300 Central Avenue  
Des Plaines, Illinois

October 18, 2016

Matthew Smarjesse  
Patriot Acres  
611 Milwaukee Avenue  
Glenview, IL 60025

Re: Proposed Patriot Acres Organics Recycling & Compost Facility  
9300 Central Avenue  
Des Plaines, Illinois  
Polach Appraisal Group File #16-0606

Dear Mr. Smarjesse:

Pursuant to your request, we have conducted a study to determine whether the proposed Patriot Acres Organics Recycling & Compost Facility will diminish or impair the value of property within the vicinity of the subject property. You have requested the study in connection with a Special Use Application being submitted to the Cook County Building and Zoning Department for an Organics Recycling & Compost Facility. This report is to be used by the petitioner, Mr. Matthew Smarjesse, and his representatives for this purpose.

A Special Use Permit is being sought by the applicant, Patriot Acres, LLC for composting activities. According to the Cook County Zoning ordinance, it does not appear that the landfill is a permitted use. The Ordinance states that "Landfills, Sanitary or Solid Waste" are identified as a Special Use under this zoning classification.

The following special use is being requested, "Special Use for a 25 acre organic material recycling facility under section 6.1.4.J: Uses similar and compatible to those allowed in I.1 District such as Class III Recycling Facility." More specifically, we have been requested to address the following from the Special Use Section, 13.8.9, of Cook County Ordinance. It is stated, "Establishment, maintenance or operation of the special use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the uses already permitted, nor diminishes and impairs property values in the neighborhood."

We have been provided with an Environmental Impact Assessment prepared by Civil & Environmental Consultants, Inc., dated October 2016 that describes the proposed activities on the property. The report states, "The proposed activities will include designated areas for composting of landscape waste, including an unloading and staging area, and designated pads for Extended Aerated Static Piles (EASPs), Curing, Screening, and Stormwater Recycling. This will require the creation of a number of compost pad surfaces constructed of compacted recycled brick and asphalt grindings. The EASP process takes approximately thirty to forty-five days, after which the material

will be transferred to two curing areas. Once curing is complete, the material will be transferred to the screening and load-out area. Stormwater from the composting areas will be captured in a retention pond and re-circulated back up as input moisture for the EASP composting process. No stormwater will leave the Facility. A small office and scale are planned for the southeast portion of the Facility, and the northwestern portion of the Facility is planned for potential use for food scrap recycling. Food scrap recycling would be performed inside of an approximately 10,000-square-foot open-span building, within which the material will be processed via indoor composting, fermentation (to create soil additive products) or bio digestion (for methane gas production). The structure will provide shelter for the equipment, as well as allow for effective odor control measures.”

The facility is projected to initially process approximately 100,000 cubic yards of discard organic materials per year and ultimately process approximately 200,000 of discard organic materials per year.

Specifically, we have examined the subject site and its environs to provide an opinion as to whether or not the proposed special use of a compost facility will diminish or impair property values within the neighborhood.

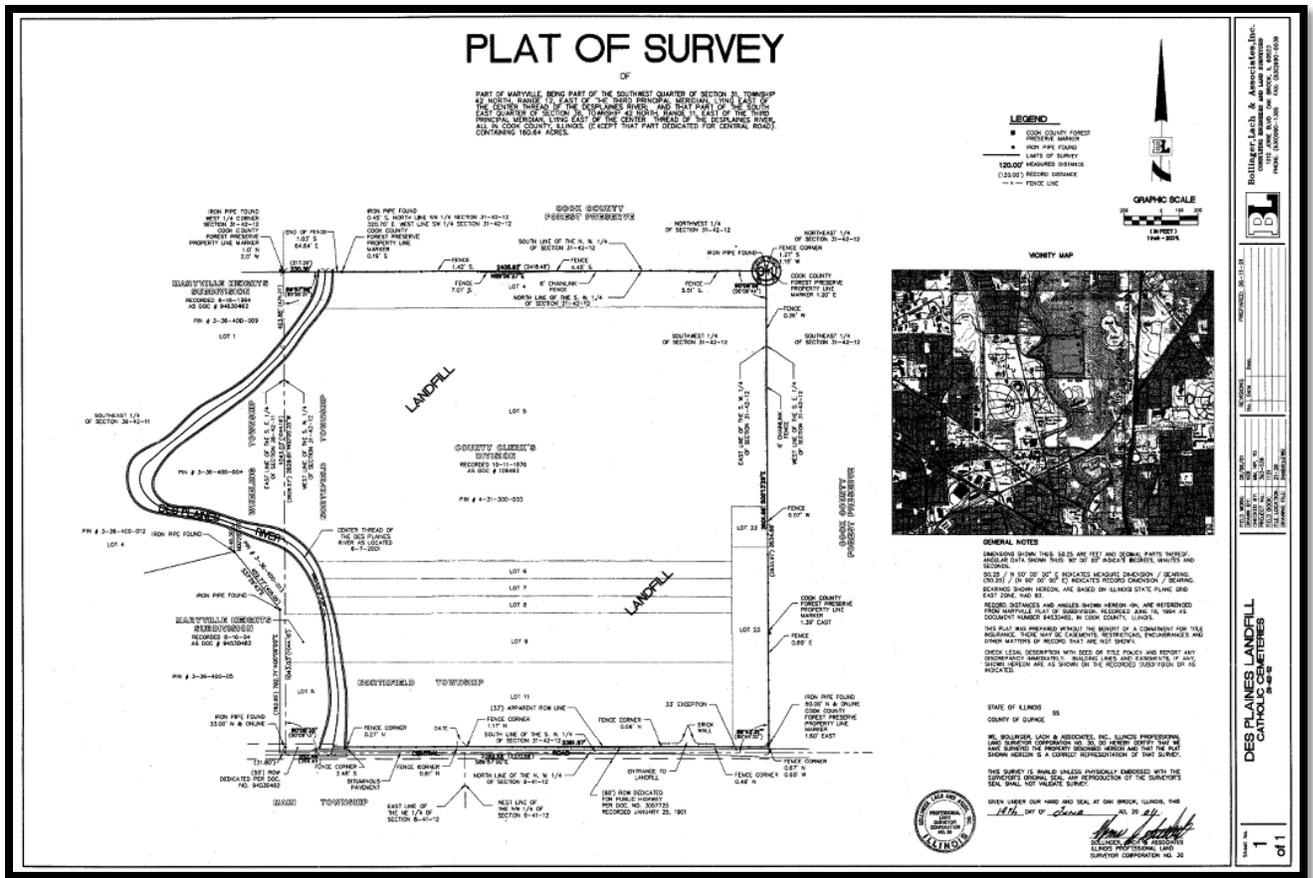
The steps taken in our analysis included:

- Inspection of the subject property and the adjoining properties
- Inspection of the surrounding area
- Review of the zoning ordinances, maps and comprehensive plans for Unincorporated Cook County and the Village of Des Plaines
- Review of the proposed use
- Review of the Environmental Impact Assessment
- Review of the Traffic Impact Study
- Research of market data within the subject area and similar areas
- Analysis of the data to arrive at an opinion
- Preparation of a consulting report

The following have been considered in our analysis:

- Aerial photos
- Tax Maps
- Cook County Zoning and Code of Ordinances.
- Village of Des Plaines Zoning Map and Zoning Ordinance.
- Traffic Impact Study prepared by KLOA dated October 6, 2016.
- Environmental Impact Study prepared by Civil & Environmental Consultants, Inc. dated October 2016.
- Topography of the subject property and the surrounding areas.
- Traffic patterns of the existing use and the proposed use.
- Previous use of the subject property
- Present zoning of the subject property and the surrounding areas.

The subject property is a portion of the Des Plaines Landfill which is located at 9800 East Central Road within Northfield Township in Unincorporated Cook County. The Des Plaines Landfill property consists of approximately 160.64 acres. This area has been obtained from a Plat of Survey for the property prepared by Bollinger, Lach and Associates, Inc. dated June 14, 2001. Patriot Acres, LLC proposes to lease and utilize a 25 acre portion of the Landfill property. According to the previously mentioned Environmental Impact Assessment, the Landfill is a "...closed, permitted municipal solid waste landfill." The landfill was reportedly used as a landfill from the early 1960's and ceased accepting waste around 1986. The following Plat of Survey is contained within the Environmental Impact Assessment:



The Landfill is primarily located north of Central Avenue east of the Des Plaines River, south of West Lake Avenue and west of the Tri-State Tollway (Interstate 294). The property entrance is located on the north side of Central Avenue east of N. Des Plaines River Road in Unincorporated Cook County.

The Landfill, of which the proposed subject property facility is a part, consists of tax parcels identification numbers 4-31-300-003, (Lots 4, 5, 6, 7, 8, 9, 11, 22 and 23), 4-36-400-004 and 4-36-400-013.

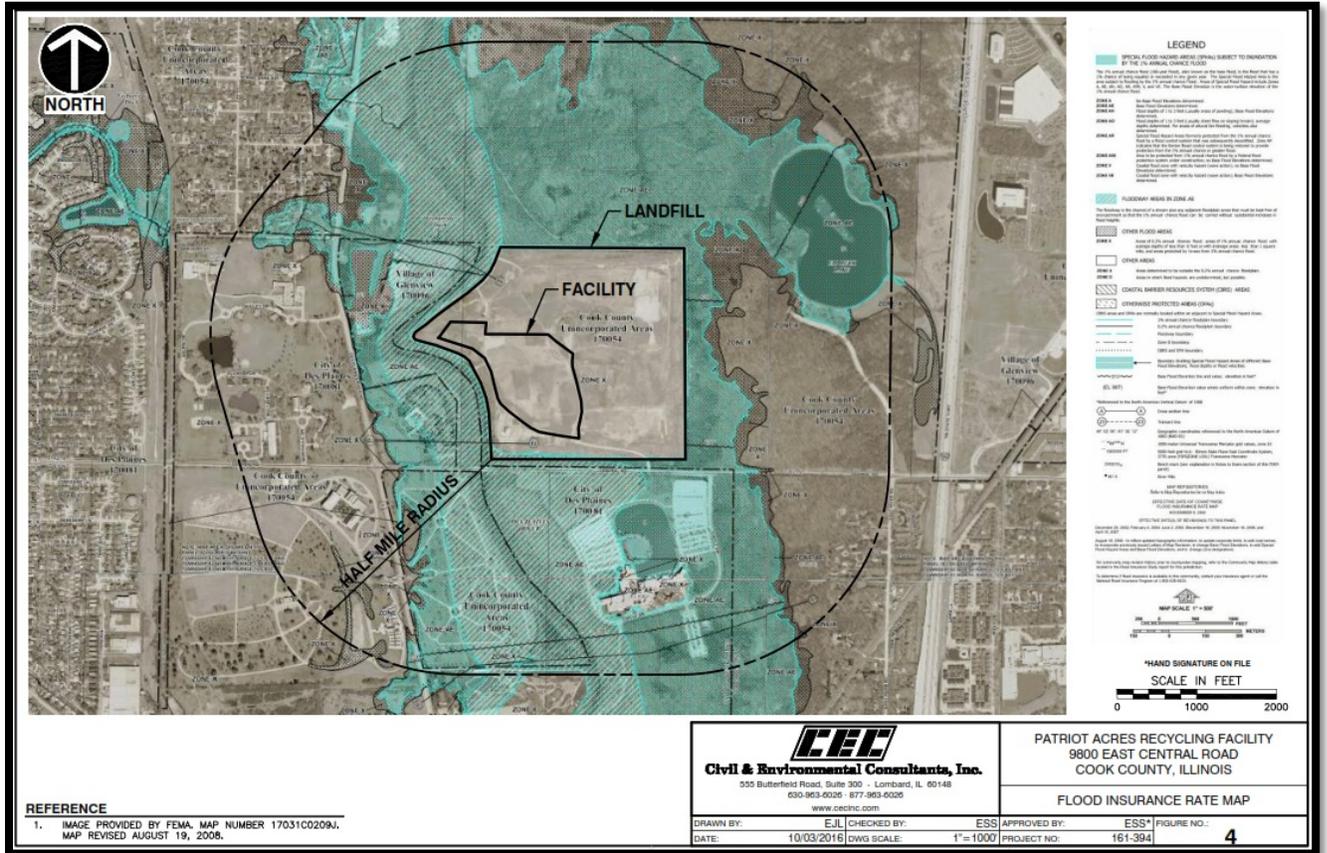
We have not been provided with a legal description for the subject property. We recommend that a legal description be verified by legal counsel prior to use in any document or conveyance.

Properties within the area of the subject property and the Landfill generally consist of public land uses including Cook County Forest Preserve District land and institutionally zoned uses.

We have considered the surrounding area and surrounding uses to the Landfill. Located to the immediate south of the subject property is Oakton Community College. Oakton is a two-year community college which was reportedly founded in 1969. According to information from the College's website, the campus sits on a 147 acre area of land. Located west of Oakton and south of Central Avenue is the All Saints Cemetery which is located on both the east and west sides of Des Plaines River Road. Immediately west of the Landfill is the Des Plaines River which forms the boundary of the Landfill. Located at the northeast corner of Central and North Des Plaines River Road is property owned by the Carmelite Monastery. Further west across Des Plaines River Road is Maryville Academy and the Shrine of Our Lady of Guadalupe. Located west of the Des Plaines River is property zoned I-2, Light Industrial District within the Village of Glenview. Located at the intersection of the Des Plaines River and Providence Road is the Solid Waste Agency of Northern Cook County (SWANCC). According to the website for SWANCC, "The Solid Waste Agency of Northern Cook County's (SWANCC) transfer station in Glenview, Illinois processes over 300,000 tons of solid waste, landscape waste and recyclables every year. Solid waste from the 23 member communities is brought to the transfer station and loaded into fully enclosed semi-trailers for the trip to the landfill – saving time, fuel and reducing air pollution." To the northwest and north of the Landfill is Cook County Forest Preserve District land known as Camp Pine Woods. The Forest Preserve District land is on both the south and north sides of Lake Street. A single family subdivision is located northeast of the Landfill at the southeast corner of Lake Street and Milwaukee Avenue. East of the Des Plaines Landfill is also Forest Preserve District Land including the Beck Lake Off-Leash Dog Area which is located at 1000 N. East River Road. Further east is the Tri-State Tollway (Interstate 294).

The Des Plaines River travels north and south along the western edge of the property. We have reviewed the Federal Emergency Management Agency floodplain maps and according to the maps, the Landfill property is surrounded entirely by 100 year mapped flood hazard area and floodway. The area proposed for the however the proposed Organics Recycling & Compost Facility does not appear to contain any mapped flood hazard areas. According to the Environmental Impact Assessment prepared by Civil & Environmental Consultants, Inc., "For the purposes of this assessment, a floodplain applies to those areas designated within a 100-year floodplain. The Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map produced by FEMA (17031C0209J - August 19, 2008) was reviewed to determine if the Facility was constructed in a 100-year or 500-year floodplain (see Figure 4.) Figure 4 demonstrates that the Facility is located in Zone X, which are areas determined to be outside the 500-

year floodplain.” Figure 4 from the Environmental Impact Assessment that indicates the mapped flood hazard area is as follows:

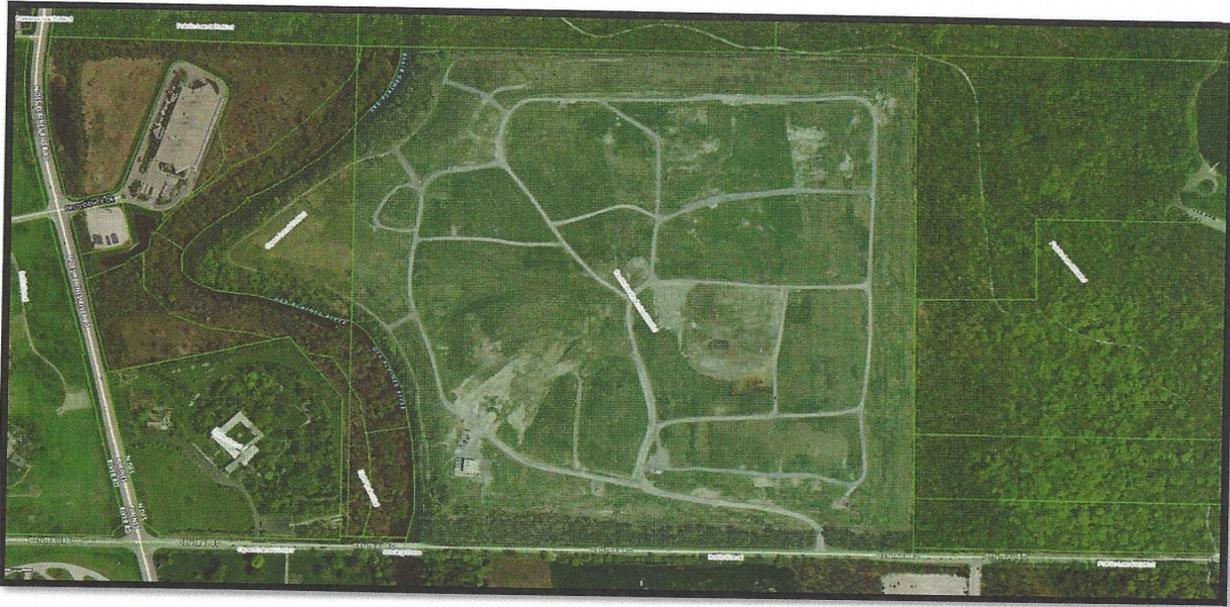


According to the U.S. Fish and Wildlife Service National Wetland Inventory Maps there are mapped wetlands located along the western boundary of the Des Plaines Landfill. The area to be utilized for the compost facility is not affected by the wetlands. The area proposed for the Organics Recycling & Compost Facility does not appear to contain any mapped wetland areas. According to the Environmental Impact Assessment prepared by Civil & Environmental Consultants, Inc., “The United States Army Corps of Engineers and Metropolitan Water Reclamation District of Greater Chicago have regulatory authority over the discharge of materials into jurisdictional wetlands and waters of the United States (WOTUS). The United States Fish and Wildlife Service National Wetland Inventory Map for the Facility indicates that no designated wetlands exist on the Facility. All areas on the subject site have been previously disturbed and developed with a landfill. No wetlands exist on neighboring parcels with the exception of the riverine area adjacent to the west side of the landfill, and an area of freshwater forested wetland to the southeast of the river.” The Environmental Impact Assessment provides the following map of the wetland areas.



Central Avenue at this location is a two lane roadway. The signalized intersection of Central Avenue and Des Plaines River Road is located west of the subject property. According to the Illinois Department of Transportation, the average daily traffic count along this section of Central Avenue is 15,400 vehicles. We have been provided with a Traffic Impact Study prepared by Kenig, Lindgren, O’hara, Aboona, Inc. dated October 6, 2016 which discusses traffic later in this report.

The Majority of the Des Plaines Landfill is zoned I-1, Restricted Industrial District within Unincorporated Cook County. A western portion of the Landfill located along the Des Plaines River is zoned Open Land District within Unincorporated Cook County. The proposed facility is indicated to be only located within the I-1 zoning classification.



Cook County's Zoning Ordinance states the purpose of the I-1 District as, "The I-1 Restricted Industrial District is intended to control the development of lands to be used by industrial firms that have high standards of performance and that can locate in close proximity to residential and business uses without creating nuisances. District regulations are designed to permit the operation of most manufacturing, wholesaling and warehousing activities while providing adequate district uses and sufficient control of external effects to protect one industry from another. Some retail uses are permitted that service the industrial uses within the industrial district or that do not depend upon intensive visits of retail customers."

The purpose of the P-2, Open Land District is stated within the Cook County Ordinance as, "The P-2 Open Land District is intended to provide for privately owned undeveloped or open land which is anticipated to remain undeveloped for at least five years. The P-2 Open Land District is used principally on request of the property owner, and then only if the Cook County Board of Commissioners determines that the land is of value to the general public. This value may be in the form of providing scenic vistas and views to the public; play, recreation, or open amusement space; agricultural lands for development of crops or livestock; and voluntarily delaying development of land because it is out of the general pattern of Cook County development or cannot be economically served by appropriate urban systems until a later date. This district is characterized by open uses of land, such as golf courses or agricultural uses. Only structures and improvements which supplement and are incidental to the principal open use are permitted, such as residences incidental and accessory to farms. Land classified P-2 must contain at least ten acres, exclusive of any land devoted to accessory or incidental structures. The P-2 zoning district restricts potential development for five years."

We have also considered the visibility from surrounding properties. According to information provided within the Environmental Impact Assessment prepared by Civil & Environmental Consultants, Inc., "The Landfill is an area that elevates from its

perimeters by approximately 50 feet to the maximum height of the central waste-filled area. The perimeter of the Landfill is all wooded, as well as fenced on the south side where it borders Central Road. The wooded areas provide screening, precluding view of the top of the fill area from adjacent areas. The proposed Facility operations would not add structures or activities that would be visible from the surrounding areas. The planned development of the composting operation would not create a visual impact to neighboring properties.”

Noise from the proposed use has been addressed within the Environmental Impact Assessment. It states, “As no residences are located adjacent to the Facility, no measures, beyond the vegetative buffers that currently exist, are anticipated to be implemented to mitigate the sound of the traffic and equipment. Activities associated with the development of the composting operation on the Landfill are expected to have a noise impact that is temporary, minimal and not of concern.”

In addition, recent sales of homes within the area have been researched and analyzed. Within a 1.5 mile radius of the subject there have been a total of 74 sales that have occurred within the past two years. Considering the total 74 sales within the area, 44 of the sales of single family residences are located northwest of the subject property within the Cherry Hill, Boulder Point, and Forest River subdivisions. These sales range in overall price from \$110,000 to \$615,000. The average of these sales for 2015 is reported to be \$347,663, while the average for 2016 year to date is reported to be \$422,062. These averages are higher than the average single family residence price for the Village of Des Plaines for 2015 of \$256,353 and for 2016 year to date of \$269,202.

The remaining 34 sales are located to the northeast of the subject property within Glenview in the Northfield Woods and Timber Trails subdivisions. These sales range in overall price from \$237,000 to \$807,995. The average of these sales for 2015 is reported to be \$457,924, while the average for 2016 year to date is reported to be \$492,318. These averages are lower than the average single family residence price for the Village of Glenview for 2015 of \$640,158 and for 2016 year to date of \$614,116.

Analysis of the proposed use:

- The subject property is located on a major roadway which has an average traffic count of 15,400 vehicles per day.
- Current aerial photographs show the subject property with one full access driveway. The facility will use the existing closed landfill access drive on Central Road.
- The composting facility will operate 6 days a week, Monday through Friday 6:30 A.M. to 5:30 P.M. and Saturday 7:00 A.M. to 12:00 P.M.
- The transporting of materials will typically occur between 7:00 A.M. and 3:30 P.M. Monday through Friday and 7:00 A.M. to 11:00 A.M. on Saturday.

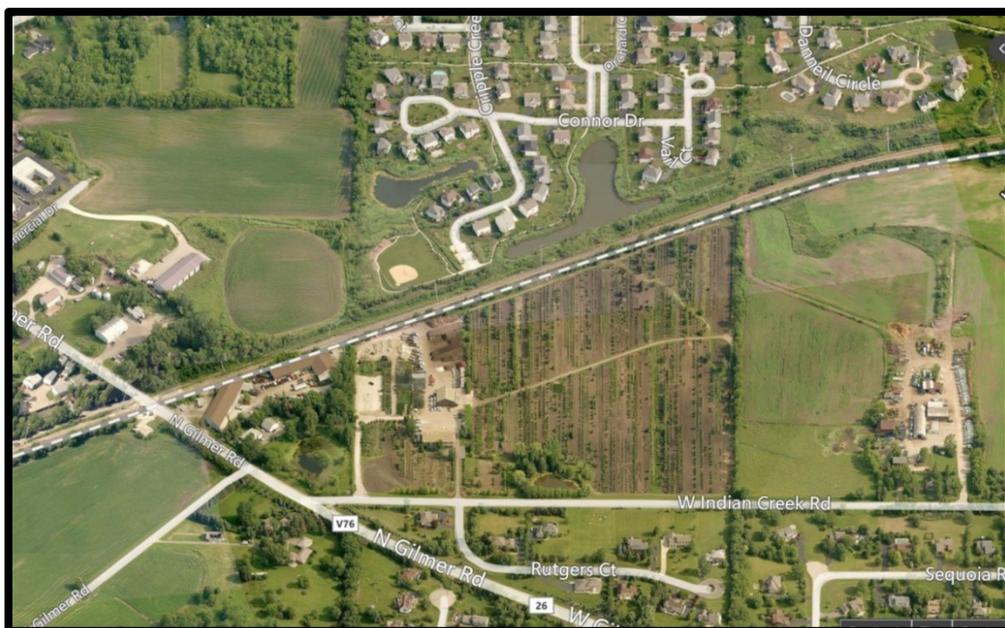
- The facility will accept delivery of landscape trimmings and food scraps for processing into high quality compost.
- The proposed use will not interfere with the use of any of the adjoining properties. The adjoining residences can continue to be used as they have been in the past. These residences are located at a sufficient distance from the proposed use and are buffered by open space. The proposed use is compatible with other industrial uses which are existing or could potentially be developed in the area.
- The views of the adjoining residences will be similar to those that exist prior to the proposed use.
- There is nothing unique about the current or proposed use of the subject property which would create impacts not found in other developments of this type.
- If the compost facility closes in the future, the proposed facility modifications and building could be retrofitted or modified as a commercial property.
- The property owner's representative indicated the long-term plan for the property is to add several feet of additional cover material, and in 200 years, use the property as a cemetery.

We have reviewed other similar compost facilities within the area in our analysis. Several examples of compost facilities exist within the area. These properties, as well as service facilities, coexist with adjoining commercial and residential properties. Following are some examples of these types of facilities and their surrounding uses.



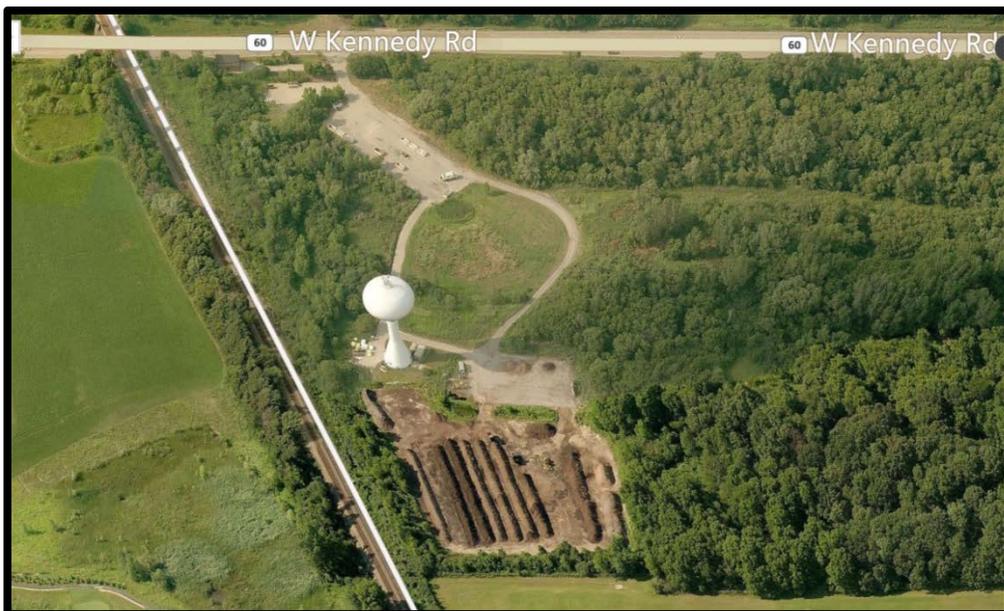
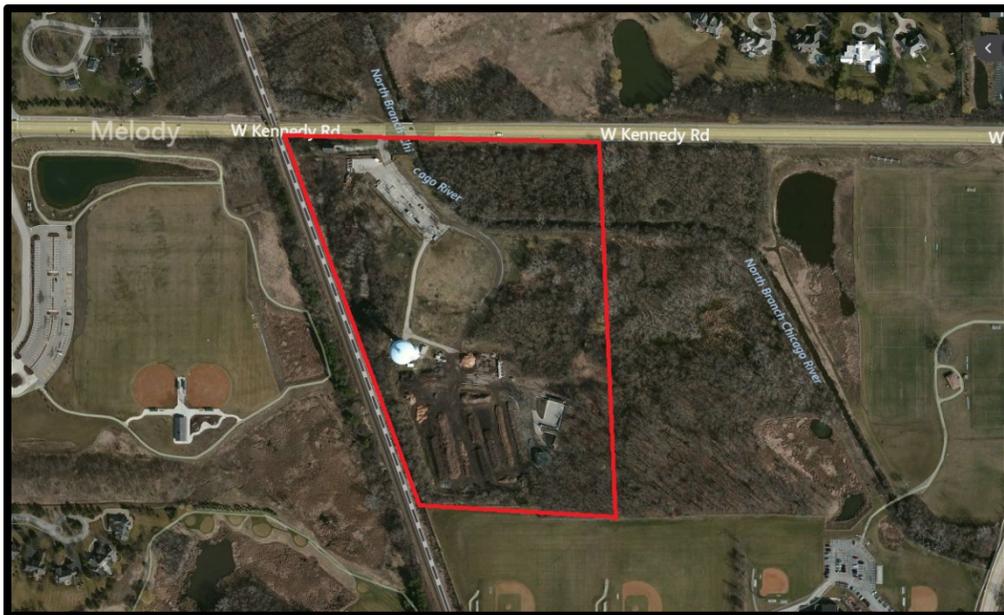
Schmechtig Landscape Company  
20860 W. Indian Creek Road  
Mundelein, IL 60060

The property is located on the north side of W. Indian Creek Road, east of N Gilmer Road. The area comprised of single-family residences to the north and south of the property, with agricultural and commercial uses to the east and west. According to the company's website all plant waste from maintenance and construction sites are converted into rich organic compost and used new construction sites.



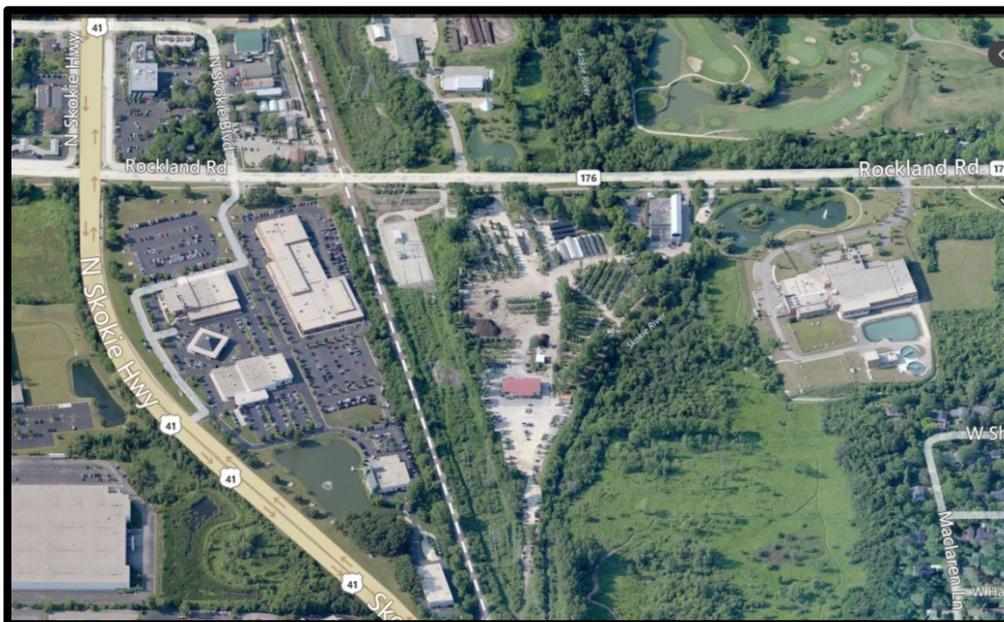
Lake Forest Recycling & Compost  
1381 W. Kennedy Road  
Lake Forest, IL 60045

The property is located at the south side of Kennedy Road, west of Waukegan Road. The site is run by the City of Lake Forest Public Works Department and accepts yard waste which is turned into compost and is made available to residents. The area is comprised of a sports complex to the south, a golf course to the southwest, with farm land to the east and forest preserve to the north. Surrounding the property further out are single-family residences.



Mariani Landscape Design & Composting  
300 Rockland Road  
Lake Bluff, IL 60044

The property is located on the south side of Rockland Road, east of N. Skokie Highway in a generally commercial area, with residential uses located further east. According to the website for Mariani Landscape Design & Composting, they use yard materials and recycle yard waste, such as grass clippings, for composting and mulching.



The uses above indicate that uses similar to that proposed for the subject property co-exist with uses that are similar to the surrounding uses that adjoin the subject property.

We have been provided with a Traffic Impact Study prepared by Kenig, Lindgren, O'Hara, Aboona, Inc. (KLOA) dated October 6, 2016. The purpose of the KLOA report is stated within the report as, "The purpose of this report was to examine background traffic conditions, assess the impact that the proposed facility will have on traffic conditions in the area, and determine if any roadway or access improvements are necessary to accommodate traffic generated by the proposed facility."

The KLOA report provides the following information on four roadways proximate to the subject property entrance. These four roadways are stated within the report as follows:

*Central Road* is an east-west roadway that provides one lane in each direction. At its signalized intersection with Des Plaines River Road, Central Road provides an exclusive left-turn lane, an exclusive through lane, and an exclusive right-turn lane on the westbound approach and an exclusive left-turn lane and a combined through/right-turn lane on the eastbound approach. At its signalized intersection with Circle Drive, Central Road provides an exclusive left-turn lane and exclusive through lane on the westbound approach and an exclusive right-turn lane and an exclusive through lane on the eastbound approach. Bike lanes are provided on both sides of Central Road within the vicinity of the closed landfill. Central Road is under the jurisdiction of the Illinois Department of Transportation (IDOT), is classified as a minor arterial by IDOT, has a posted speed limit of 45 mph, and has an AADT volume of 12,600 vehicles west of Des Plaines River Road and 15,400 vehicles east of Des Plaines River Road.

*Des Plaines River Road (U.S. 45)* is a north-south roadway that provides two lanes in each direction. At its signalized intersection with Central Road, Des Plaines River Road provides an exclusive left-turn lane, an exclusive through lane, and a combined through/right-turn lane on both approaches. Des Plaines River Road is under the jurisdiction of IDOT, has a posted speed limit of 45 miles per hour (mph), is classified as a principal arterial by IDOT, and carries an Annual Average Daily Traffic (AADT) volume of 20,500 vehicles per day north of Central Road and 21,200 vehicles per day south of Central Road.

*Circle Drive* is generally a north-south local roadway that provides one lane in each direction and serves Oakton Community College. At its signalized intersection with Central Road, Circle Drive provides an exclusive left-turn lane and an exclusive right-turn lane. Circle Drive has a posted speed limit of 25 mph.

The *Closed Landfill Access Drive* is located approximately 700 feet west of Circle Drive and serves the closed landfill. It provides one inbound lane and one outbound lane that is under stop sign control.

According to the KLOA report, the facility will generate approximately 25 transfer trailer/semi-trucks and 25 single unit/dump trucks transporting discarded organic materials to the facility per day. In addition, approximately five transfer trailer/semi-trucks and five single unit/dump trucks transporting finished compost will be generated from the facility per day.

The conclusions of the KLOA Traffic Impact Study are stated as follows:

*Based on the facility's operations and the preceding traffic impact study, the following conclusions are made.*

- *The facility is proposed to be located on 25 acres within the existing SWANCC landfill site.*
- *The organic recycling facility will initially process approximately 100,000 cubic yards and ultimately process approximately 200,000 cubic yards of discard organic material per year, which it will process into finished compost to be sold.*
- *The facility is projected to generate a limited volume of traffic during the weekday morning and evening peak hours. It should be noted that the facility will typically not generate any truck traffic during the evening peak period.*
- *The majority of the discarded organic waste will be transported from the SWANCC transfer facility located on River Road just north of Central Road approximately one mile west and north of the proposed facility. Currently, the discarded organic material from the SWANCC transfer station is transported to a facility located in Antioch which is approximately 40 miles from the transfer station. As such, the impact of the organic recycling facility will be minimized as (1) the proposed facility's location one mile from the SWANCC transfer station will significantly reduce the miles traveled to transport the discarded organic material and (2) a large percentage of the truck traffic that will be generated by the facility is already on the area roadways.*
- *As the capacity analyses have shown, the existing roadway system generally has sufficient reserve capacity to accommodate the traffic to be generated by the facility.*
- *Access to the site will be provided via the existing closed landfill access drive located on Central Road approximately 700 feet west of Circle Drive. The access drive will continue to provide one inbound lane and one outbound lane under stop sign control and will be sufficient to accommodate the additional traffic. However, it is recommended that the existing brush around the access drive be cut in order to provide adequate sight lines for vehicles exiting the access drive.*

We have been provided with the previously mentioned Environmental Impact Assessment prepared by Civil & Environmental Consultants, Inc., dated October 2016. The report states, "Cumulative impacts on the environment result from the incremental impact of the proposed action when added to other past, present and reasonable foreseeable future actions regardless of what person undertakes such other actions. No other reasonable foreseeable developments were identified in the area other than the proposed uses identified in the Special Use Application."

The following cumulative impacts are addressed within the Environmental Impact Assessment as follows:

***Cumulative Effects on Geology and Soils***

*The topography and soils of the area have been affected by the creation of the landfill; therefore, the subsurface materials primarily consist of a mixture of non-native soils, garbage, and other refuse. The proposed project would not alter the existing subsurface materials, other than to spread recycled brick and asphalt and gravel over the top of the Landfill's final cover.*

***Cumulative Effects on Water Quality and Aquatic Communities***

*The composting facility will capture all of the stormwater runoff for recycling back into the compost process. It will not have wastewater discharges that would cumulatively adversely impact water quality or aquatic communities in the area.*

***Cumulative Effect of Terrestrial Resources***

*Review of the existing habitats and native species within the project area indicates that the relatively minor site modifications for the composting project will have no long-term adverse or cumulative effects to terrestrial resources, plants, or animals.*

***Cumulative Effects on Land Use***

*The Landfill property is closed and under post-closure care. The footprint of composting operation will be entirely within the limits of the Landfill's property. Since the type of land use (solid waste management) will not change in the project area, land use will not be adversely cumulatively affected by this project.*

**Conclusions**

Based upon our analysis of the proposed use and our experience, it is our opinion that the proposed use for organic recycling and compost facility will not prevent the use of the adjoining property or negatively affect the property values of any surrounding properties.

The special use will not be detrimental to the development of other property within the area. The area is partially developed and any development or redevelopment can occur as it could prior to the proposed use.

There is nothing unique about the proposed use of the subject property and nothing unique about the adjoining development which would create impacts not found in other uses of these types. This is shown by the similar uses referenced.

We have been requested to address the following from the Special Use Section, 13.8.9, of the Cook County Ordinance. It is stated, "Establishment, maintenance or operation of the special use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the uses already permitted, nor diminishes and impairs property values in the neighborhood." In our opinion, the proposed use and granting of the requested special use is in harmony with the general purpose and intent of this Ordinance, will not be injurious to the neighborhood. The proposed special use of an organic recycling and compost facility will not diminish or impair property values within the neighborhood.

Based upon our study of the subject and the adjoining properties as summarized above, and our experience, in our opinion the proposed use and special use will not diminish the value of land and buildings in the vicinity of the subject property.

Respectfully submitted,

POLACH APPRAISAL GROUP, INC.

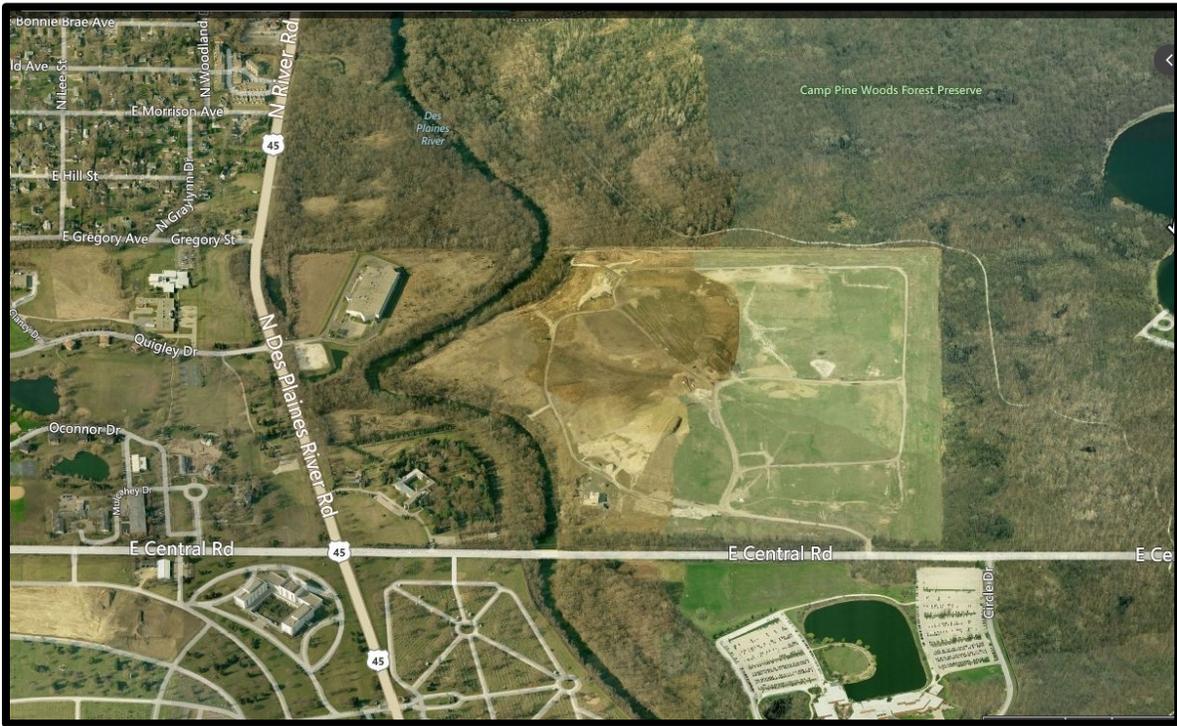
Kenneth F. Polach, MAI, SRA  
IL Cert No. 553.000340 Exp. 9/30/2017

Mark K. Polach  
IL Cert No. 553.001545 Exp. 9/30/2017



# UNINCORPORATED COOK COUNTY ZONING MAP





Aerial View Facing North



Aerial View Facing East

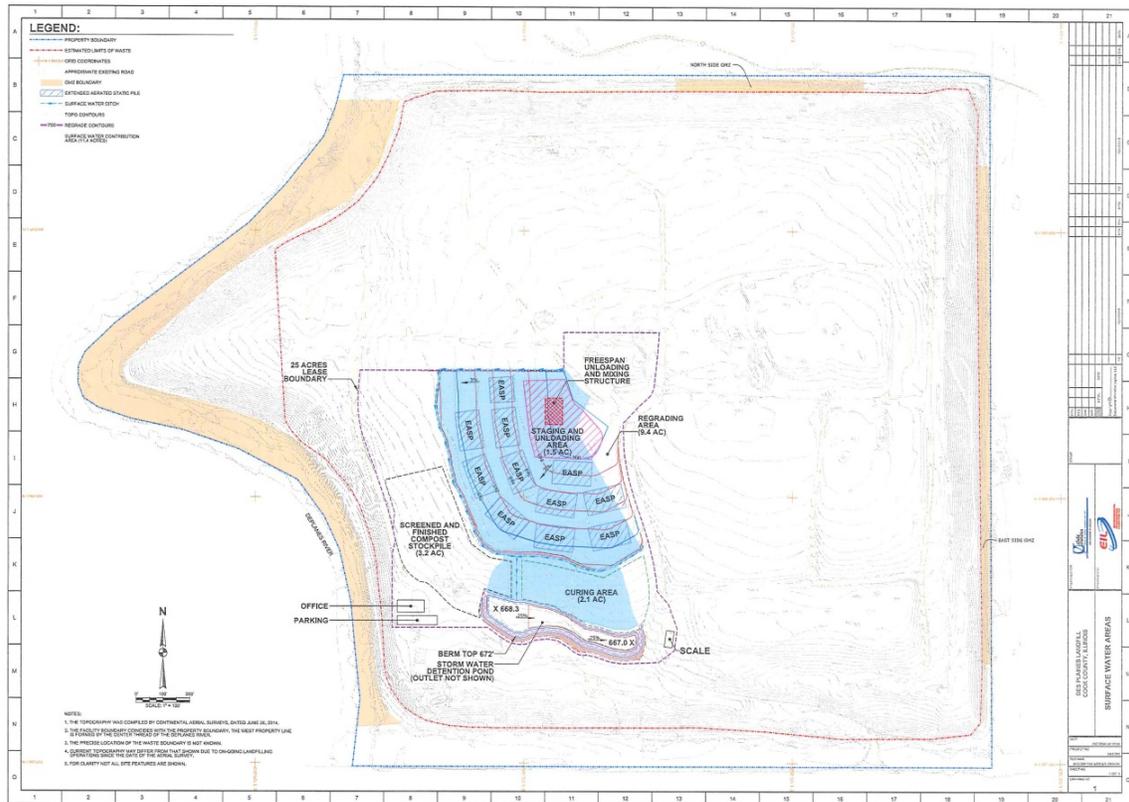


Aerial View Facing West



Aerial View Facing South





## CONTINGENT AND LIMITING CONDITIONS

It is assumed that the title to this property is good and marketable. No title search has been made, nor have we attempted to determine ownership of the property. The value opinion is given without regard to any questions of title, boundaries or encroachments. It is assumed that all assessments are paid. We assume the property to be free and clear of liens and encumbrances except as noted. No attempt has been made to render an opinion or determine the status of easements that may exist.

The legal description, if included in any report, should be verified by legal counsel before being relied upon or used in any conveyance or other document.

We are not familiar with any engineering studies made to determine the bearing capacity of the land. We assume improvements in the area appear to be structurally sound. It, therefore, is assumed that soil and subsoil conditions are stable unless specifically outlined.

Any exhibits in the report are intended to assist the reader in visualizing the property and its surroundings. The drawings are not intended as surveys and no responsibility is assumed for their cartographic accuracy. Drawings are not intended to be exact in size, scale or detail.

Areas and dimensions of the property may or may not have been physically measured. If data is furnished by the principal or from plot plans or surveys furnished by the principal, or from public records, we assume it to be reasonably accurate. In the absence of current surveys, land areas may be based upon representations made by the owner's agents or our client. No responsibility is assumed for discrepancies which may become evident from a licensed survey of the property.

Our value opinion involves only the real estate and all normal building equipment if any improvements are involved. No consideration was given to personal property, (or special equipment), unless stated.

It is assumed that the property is subject to lawful, competent and informed ownership and management unless noted.

Information in this report concerning market data was obtained from buyers, sellers, brokers, attorneys, trade publications or public records. To the extent possible, this information was examined for accuracy and is believed to be reliable. Dimensions, areas or data obtained from others are believed correct; however, no guarantee is made in that the appraiser did not personally measure same.

Any information, in whatever form, furnished by others is believed to be reliable; however, no responsibility is assumed for its accuracy.

The physical condition of any improvements described herein was based on visual inspection only. Electrical, heating, cooling, plumbing, sewer and/or septic system, mechanical equipment and water supply were not specifically tested but were assumed to be in good working order, and adequate, unless otherwise specified. No liability is assumed for the soundness of structural members, since no engineering tests were made of same. The roof(s) of structures described herein are assumed to be in good repair unless otherwise noted.

The existence of potentially hazardous material used in the construction or maintenance of the building, such as urea formaldehyde foam insulation and/or asbestos insulation, which may or may not be present on the property, has not been considered. In addition no deposit of toxic wastes, unless specifically mentioned herein, have been considered. The appraiser is not qualified to detect such substances and suggests the client seek an expert opinion, if desired. Further, this report does not consider the potential ramifications due to the presence of Underground Storage Tanks (UST) or the possible environmental impact due to leakage and/or soil contamination, if present.

It is specifically noted that the appraiser(s) have not conducted tests to determine the presence of, or absence of, Radon. We are not qualified to detect the presence of Radon gas, which requires special tests and, therefore, must suggest that if the buyer is suspect as to the presence of Radon or any other potentially hazardous substances, he or she should take steps to have proper testing done by qualified firms who have the equipment and expertise to determine the presence of this substance in the property.

In addition, if the client has any concern regarding the structural, mechanical or protective components of the improvements described herein, or the adequacy or quality of sewer, water or other utilities, it is suggested that independent contractors or experts in these disciplines be retained by said client, before relying upon this appraisal.

The separate allocation between land and improvements, if applicable, represents our judgment only under the existing utilization of the property. A re-evaluation should be made if the improvements are removed or substantially altered, and the land utilized for another purpose.

All information and comments concerning the location, neighborhood, trends, construction quality and costs, loss in value from whatever cause, condition, rents, or any other data for the property appraised herein, represents the opinions of the appraiser formed after an examination and study of the property.

Any valuation analysis of the income stream had been predicated upon financing conditions as specified in the report, which we have reason to believe are currently available for this property. Financing terms and conditions other than those indicated may alter the final value conclusions.

Stabilized expenses shown in the income capitalization approach, if used, are projections, and are based on past operating history if available, and are stabilized as generally typical over a reasonable time period.

The appraiser is not required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been made previously thereto. If the appraiser(s) is subpoenaed pursuant to court order, the client will be required to compensate said appraiser(s) for his time at his regular hourly rates plus expenses.

All opinions, as to values stated, are presented as the appraiser's considered opinion based on the information set forth in the report. We assume no responsibility for changes in market conditions or for the inability of the client or any other party to achieve their desired results based upon the appraised value. Further, some of the assumptions made can be subject to variation depending upon evolving events. We realize some assumptions may never occur and unanticipated events or circumstances may occur. Therefore, actual results achieved during the projection period may vary from those in our report.

Appraisals made subject to satisfactory completion of construction, repairs, alterations, remodeling or rehabilitation, are contingent upon completion of such work in a timely manner using good quality materials and workmanship and in substantial conformity to plans or descriptions or attachments made hereto.

Unless otherwise noted, it is assumed that the construction and use of the appraised property, if improved, complies with all public authorities having jurisdiction, including but not limited to the National Environmental Protection Act and any other applicable federal, state, municipal, and local environmental impact or energy laws or regulations.

This report should not be used or relied upon by any other party except the client to whom the report is addressed. Any party who uses or relies upon any information in the report without the preparer's written consent, does so at his own risk. The Appraiser/consultant responsibility is limited to the client, and use of this appraisal by third parties shall be solely at the risk of the client and/or third parties.

A signatory of this appraisal report is a member or affiliate of the Appraisal Institute. The Bylaws and Regulations of the Institute require each member and candidate to control the use and distribution of each appraisal report signed by such member or candidate. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report, in its entirety, to such third parties as may be selected by the party for whom this was prepared. Selected portions of this appraisal report, however, shall not be given to third parties without prior written consent of the signatories of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media for public communication without the prior written consent of the signatories of this appraisal report. This restriction applies particularly to the valuation conclusions, the identity of the appraisers, or any reference to the Appraisal Institute, or to the MAI, SRA, or SRPA designations.

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

*This is a Consulting Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 5 of the Uniform Standards of Professional Appraisal Practice for a Consulting Appraisal Report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated. The appraiser is not responsible for unauthorized use of this report.*

## CERTIFICATE

The undersigned, representing POLACH APPRAISAL GROUP, INC., do hereby certify that, to the best of our knowledge and belief:

The statements of fact contained in this appraisal report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and represent the personal, impartial, and unbiased professional analyses, opinions, and conclusions of the undersigned.

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

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 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.

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

The following persons from among the undersigned have made a personal inspection of the property that is the subject of this appraisal report on the date(s) indicated:

Mark K. Polach on September 28, 2016

Todd Rodemich provided significant real property appraisal assistance to the person(s) signing this certification.

This appraisal report includes 31 sheets, which are made an integral part of this report.

IN WITNESS WHEREOF, THE UNDERSIGNED has caused these statements to be signed and attested to on October 18, 2016.

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Kenneth F. Polach, MAI, SRA  
IL Cert No. 553.000340 Exp. 9/30/2015

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Mark K. Polach  
IL Cert No. 553.001545 Exp. 9/30/2015

As of the date of this report, I, Kenneth F. Polach have completed the continuing education program for Designated Members of the Appraisal Institute.

As of the date of this report, I, Mark K. Polach have completed the continuing education program for Candidates of the Appraisal Institute.

We have not provided any previous services regarding the subject property, including an appraisal, within the three years prior to this assignment.

## APPRAISER'S QUALIFICATION SUMMARY

\* \* \* KENNETH F. POLACH, MAI, SRA \* \* \*

Kenneth F. Polach, President of the Polach Appraisal Group, Inc., has been engaged in the profession of real estate appraising and consulting since 1969 in the Chicago Metropolitan Area, including Cook, DuPage, Will, Lake, McHenry, Kane and Kendall counties, and has also completed assignments in other sections of the United States. He holds the professional designations MAI and SRA from the Appraisal Institute.

His experience includes market value appraisals on varied property types for acquisition, grant application, condemnation, mortgage, estate, real estate tax, historic preservation, and other purposes. Property types appraised and studies conducted include residential, commercial, industrial and special purpose properties, as well as highest and best use studies and impact studies. He has qualified as an expert witness in the Circuit Courts of Cook, DuPage, Kane, Lake, McHenry and Will counties in Illinois as well as in Federal Court. Mr. Polach has testified at Illinois Commerce Commission as well as municipal and county zoning hearings.

From June 1974 to December 1993, Mr. Polach was associated with and was appointed Executive Vice President of William A. McCann & Associates, Inc.

From July 1972 to May 1974, Mr. Polach held the position of staff appraiser for a major suburban bank. He was responsible for the appraisal of residential, commercial, industrial and special purpose properties used as security for mortgage loans, as well as being involved in loan processing and servicing.

From September 1969 through July 1972, Mr. Polach was employed by the State of Illinois, Department of Public Works and Buildings, Division of Highways, Bureau of Right-of-Way. The positions he held with the State were Engineering Technician, and Right-of-Way Agent and Appraiser. His duties as an appraiser included the review and acceptance of appraisal reports on various residential, commercial, industrial and special purpose properties for highway acquisition.

Mr. Polach's educational background includes attendance at Roosevelt University resulting in the attainment of a Bachelor of Science Degree with a major in Engineering Science. Further studies at Roosevelt University resulted in the attainment of a Masters Degree in Business Administration.

Mr. Polach's specialized education includes real estate appraisal courses and various seminars and workshops given by the Appraisal Institute and other professional organizations. These courses covered the principles of appraising residential, commercial, industrial and special purpose properties and related topics. He also attended the National School of Real Estate Finance sponsored by the American Bankers Association at Ohio State University.

Mr. Polach's professional affiliations include membership in the Appraisal Institute, with the designations of MAI and SRA. He is a Senior Member of the National Association of Review Appraisers with the designation of CRA, and he is a Member of the National Association of Realtors.

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. Mr. Polach has completed the requirements of the continuing education program of the Appraisal Institute.

Mr. Polach is currently a State Certified General Appraiser in the State of Illinois and the State of Indiana.

## APPRAISER'S QUALIFICATION SUMMARY

\* \* \* MARK K. POLACH \* \* \*

Mark K. Polach joined the appraisal staff of Polach Appraisal Group, Inc. in 1996. Since joining the firm, his experience has included market value appraisals of various residential, commercial, industrial, special use, and vacant land properties. These appraisals have been used for relocation, mortgage, condemnation, acquisition, easement and tax appeal purposes. Assignments have also included appraisals and studies of real estate located in Cook, DuPage, Lake, Kane, Kendall, McHenry and Will counties. Mr. Polach has performed special impact studies in metropolitan Chicago and surrounding communities to determine the effect of large retail stores and shopping centers on the value, marketability, and rate of appreciation of residential properties. Mr. Polach has presented expert testimony before the City of Chicago Zoning Board of Appeals. He has qualified as an expert witness in the Circuit Court of DuPage, Illinois.

Assignments have included restaurants, gas stations, shopping centers, churches, agricultural use land, apartment complexes, large office buildings, schools, hotels, single-family and multi-family residences, zoning impact studies as well as highest and best use studies for proposed residential, office, townhouse, commercial, mixed use, and retirement developments in the Chicagoland area. He has also performed tax assessment studies for various types of commercial and special purpose property types and performed appraisals for permanent and temporary easements.

From August 1992 to May 1996, he attended the University of Dayton resulting in the attainment of a Bachelor of Arts Degree. Mr. Polach's specialized education includes the successful completion of and passing grades on examinations for the Appraisal Institute courses: 110 - Real Estate Appraisal Principles, 120 - Appraisal Procedures, 210 - Residential Case Study, 310 - Basic Income Capitalization, 320 - General Applications, 410 - Standards of Professional Practice, Part A (USPAP), 420 - Standards of Professional Practice, Part B & 510 - Advanced Income Capitalization. He has attended the Appraisal Institute's Seminars "Conditions of the Chicago Real Estate Market – 2014" and "Appraisers and Fair Lending".

Mr. Polach is attending the University of St. Thomas Graduate School of Business and working toward his Master of Science in Real Estate Appraisal. This includes the successful completion of the courses Legal Issues in Valuation, Effective Communication, Statistical Analysis for Real Estate Appraisal, Market Analysis and Feasibility Studies and Advanced Topics in Real Estate Appraisal which included such topics as highest and best use analysis; regional shopping centers; condemnation; environmental impact; utility easements; subdivision analysis; and business valuation.

As a representative of the Appraisal Institute Mr. Polach has also attended the Leadership Development and Advisory Council in Washington D.C. in 2003, 2004 and 2006 and lobbied on behalf of the Appraisal Institute. Mr. Polach is on the Illinois Department of Transportation approved appraisers list. Mr. Polach is currently a Candidate of the Appraisal Institute and is currently a State Certified General Real Estate Appraiser in the State of Illinois and the State of Indiana.