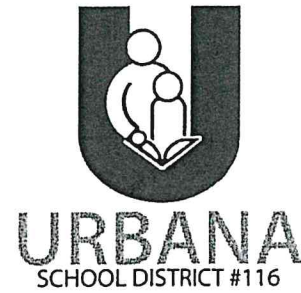


Jean F. Burkholder Administrative Service Center
1101 E. University Ave., Suite B
Urbana, IL 61802
www.usd116.org



**NOTICE OF PUBLIC SALE
205 N. RACE AND 211 N. RACE STREET
BID OPENING DATE
MONDAY, MARCH 20, 2023
2:00 P.M. (CST)**

Dear Bidder:

Urbana School District # 116 will sell at public sale 205 N. Race and 211 N. Race Street by taking sealed bids until 2:00 p.m. on March 20, 2023

The Board of Education has established a minimum sale price of \$475,000. Any contract, if awarded, will be awarded to the highest responsible and qualified bidder. The Board of Education reserves the right to reject any and all bids tendered, to waive irregularities, or to cancel or reschedule the bid submission date and/or bid opening.

A tour of the facility is available upon request. Questions regarding the bid should be directed to Caty Roland at (217) 384-3642 or by email at croland@usd116.org.

Sincerely,

Caty Roland
Chief Financial Officer

Enclosure

Cc: Dr. Jennifer Ivory-Tatum, Superintendent
Randy Ashman, Director of Facility Services

Outstanding Schools in an Outstanding Community

**NOTICE OF PUBLIC SALE OF
REAL PROPERTY OWNED BY
URBANA SCHOOL DISTRICT 116**

Notice is hereby given that on March 20, 2023 at 2:00 p.m., the Board of Education of Urbana School District 116, of Champaign County, Illinois (hereinafter "District") will received sealed bids for the sale of the following described property ("Property"):

Property Address: 205 North Race and 211 N. Race, Urbana, Illinois

Property Identification No(s): 91-21-08-453-017 & 91-1-08-453-018

Said PROPERTY is currently improved by a structure commonly known as the former "Central Office and Adult Education." Legal description on District's title to govern.

Information relating to the Property may be obtained at the Board of Education Office at 1101 E. University Ave., Suite B, Urbana, Illinois, between the hours of 8:00 a.m. and 4:00 p.m., Monday through Friday, or on the Urbana School District website at: www.usd116.org

Said sale by sealed bid will be made on the following terms:

1. The Property is to be offered for sale at a public sale by sealed bids to the highest responsible and qualified Bidder. ALL BIDS MUST BE TENDERED BEFORE THE BID DATE AT TIME AND DATE SET FORTH ABOVE. IT SHALL BE A BIDDER'S OBLIGATION TO ENSURE THE TIMELY TENDER OF A BID, AND ALL LATE BIDS WILL BE REJECTED. ALL BIDS MUST CONFORM WITH BID REQUIREMENTS AND INSTRUCTIONS. NO BIDS WILL BE RECEIVED VERBALLY, BY FACSIMILE, BY EMAIL, OR BY METHOD OTHER THAN THE AFORESAID, AND BIDDERS SHALL NOT SEND DUPLICATES OR COPIES OF THEIR BIDS BY ANY OTHER METHOD THAT REVEALS THE CONTENT OF THEIR BID.
2. The Property shall be sold "as is-where is" by Quit Claim Deed, legal description on District's title to govern. The District makes no representations or warranties with respect to the condition or use of said Property, or compliance with environmental laws and regulations. The Purchaser shall be solely responsible for determining the applicability of any laws, local ordinance, or other regulations which may impact the Property and/or the Purchaser's contemplated use thereof. The Property is being sold subject to any and all rights of the public and any and all easements, covenants and restrictions shown or not shown by public record. Submission of a bid shall serve as that Bidder's acknowledgement that: (a) it has received any and all requested or otherwise required property disclosures prior to the date of bid submission; (b) that it was afforded opportunities to inspect the Property and records relating to its condition before the date of bid submission; and (c) that it has availed itself, to its satisfaction, of the right to inspect the Property and records relating to its condition prior to the date of bid submission; and (d) that it is satisfied with the Property's condition and that it is **taking the Property in AS-IS / WHERE-IS condition**. Records relating to the Property's condition, including any and all

environmental contaminants known and/or believed to have been located on the Property in the past or currently (if any), are available for inspection and/or copying by contacting the District's Chief Financial Officer during regular business hours at the District's administrative office.

3. The property is located within the boundary of Urbana's Central Tax Increment Financing (TIF) District which may make the property eligible for renovation and redevelopment incentives. The District, however, makes no representations or promises relating to the establishment of said TIF District and/or the property's qualification for TIF under any such District. Questions regarding the proposed TIF District should be directed to Stepheny McMahon, Economic Development Manager, City of Urbana, (217) 328-8274 or slmcmahon@urbanainline.us.
4. Questions regarding the zoning for the Property (including provisions regarding the City of Urbana's "Special Use Procedures for Utility or Public Buildings and Adaptive Re-use of School Buildings and Church Buildings") should be addressed to: City of Urbana Planning Division, 400 S. Vine St., Urbana, IL 61801 or (217) 384-2440.
5. The District will not be responsible for paying any real estate brokers' commission.
6. By submitting a bid, a Bidder accepts the terms of the sale as contained herein and in the Board of Education's Resolution dated February 21, 2023, incorporated herein by this reference as if set out in full, expressly including the terms and provisions of this Notice and the Purchase and Sale Agreement attached to said Resolution. Copies of said Resolution and Purchase and Sale Agreement are available by contacting the District's Chief Financial Officer during regular business hours at the District's administrative office.
7. District reserves the right to reject any or all bids tendered, to waive irregularities, or to cancel or reschedule the bid submission deadline and/or bid opening.
8. Upon presentation by the District, the highest Bidder shall immediately execute the Purchase and Sale Agreement with the District subject to the terms and conditions as set forth in the Board of Education's Resolution dated February 21, 2023 and this Notice of Public Sale.
9. The closing date on any resulting sale shall be scheduled for May 26, 2023 unless District and the successful Bidder agree to alternate closing arrangements and the successful Bidder remits payment for a closing extension (as per the Purchase and Sale Agreement). If the successful Bidder fails to pay the balance due upon closing, the Bid Deposit and Earnest Money paid shall be forfeited and retained by District, and District may resell the Property. Possession shall be delivered to Buyer at closing.
10. The District may request assurances and proof satisfactory to the District of the Bidders' ability to purchase the property. Failure of the Bidder to produce same, to District's satisfaction as measured solely by District, will permit District to terminate sale to said Bidder.
11. The Property will be available for inspection, upon District's receipt of reasonable written request, prior to the bid submission deadline.
12. The Board of Education has established a minimum sales price of FOUR HUNDRED SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$475,000.00) and any bid at an amount lower than that minimum sales price shall be disqualified and rejected.
13. Upon notification that a Bidder was the high bidder, that Bidder shall tender to the District a "Bid Deposit" which shall be in the amount of Five Percent (5.0%) of the Bidder's successful bid amount. The successful Bidder's Bid Deposit shall be credited to the sale

- price or otherwise retained by the District, as set forth in the Purchase and Sale Agreement.
14. The successful Bidder, upon notification and demand by the District, shall sign the Purchase and Sale Agreement as approved by the Board of Education on February 21, 2023 and shall, at that time, tender as "Earnest Money" (via cashier's check, money order, or other method approved by the District) an additional Five Percent (5.0%) of the Bidder's bid amount to the District, which Earnest Money shall be credited to the sale price or otherwise retained by the District, as set forth in the Purchase and Sale Agreement.

Approved by:
Board of Education
Urbana School District 116
Date: February 21, 2023

/s/ Brenda Carter
Secretary, Board of Education
County of Champaign
Urbana, Illinois

**RESOLUTION AUTHORIZING AND DIRECTING THE PUBLIC SALE
OF CERTAIN PROPERTY IN ACCORDANCE WITH 105 ILCS 5/5-22**

WHEREAS, the Board of Education of Urbana School District 116, of Champaign County, Illinois (hereinafter "DISTRICT") is the owner of record and/or successor in office to the owners of record of certain real property (hereinafter "PROPERTY") in Champaign County, Illinois; and

WHEREAS, the PROPERTY is more fully described as follows:

Property Identification No(s): 91-21-08-453-017 & 91-1-08-453-018

Said PROPERTY is currently improved by a structure commonly known as the former "Central Office and Adult Education" Legal description on DISTRICT's title to govern.

WHEREAS, the DISTRICT has determined, pursuant to §5-22 of *The School Code* (105 ILCS 5/5-22) that the PROPERTY is no longer being used for school district or educational purposes and is not of current or prospective benefit to the DISTRICT, and that the PROPERTY has become unnecessary or unsuitable or inconvenient for a school, or unnecessary for the uses of the DISTRICT; and

WHEREAS, the DISTRICT has determined that it is in its best interests to sell the PROPERTY at public sale in accordance with §5-22 of *The School Code* (105 ILCS 5/5-22), and pursuant to the terms of this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of Urbana School District 116, of Champaign County, Illinois, as follows:

Section 1. The preamble recitals of this Resolution are hereby adopted as if fully set forth herein.

Section 2. The DISTRICT finds and declares that the following described PROPERTY

has become unnecessary or unsuitable or inconvenient for a school, or unnecessary for the uses of the DISTRICT:

Property Identification No(s): 91-21-08-453-017 & 91-1-08-453-018

Said PROPERTY is currently improved by a structure commonly known as the former "Central Office and Adult Education." Legal description on DISTRICT's title to govern.

Section 3. The DISTRICT hereby adopts the Notice of Public Sale (hereinafter "NOTICE") and the Purchase and Sale Agreement (hereinafter "AGREEMENT") between the DISTRICT and PURCHASER (as defined in the AGREEMENT and as determined in accordance with **Section 4** of this Resolution), in substantially the same forms which are attached hereto and incorporated herein as Exhibit A and Exhibit B, respectively, and made a part hereof, subject to final form approval by DISTRICT's attorneys.

Section 4. The DISTRICT hereby authorizes the public sale of the PROPERTY by sealed bid in accordance with the provisions of 105 ILCS 5/5-22, and subject to the terms and conditions provided for in the NOTICE and AGREEMENT, expressly including but not limited to a reserve/minimum bid price of Four hundred seventy five thousand DOLLARS (\$475,000.).

Section 5. The DISTRICT hereby authorizes and directs its Superintendent to cause the aforementioned NOTICE to be published in substantially the form as attached hereto, and to cause the aforementioned public sale by sealed bid to occur and be conducted in accordance with the provisions of 105 ILCS 5/5-22 and this Resolution. The Superintendent is directed to schedule the bid in accordance with said statutory provisions, and to complete and/or amend the attached NOTICE to reflect compliant sale dates, times, and places convenient to the Superintendent and DISTRICT Administration.

Section 6. The DISTRICT hereby authorizes and directs its President and Secretary to execute the quit claim deed of conveyance described in the AGREEMENT, provided that the terms of 105 ILCS 5/5-22, this Resolution, the NOTICE, and the AGREEMENT have been satisfied and, provided further, that the quit claim deed of conveyance is approved with respect to form by DISTRICT's attorneys.

Section 7. The DISTRICT hereby authorizes and directs its Superintendent to execute all additional documents, and/or to take all additional measures, necessary or beneficial to accomplish the purposes of said AGREEMENT, provided that all such documents and/or measures are approved with respect to form by DISTRICT'S attorneys.

Section 8. This Resolution shall be in full force and effect immediately upon its approval and passage by at least two-thirds vote of full Board of Education membership. Any and all prior Resolutions in conflict with the terms hereof are hereby revoked.

[Next]

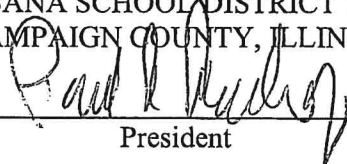
ADOPTED this 21 day of February, 2023 by the following vote:


AYES: 7

NAYES: 0

ABSENT: 0

BOARD OF EDUCATION OF
URBANA SCHOOL DISTRICT 116
CHAMPAIGN COUNTY, ILLINOIS

By: 
President

Attest: 
Secretary

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (the "**Agreement**") is made as of the Effective Date (as hereinafter defined) by and between the **Board of Education of Urbana School District 116, of Champaign County, Illinois**, ("**DISTRICT**") as seller and _____, a _____, ("**PURCHASER**") as buyer.

R E C I T A L S:

- A. DISTRICT owns certain improved real property legally described below ("**PROPERTY**").
- B. PURCHASER desires to purchase from DISTRICT the PROPERTY, and DISTRICT desires to sell the PROPERTY to PURCHASER, in accordance with the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual promises herein contained and the respective undertakings of the parties hereinafter set forth, DISTRICT and PURCHASER hereby agree as follows:

1. **Purchase and Sale.** Subject to the terms and conditions of this Agreement, DISTRICT agrees to sell to PURCHASER and PURCHASER agree to purchase from DISTRICT all of the following improved property located in Champaign County, Illinois:

Property Address: 205 North Race and 211 North Race, Urbana, Illinois

Property Identification No(s): 91-21-08-453-017 & 91-1-08-453-018

Said PROPERTY is currently improved by a structure commonly known as the former "Central Office and Adult Education." Legal description on District's title to govern

2. **Purchase Price.** The purchase price (the "**Purchase Price**") for the PROPERTY shall be _____ (\$ _____). The **Purchase Price** for the property shall be payable as follows:
 - (a) **Bid Deposit.** PURCHASER shall pay Five Percent (5.00%) of its Purchase Price, i.e. _____ Dollars (\$ _____ .00), immediately upon notification by the District that it is the successful bidder and upon execution of this agreement by the PURCHASER, which amount shall be deemed to be a "Bid Deposit" and which shall be applied, (without interest thereon) to the Purchase Price at the Closing (as hereinafter defined) all as hereinafter provided for in this Agreement.
 - (b) **Earnest Money.** Within five (5) business days after execution of this Agreement, PURCHASER shall tender an additional Five Percent (5.00% of its Purchase Price, i.e. _____ Dollars (\$ _____ .00), so that the total sum of Bid Deposit and Earnest Money payments equals Ten Percent (10.00%) of the Purchase Price.

(c) **Cash Balance.** The balance of the PURCHASE PRICE, plus or minus the prorations and credits hereinafter provided for, shall be paid by PURCHASER in cash, certified or cashier's check or by federal wire transfer funds, together with such additional funds for PURCHASER's share of closing costs as may be required pursuant to this Agreement.

3. **Closing.** The closing of the transaction contemplated by this Agreement (herein referred to as the "**Closing**" or "**Closing Date**") shall be held at the office of DISTRICT's title company unless agreed to otherwise by DISTRICT and PURCHASER on _____ or as otherwise mutually agreed to by the parties hereto.

4. **Deliveries at Closing.**

(a) At Closing, DISTRICT shall deliver to the Title Company or PURCHASER directly, as DISTRICT may elect, the following documents:

(i) A Quit Claim Deed executed by DISTRICT conveying the Property to PURCHASER, subject to the Permitted Exceptions (as hereinafter defined) (the "**Deed**");

(ii) Any reasonable and customary documentation required by the Title Company in order for the Title Company to issue the Title Policy (as hereinafter defined);

(iii) Three (3) originals of any closing statement requested and/or prepared by the Title Company which reflects the terms and conditions, as applicable, of this Agreement (the "**Closing Statement**");

(iv) Such proof of DISTRICT's authority and authorization to enter into this transaction, as may be required by the Title Company;

(v) An Owner's Affidavit and Broker's Waiver with respect to any broker's commissions due in connection with the sale of the Property, if any;

(vi) An Owner's Affidavit and/or ALTA Statement, as required by the Title Company; and

(vii) An Affidavit of Title, in customary form, executed by the DISTRICT.

(b) At Closing, PURCHASER shall deliver to the Title Company, or DISTRICT directly, the following:

(i) The balance of the Purchase Price in accordance with Paragraph 2(c) above, plus PURCHASER's share of closing costs;

- (ii) Such proof of PURCHASER's authority and authorization to enter into this transaction as may be required by the Title Company;
 - (iii) Any reasonable and customary documentation required by the Title Company in order for the Title Company to issue the Title Policy; and
 - (iv) An acknowledgment of PURCHASER's acceptance of the Closing Statement.
- (c) At Closing, PURCHASER and DISTRICT shall jointly deliver the following documents to the Title Company:
 - (i) To the extent required, state, county and municipal transfer tax declarations;
- 5. **Allocation of Closing Costs and Expenses.** DISTRICT shall bear the cost of the Title Policy (excluding endorsement), the cost to record any instruments necessary to clear DISTRICT's title, and one-half the cost of the remaining Closing costs. PURCHASER shall bear the cost of any recording fees with respect to the Deed, the cost of the Bid Deposit and Money Escrow, if any, and one-half the cost of the remaining Closing costs. State and county transfer taxes applicable to this transaction (if any) shall be paid by PURCHASER and any municipal transfer taxes applicable to this transaction (if any) shall be paid by PURCHASER. Notwithstanding the foregoing, each party shall pay for its own expenses relating to its retention of any other legal or professional services with respect to the closing of this transaction.
- 6. **Prorations.** The following prorations, except as specifically provided herein to the contrary, shall be made as of the Closing Date and shall be applied to reduce or increase the balance of the Purchase Price, as applicable:
 - (a) **Taxes.** General real estate taxes relating to the PROPERTY are currently exempt from payment. PURCHASER shall be responsible for the payment of any and all taxes arising due to the transfer of the PROPERTY from DISTRICT to PURCHASER.
 - (b) **Utilities.** Any sewer and other utilities and operating expenses relating to the PROPERTY, if any, shall be paid by DISTRICT through the date preceding the Closing Date based on final meter readings. If final bills are not available as of the Closing Date, the utilities will be equitably prorated based upon the most recent bills.
 - (c) **Miscellaneous.** If there are any other items, the credit or proration of which are necessary to fairly allocate the benefits and burdens of ownership of the PROPERTY, such items shall be prorated at the Closing as agreed by DISTRICT and PURCHASER. In the event that accurate prorations and other adjustments cannot be made at Closing because current bills are not available or the amount to be adjusted is not yet ascertainable, the parties shall prorate on the best available information, subject to further adjustment promptly upon receipt of the final bills or upon completion of final computations.

7. **Title Insurance.**

(a) **Title Commitment.** No later than twenty (20) days after the Effective Date, DISTRICT shall deliver to PURCHASER: (i) a commitment (the "**Commitment**") for an Owner's Policy of Title Insurance issued by the Title Company dated on or after the Effective Date and showing title to the PROPERTY vested in the parties identified above, subject only to: the standard printed conditions and general exceptions contained in the Commitment; general taxes not yet due and payable; matters created by, through or under PURCHASER; and all matters approved or waived by PURCHASER pursuant to Paragraph 7(b) below (hereinafter collectively referred to as the "**Permitted Exceptions**"); and (ii) legible copies of the documents referred to in the Commitment as conditions or exceptions to title to the PROPERTY, if requested by PURCHASER, at PURCHASER's expense.

(b) **Title Approval.** PURCHASER shall have a period of five (5) days following receipt of all of the following: (i) the current Survey required under Paragraph 8 below, (ii) the Commitment; and (iii) legible copies of the documents referred to therein as conditions or exceptions to title to the PROPERTY, to review such items and to deliver to DISTRICT a notice of the objections that PURCHASER may have to anything contained in or set forth in or disclosed by the Survey, the Commitment or such documents ("**Unpermitted Exceptions**"). Any exception to which PURCHASER does not object shall be considered a "**Permitted Exception.**" If PURCHASER delivers notice of any Unpermitted Exceptions to DISTRICT, DISTRICT may within five (5) days after the effective date of said notice eliminate or satisfy the Unpermitted Exceptions to the satisfaction of the Purchaser giving such notice. If DISTRICT is unable or unwilling to so correct the Unpermitted Exceptions, then PURCHASER shall have the right, at its election but as its sole and exclusive remedy, to: (i) waive the Unpermitted Exceptions and accept title to the Property subject to such Unpermitted Exceptions (in which event such exceptions shall be deemed a "Permitted Exception"); or (ii) on notice to DISTRICT terminate this Agreement, in which event the Bid Deposit and Earnest Money shall be returned to PURCHASER and all Parties shall sign all documents required by the Escrow Agent to effectuate such return. In the event PURCHASER elects to terminate this Agreement, neither of the Parties shall have any further obligation or liability under this Agreement, except as otherwise specifically provided in this Agreement.

(c) **Title Policy.** As of the Closing Date, DISTRICT shall cause the Title Company to issue to PURCHASER an Owner's Policy of Title Insurance or irrevocable commitment to issue same (the "**Title Policy**") covering the PROPERTY in the amount of the Purchase Price, subject only to the Permitted Exceptions. Any endorsement requirements requested by PURCHASER shall be paid for solely by PURCHASER.

8. **Plat of Survey.** PURCHASER may elect to promptly obtain, from an Illinois licensed surveyor, a quotation for a current, non-ALTA staked and flagged survey, plus an additional quotation to upgrade the survey to one meeting minimum ALTA/ACSM standards, certified to the PURCHASER and the Title Company (an "**ALTA Survey**").

PURCHASER shall provide such quotation amounts to DISTRICT, for DISTRICT's reasonable approval. DISTRICT shall pay the cost of the non-ALTA staked and flagged survey, and at PURCHASER's option PURCHASER may upgrade such survey to an ALTA Survey, and PURCHASER shall pay the cost of such upgrade. PURCHASER shall thereafter order such survey, notify DISTRICT what type of survey PURCHASER ordered, and said survey must be received by PURCHASER at no later than twenty (20) days after the Effective Date.

9. **Representations.**

(a) **Representations of DISTRICT.** In order to induce PURCHASER to enter into this Agreement, DISTRICT, to the best of its knowledge, represents to PURCHASER as follows:

(i) DISTRICT has received no notices of any violations of any laws, ordinances or regulations applicable to the PROPERTY which have not been cured.

(ii) This Agreement has been, and all the documents to be delivered by DISTRICT to PURCHASER at Closing will be, duly authorized, executed and delivered by DISTRICT and/or other parties, as applicable, and are or will be legal, valid, and binding obligation of DISTRICT and/or other parties, as applicable.

(iii) There are no actions, suits, or proceedings pending or threatened (to DISTRICT's knowledge) against or relating to DISTRICT or the PROPERTY in any court or before any administrative agency.

(iv) DISTRICT makes no representations as to any adverse environmental conditions affecting the PROPERTY. DISTRICT shall deliver all reports in their possession concerning any environmental conditions to PURCHASER upon PURCHASER'S request, it being noted and acknowledged by PURCHASER, however, that PURCHASER has already been afforded the opportunity to request and/or review and/or copy the same prior to execution of this Agreement.

(v) **DISTRICT'S Authority.** DISTRICT has the legal power, right and authority to enter into this Agreement, to consummate the transactions contemplated herein and to execute and deliver all documents and instruments to be delivered by DISTRICT hereunder.

(vi) **Individual Authority.** The individual(s) executing this Agreement on behalf of DISTRICT have the legal power, right, and actual authority to bind DISTRICT to the terms and conditions of this Agreement.

(b) **Representations of PURCHASER.** In order to induce DISTRICT to enter into this Agreement, PURCHASER represents to DISTRICT as follows:

(i) **PURCHASER's Authority.** PURCHASER has the legal power, right and

authority to enter into this Agreement, to consummate the transactions contemplated herein and to execute and deliver all documents and instruments to be delivered by PURCHASER hereunder.

(ii) **Individual Authority.** The individual(s) executing this Agreement on behalf of PURCHASER have the legal power, right, and actual authority to bind PURCHASER to the terms and conditions of this Agreement.

(c) Except as otherwise set forth in this Agreement, the PROPERTY is being sold in an "AS IS, WHERE IS" CONDITION AND "WITH ALL FAULTS" as of the Effective Date and as of the Closing. Except as expressly set forth in this Agreement, no representations have been made or are being made, and no responsibility has been or is being assumed, by DISTRICT or by its board members, employees, agents or volunteers, attorney, or representative acting or purporting to act on behalf of DISTRICT as to the condition or repair of the PROPERTY, and/or the value, expense of operation, or income potential thereof, and/or as to any other fact or condition which has or might affect the PROPERTY or the PROPERTY'S condition, repair, value, expense of operation or income potential. The parties agree that all understandings and agreements heretofore made between them or their respective agents or representatives are merged in this Agreement and the Exhibits attached hereto, (including the February 21, 2023 Board Resolution and its Notice of Sale) which alone fully and completely express their agreement, and that this Agreement has been entered into after full investigation, or with the parties satisfied with the opportunity afforded for investigation, neither party relying upon any statement or representation by the other. DISTRICT make no representations or warranties as to whether, and/or the degree to which, the PROPERTY contains asbestos or any hazardous materials or harmful or toxic substances, or pertaining to the extent, location or nature of same, if any. Further, to the extent that DISTRICT has provided to PURCHASER information from any inspection, engineering or environmental reports concerning asbestos or any hazardous materials or harmful or toxic substances, DISTRICT makes no representations or warranties with respect to the accuracy or completeness, methodology of preparation or otherwise concerning the contents of such reports. PURCHASER acknowledges that DISTRICT has requested that PURCHASER inspect the PROPERTY fully and carefully and investigate all matters relevant thereto and that PURCHASER rely solely upon the results of PURCHASER's own inspections or other information obtained or otherwise available to PURCHASER, rather than any information that may have been provided by DISTRICT to PURCHASER. DISTRICT makes no representations or warranties with respect to the condition or use of said PROPERTY, or compliance with environmental laws and regulations. PURCHASER shall be solely responsible for determining the applicability of any laws, local ordinance, or other regulations which may impact the PROPERTY and/or PURCHASER'S contemplated use thereof. The PROPERTY is being sold subject to any and all rights of the public and any and all easements, covenants and restrictions shown or not shown by public record.

(d) PURCHASER waives and releases DISTRICT from any present or future claims arising from or relating to the presence or alleged presence of asbestos or any hazardous materials or harmful or toxic substances in, on, under or about the PROPERTY, including

without limitation any such claims under or on account of (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as the same may have been or may be amended from time to time, and similar state statutes, and any regulations promulgated thereunder, (ii) any other federal, state or local law, ordinance, rule or regulation, now or hereafter in effect, that deals with or otherwise in any manner relates to, environmental contamination matters of any kind, (iii) this Agreement, or (iv) the common law. The terms and provisions of this Paragraph shall survive Closing hereunder or termination of this Agreement.

(e) PURCHASER and DISTRICT acknowledge that for purposes of:

- (i) disclosures and statements under 765 ILCS 77 and related provisions (including but not limited to Residential Real Property Disclosure Report);
- (ii) Lead Warning Rider and EPA pamphlet EPA 747-IL-94-001, "Protect Your Family from Lead in Your Home"; and
- (iii) disclosures and statements under 420 ILCS 46 and related provisions (including but not limited to Radon Warning Statement and pamphlet "Radon Testing Guidelines for Real Estate Transactions" and form captioned "Disclosure of Information on Radon Hazards for Residential Real Property Sale or Purchase")

that the subject property is not currently improved and is not being sold as residential real estate, so that no disclosures are required in relation thereto.

Additionally, DISTRICT indicates, represents and discloses (in accordance with Illinois Mine Subsidence Disclosure Act, 765 ILCS 95/1) that it has not received any payment of insurance claims for mine subsidence relative to the PROPERTY.

10. **Damage or Condemnation Prior to Closing.** If, prior to the Closing Date, all or any significant portion of the PROPERTY is damaged or taken by eminent domain (or is the subject of a pending taking which has not yet been consummated), DISTRICT will notify PURCHASER of such fact promptly after obtaining knowledge thereof and DISTRICT will have the right to terminate this Agreement by giving notice to PURCHASER not later than ten (10) days after the giving of DISTRICT's notice, and the Bid Deposit and Earnest Money shall be returned to PURCHASER, in the manner previously described in this Agreement. For the purposes hereof, a "**significant portion**" of the PROPERTY will mean such portion of the PROPERTY which has a value (based on the aggregate of the appraised cost and the diminution in the value of the PROPERTY) in excess of ten (10%) percent of the Purchase Price. If DISTRICT elects not to terminate this Agreement as aforesaid, or if less than a significant portion of the PROPERTY is taken by eminent domain (or becomes the subject of a pending taking), there will be no abatement of the Purchase Price and DISTRICT will assign to PURCHASER (without recourse) at the Closing the rights of DISTRICT to the awards, if any, for the taking, and PURCHASER will be entitled to receive and keep all awards for the taking of the PROPERTY or such portion thereof.
11. **Brokers.** The parties mutually warrant and represent to the other that neither has authorized any broker to act on its behalf with respect to the transactions contemplated

hereby. Each of the parties shall indemnify and save the other harmless from any claim by any other broker or other person for commissions or other compensation for bringing about the transactions contemplated hereby where such claim is based on the purported employment or authorization of such broker or other person by such party. Notwithstanding anything contained in this Agreement to the contrary, the terms, provisions, conditions and indemnifications of this Paragraph shall survive Closing and the delivery of the Deed or the termination of this Agreement or after this transaction closes.

12. Default.

(a) In the event DISTRICT shall fail to comply with any of its obligations to be performed by DISTRICT hereunder on or prior to the Closing Date, then PURCHASER shall be entitled, by written notice to DISTRICT, to receive the return of the Bid Deposit and Earnest Money and to terminate this Agreement. In no event shall DISTRICT be liable to PURCHASER for any loss or damage suffered by PURCHASER in connection with any agreement or understanding with any third party with respect to the use, lease or purchase of the PROPERTY. PURCHASER shall NOT be entitled to seek enforcement or closing of the transaction, it being expressly understood and agreed to by the parties that PURCHASER has, and hereby does, waive any right it might otherwise have to seek specific performance hereunder.

(b) In the event PURCHASER shall fail to comply with any of its obligations to be performed by PURCHASER hereunder on or prior to the Closing Date, the Bid Deposit and Earnest Money shall be paid to DISTRICT as liquidated damages in lieu of all other remedies available to DISTRICT and this Agreement shall become null and void with neither party having any further rights or liabilities hereunder, except as provided for in this Agreement. DISTRICT and PURCHASER acknowledge and agree that: (i) it would be extremely difficult to accurately determine the amount of damages suffered by DISTRICT as a result of PURCHASER's default hereunder; (ii) the Bid Deposit and Earnest Money are a fair and reasonable amount to be retained by DISTRICT as agreed and liquidated damages for PURCHASER's default under this Agreement; and (iii) retention by DISTRICT of the Bid Deposit and Earnest Money upon PURCHASER's default hereunder shall not constitute a penalty or forfeiture.

13. **Possession.** DISTRICT shall deliver possession of the PROPERTY to PURCHASER on the Closing Date.

14. **Successors and Assigns.** PURCHASER may not assign or transfer its rights or obligations under this Agreement without the prior written consent of DISTRICT, the granting or denial of which consent shall be in the sole discretion of DISTRICT. No transfer or assignment by PURCHASER in violation of the provisions hereof shall be valid or enforceable. Subject to the foregoing, this Agreement and the terms and provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the parties.

15. **Notices.** All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered or sent by facsimile telecommunications (followed by next day overnight delivery service), by overnight air express service or by registered or certified mail, postage prepaid, return receipt requested, addressed to the parties hereto at their respective addresses set forth below. Such notice or other communication shall be deemed given: (a) upon receipt or upon refusal to accept delivery if delivered by facsimile telecommunication or registered or certified mail; or (b) one (1) business day after tendering to an overnight air express service.

DISTRICT: Urbana School District #116
Caty Roland
Chief Financial Officer
1101 E. University Ave, Suite B
Urbana, Illinois 61802
217-384-3642
croland@usd116.org
Facsimile: 217-337-4973

PURCHASER: _____

Notice of change of address shall be given by written notice in the manner detailed in this Paragraph.

16. **Miscellaneous.**

(a) This Agreement contains the entire agreement between the parties regarding the matters herein set forth, and this Agreement supersedes all prior agreements among the parties hereto regarding such matters, if any, there being no other oral or written promises, conditions, representations, understandings, warranties or terms of any kind as conditions or inducements to the execution hereof and none have been relied upon by either party.

(b) Time is of the essence of this Agreement.

(c) Paragraph headings shall not be used in construing this Agreement.

(d) Except as herein expressly provided, no waiver by a party of any breach of this Agreement by the other party shall be deemed to be a waiver of any other breach by such other party (whether preceding or succeeding and whether or not of the same or similar nature), and no acceptance of payment or performance by a party after any breach by the other party shall be deemed to be a waiver of any breach of this Agreement or of any representation, or warranty hereunder by such other party, whether or not the first party knows of such breach at the time it accepts such payment or performance.

(e) No failure or delay by a party to exercise any right it may have by reason of the

default of the other party shall operate as a waiver of default or as a modification of this Agreement, nor shall it prevent the exercise of any right by the first party while the other party continues to be so in default.

(f) This Agreement shall be construed and enforced in accordance with the laws of the State of Illinois. Venue for any dispute which may arise from this Agreement shall be the Circuit Courts of Champaign County, Illinois.

(g) No agreement, amendment, modification, understanding or waiver of or with respect to this Agreement or any term, provision, covenant or condition hereof, nor any approval or consent given under or with respect to this Agreement, shall be effective for any purpose unless contained in a writing signed by the party against which such agreement, amendment, modification, understanding, waiver, approval or consent is asserted.

(h) Neither this Agreement nor a memorandum thereof shall be recorded by PURCHASER.

(i) If the final day of any period or any date of performance under this Agreement falls on a Saturday, Sunday or legal holiday, then the final day of the period or the date of such performance shall be extended to the next business day.

(j) Notwithstanding anything to the contrary contained in this Agreement, in the event this Agreement is terminated for any reason, or after the transaction closes, the provisions of Paragraphs 9, 10 and 12 and all indemnifications of all parties, as set forth herein, shall survive such termination or closing.

(l) The parties each agree to do, execute, acknowledge and deliver all such further acts, instruments and assurances and to take all such further action before or after the Closing as shall be necessary or desirable to fully carry out this Agreement and to fully consummate and effect the transactions contemplated hereby.

(m) The effective date of this Agreement (the "**Effective Date**") shall be the latter of the respective dates set forth next to the signatures of DISTRICT and PURCHASER contained below.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

DISTRICT:
BOARD OF EDUCATION OF
URBANA SCHOOL DISTRICT NO. 116
CHAMPAIGN COUNTY, ILLINOIS

By: _____ Date: _____

Name/Title _____

PURCHASER:

By: _____ Date: _____

Name/Title: _____

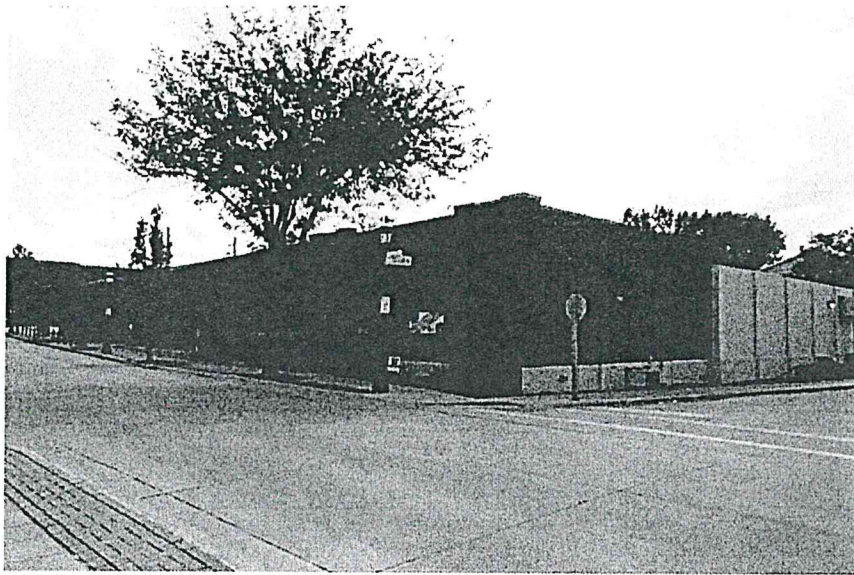
APPRAISAL REPORT

of
OFFICE BUILDING
located at
205 N. Race Street
Urbana, Illinois

As of
August 20, 2018

Prepared for
Ms. Carol B. Baker
Chief Financial officer
Urbana School District #116
205 N. Race Street
Urbana, IL 61801

205 N. Race Street, Urbana, Illinois



WHITSITT & ASSOCIATES, INC.

Appraisers – Consultants
2916A CROSSING COURT
CHAMPAIGN, ILLINOIS 61822

STEPHEN D. WHITSITT, MAI, SRA
PRESIDENT

PHONE 217-356-7605
FAX 217-356-8145
WWW.WHITSITT.COM

September 10, 2018

Ms. Carol B. Baker
Chief Financial officer
Urbana School District #116
205 N. Race Street
Urbana, IL 61801

RE: 205 N. Race Street, Urbana, Illinois

Dear Ms. Baker,

In accordance with your request, I have personally made a complete inspection of the property commonly known as 205 N. Race Street, Urbana, Illinois and legally described as Lots 3-11 Besore, George & C.A. Sub and the N 32.75' of Lot 5 Busey S. T. Addition except the West 40' of Lots 6-11 and the West 40.5' of Lots 3-5, City of Urbana, Champaign County, Illinois. The purpose of this appraisal is to provide the appraiser's best estimate of the market value of the subject real estate as of the effective date of valuation.

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

In the final analysis it is my opinion that the market value of the subject property as of August 20, 2018 is **One Million Three Hundred Thousand Dollars..... \$1,300,000.**

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



Stephen D. Whitsitt MAI, SRA
Illinois License #553.000207 Expires 09/30/19

CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have performed no services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*, the *Code of Ethics*, and in accordance with the regulations developed by the Lender's Federal Regulatory Agency as required by FIRREA.
9. I have made a personal inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the person signing this certification.
11. The compensation for this appraisal assignment is \$1,000.
12. As of the date of this report, I have completed the Standards and Ethics Education Requirements for members of the Appraisal Institute.
13. The Appraisal Institute has the right to review this appraisal report by its duly authorized representatives (as in a peer review or admissions matter).
14. This assignment was completed in accordance with the Code of Professional Ethics and Standards of Professional practice of the Appraisal Institute.
15. As of the date of this appraisal, the undersigned has remained current with education requirements, as promulgated by the Appraisal Institute.



MAI, SRA

Stephen D. Whitsitt MAI, SRA
Illinois License #553.000207
Expires 09/30/19

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EXECUTIVE SUMMARY

Location of Property:	205 N. Race Street, Urbana, Illinois
Intended Use:	This appraisal is to be used for sale/listing purposes.
Purpose of Appraisal:	To estimate the current market value of the fee simple estate of the subject property
Tax Parcel Number:	91-21-08-453-017 & 91-1-08-453-018
Property Rights Appraised:	Fee simple
Highest and Best Use as if vacant:	As an office or retail site
Highest and Best Use as improved:	A continued use as office space
Site and Zoning Data:	A <u>±</u> 37,890 SF site zoned B4, Central Business
Improvement Data:	A 21,783 SF one story office building
Lessor/Owner:	Urbana School District #116
Lessee:	N/A
Date of Value Estimate:	August 20, 2018
Value by Cost Approach:	N/A
Value by Sales Comparison Approach:	\$1,300,000
Value by Income Approach:	\$1,215,000
Final Estimate of Market Value:	\$1,300,000

This analysis does not contain any hypothetical conditions.

This analysis does not contain any extraordinary assumptions.

SWOT ANALYSIS

Strengths and weaknesses are internal to the subject property, while opportunities and threats are external to the subject.

Strengths

- Peripheral downtown location

Weaknesses

- Location in the flood plain
- Limited on-site parking
- 50 year old construction
- Undesirable floor plan which lacks central or circular flow pattern

Opportunities

- Interest rates remain low.

Threats

- Interest rates are rising.
- The Carle Fields development has added 300,000 square feet of office space to the market.

WRITTEN APPRAISAL REPORTING OPTIONS

Each written real property appraisal must be prepared under one of the following options and prominently state which option is used:

- Appraisal Report; or
- Restricted Appraisal Report.

Comment: When the intended users include parties other than the client, an appraisal report must be provided. When the intended users do not include parties other than the client, a restricted appraisal report may be provided. (Standard Rule 2-2, USPAP 2018-19, Appraisal Standards Board, The Appraisal Foundation)

Written Report Option	Appraisal Report
------------------------------	------------------

APPRAISAL DEVELOPMENT AND REPORTING PROCESS

In preparing this appraisal, the appraiser inspected the subject site and both the exterior and interior of the improvements.

- The cost approach is most reliable for new buildings when depreciation estimates are small. The subject is a 50 year old building. As an existing building, depreciation estimates require conjecture, reducing the reliability of the cost approach. Therefore, the cost approach has been omitted.
- Information on improved sales was gathered, confirmed, and analyzed, and the sales comparison approach was used.
- Income and expense information has been reviewed and analyzed.

QUALITY CONTROL AND OVERSIGHT

Whitsitt & Associates, Inc. has an internal quality control oversight program. This program mandates a "second read" of all appraisals.

PURPOSE OF THE APPRAISAL

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

Market Value is defined as "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the

passing of title from seller to buyer under conditions whereby:

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

CLIENT AND INTENDED USERS OF THIS REPORT

The client of this report is Urbana School District #116.

INTENDED USE OF THE REPORT

This report is intended to assist the client, Urbana School District #116, for internal valuation purposes to make a listing/sale decision.

EXTRAORDINARY ASSUMPTIONS

Extraordinary assumptions are defined by USPAP as “an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions.” Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. No extraordinary assumptions have been made within this report.

HYPOTHETICAL CONDITIONS

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

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

PROPERTY RIGHTS APPRAISED

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

COMPETENCY

Your appraiser is current regarding requirements for state licensing, as well as the Appraisal Institute (MAI, SRA designations). Whitsitt & Associates further has vast experience in appraising office properties. Our experience includes "as is" valuations, prospective as complete valuations, and stabilized valuations, including new development and redevelopment projects. We have experience in fee simple, leased fee, and leasehold property rights valuations.

HISTORY OF THE PROPERTY

To identify sales or listings of the subject within the last 3 years, your appraiser has reviewed public record information and, when available, MLS statistics.

Public records note no sales of the subject in the last three years. Your appraiser is unaware of any listings of the subject within the last three years.

PRIOR APPRAISALS

Pursuant to the Conduct Section of the Ethics Rule of USPAP, "If known prior to accepting an assignment, and/or if discovered at any time during the assignment, an appraiser must disclose to the client, and in the subsequent report certification any services regarding the subject property performed by the appraiser within the three year period immediate preceding acceptance of the assignment, as an appraiser or in any other capacity." Whitsitt & Associates has not provided any previous service or appraisal on the subject property within the past three years.

EXCLUSIONS FROM VALUE

No personal property was included in the valuation of the subject property.

PERSONAL PROPERTY

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

DATE OF INSPECTION

August 20, 2018

EFFECTIVE DATE OF VALUE

August 20, 2018

DATE OF REPORT

September 10, 2018

SCOPE OF THE APPRAISAL

The scope of the appraisal is defined by USPAP 2018-2019 Edition as:

“The type and extent of research and analyses in an appraisal or appraisal review assignment.”

For this appraisal, we:

- Contracted the appraisal assignment with a written engagement letter specifying the contractual obligations;
- Submitted a written data request with an itemized list of property data and information required to complete the assignment;
- Reviewed and analyzed the property information provided;
- Analyzed regional, city, market area, site, and improvement data;
- Inspected the subject and market area;
- Reviewed data regarding real estate taxes, zoning, utilities, easements, and city services;
- Analyzed the highest and best use of the subject both as vacant and as improved, as applicable;
- Considered all three approaches to value (Cost, Sales Comparison, and Income Capitalization), and utilized those which were deemed appropriate;
- Considered vacant land sales, improved comparable sales, and comparable rental properties in analyzing the subject, if applicable;
- Confirmed data with reliable sources, public records, principals, managers, real estate agents, and professionals;
- Considered comparable cost information from the Marshall Valuation Service Cost Guide and market sources, estimated depreciation from all sources, as applicable;
- Utilized market survey (CoStar) and MLS information for rental rates, expenses, vacancy, absorption, and other information, as applicable;

- Reviewed capitalization rate information from national market studies such as RealtyRates.com and PwC Real Estate Investor Survey for use in the income approach when deemed appropriate;
- Analyzed the data to arrive at conclusions via each approach, as applicable;
- Reconciled the results of this analysis into a probable range of market data, and finally an estimate of market value for the subject, as defined herein; and
- Estimated reasonable exposure and marketing times associated with the value estimate.

MARKETING TIME

The marketing time as used in this appraisal report is defined by USPAP 2018-2019 Edition as “An opinion of the amount of time it would likely take to sell a real or personal property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal”.

The subject is a 50 year old office in average condition. The property location is desirable, and it is assumed that the subject would be sold with up to 12 months marketing time, if priced reasonably.

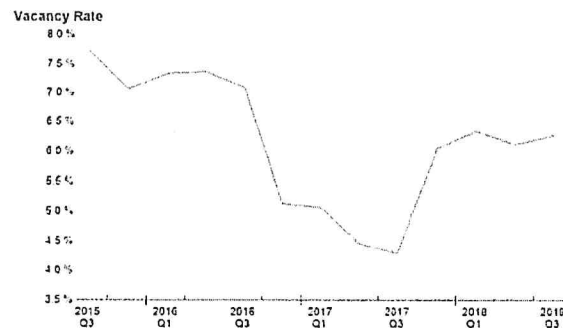
EXPOSURE TIME

Exposure time is defined by USPAP 2018-2019 Edition as the “estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.” Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.

The market conditions in the time period preceding the effective date of valuation are similar from a psychological perspective to the current market environment. Conversations with real estate professionals indicate that within professional marketing and advertising, a marketing time of up to 12 months is adequate. The exposure time will largely overlap that noted under market time, and is suggested at a 12 month time frame.

MARKET TRENDS/SUPPLY/DEMAND

Office vacancy rates in the Urbana office market exceed that in Champaign, with the new Carle/Health Alliance building at Carle Fields (300,000 square feet) adding pressure to the office vacancy rate. CoStar shows the Champaign-Urbana office vacancy rate at 6.3% as of September 2018, with the office market in slight oversupply.



AREA ANALYSIS

Champaign and Urbana are twin cities centered in Champaign County in East Central Illinois. They are surrounded by some of the most productive farmland in the world and offer easy access to major cities. Three Interstate Highways (I-57, I-72 and I-74) link the communities in the county with other roadways to provide access to all parts of the nation. Greyhound and Illini Swallow bus lines provide service nationwide. The Champaign-Urbana Mass Transit District (MTD) was twice named the Best Transit System (for its size) by the American Public Transit. Taxi cab service is available from private companies. Several shuttles are also available from Champaign to the Chicago area. Both Amtrak passenger and freight rail transportation are available. Air transportation is available at the University of Illinois Willard Airport in Savoy, south of Champaign. Willard has a modern terminal with daily regional jet flights available. Private charter and freight services are also available. Frasca Airport is a smaller, privately owned airport located along Route 45 in Urbana. The cities of Champaign and Urbana, in partnership with the University of Illinois and the MTD, have been awarded \$35,000,000 of federal money for a multi-modal corridor enhancement project. This project connects downtown Champaign with downtown Urbana, and involves enhancing mobility choices, emphasizing various bike route improvements, improving infrastructure and landscaping. It involves Green Street from Neil Street to Race Street, as well as enhancements along White Street, Wright Street, and Armory Avenue. This corridor project will be designed in five phases, occurring between 2017 and 2020. By virtue of this project, the campus commercial corridor, as well as other areas of campus, will be enhanced, adding landscaping amenities, raised bike paths, and street improvements.

Champaign County netted a population increase of 11.9% from 2000 to 2010, with the 2010 census count for the county shown at 201,081. The City of Champaign grew by 20% from 2000 to 2010 to 81,055, while the City of Urbana experienced a 13.3% increase for the same time period to 41,250 residents in 2010. Population trends have been positive over the past fifty years, with an increase in Champaign County population of 23%, while the State of Illinois grew 15.5% in the same period. A 2016 Census notes that Champaign is the fastest growing city in Illinois, now the 10th largest in the state. Urbana had a nominal increase of 140 people over the last 5 years. Within the county, both Savoy and Mahomet are approaching a population of 10,000. Employment opportunities seem to be the driving force for migration, which bodes well

for a population increase and further stability for the area.

The area's strong, stable economic base is sustained by the University of Illinois. Also included among the area's largest employers are Carle Hospital & Clinic, OSF Healthcare, Parkland College, local school districts, government offices, FedEx, C-U Mass Transit District, Flex-N-Gate, Amdocs, Wolfram Research, Busey Bank, Vista Outdoor, Kraft Heinz, Rantoul Foods, SuperValu, Jeld-Wen, Horizon Hobby, and Plastipak. Both Carle Clinic and Christie Clinic have expanded their locations to include southeast Urbana and southwest Champaign. Local industry is dominated by food service, high technology and research employers. Agricultural land use dominates the county, with the trend toward fewer but larger farms. The U.S. Census Bureau's 2012 - 2016 estimates indicate the median household income in Champaign County at \$48,899, with the City of Champaign estimated at \$45,198, the State of Illinois estimated at \$59,196 and the U.S. estimated at \$55,322.

The University of Illinois has been the dominant force in making Champaign-Urbana a high tech area. The University has one of the few supercomputer bases in the country. This has helped to attract additional high tech businesses. Blue Waters, the world's fastest supercomputer for open scientific research, contains 20,000 square feet and was constructed off St. Mary's Road in 2010. Several new high tech or related businesses have come to town either directly or indirectly from the supercomputer and University developments, and the cities are aggressively courting new companies for the area. An office park located along S. First Street and St. Mary's Road first began in 2001, and has been ongoing. It includes the I Hotel, and offers over 663,000 square feet, 14 buildings, and 90+ tenants. A new 40,000 square foot building for Yahoo was completed in 2014. Carle recently completed a sports medicine facility at the far south end of the park, along First Street and Windsor Road. A 20,400 square foot office/laboratory is under construction on the northeast side of the research park. The total park is being developed on 200 acres. A solar collector farm on the south side of Windsor Road was completed in 2015. It will provide electricity to the University to partially offset electrical expenses.

A \$1.4 billion fertilizer plant was scheduled to begin construction in Tuscola in 2016. While the construction has been delayed, the most recent projection for completion is in 2020. This will be the largest new development in the state since the 1980's. Some 2,000 construction jobs will be created, while over 200 permanent jobs will be created. This plant will positively impact employment in both Douglas and Champaign Counties.

In recent years the unemployment rate in Champaign County has remained one of the lowest in the State. The 2017 annual average rate for the Champaign County MSA was 4.2%, with the State of Illinois at 5.0% and the national average at 4.4%. The most recent published (July 2018) unemployment rate for the Champaign MSA was 4.5%.

Retail and subdivision developments have assisted in the area's growth, with the economic downturn stagnating development in 2008. Redevelopment of the downtown areas has continued, but also at a slower rate. Commercial development is occurring at the Curtis Road interchange. The northwest quadrant is anchored by a new 300,000 square foot office building

for Carle and Health Alliance. Additionally, an ambulatory surgery center, medical office buildings, Hampton Inn & Suites Hotel, and mixed use retail and multi-family development is to be developed at this quadrant. Interest in the southeast quadrant was noted, with some pre-sales indicated pending pre-annexation agreements and permitting.

The overall attraction to the area is attributed to the stable economic base, the above average accessibility to major markets, the University of Illinois, cultural facilities and government services. Detrimental influences include the seasonal climate - particularly during the winter months. The overall outlook for the Champaign County area is positive.

DESCRIPTION OF SUBJECT REAL ESTATE

To briefly summarize the salient characteristics of the subject, it is noted that the subject is an office building used by Urbana School District #116.

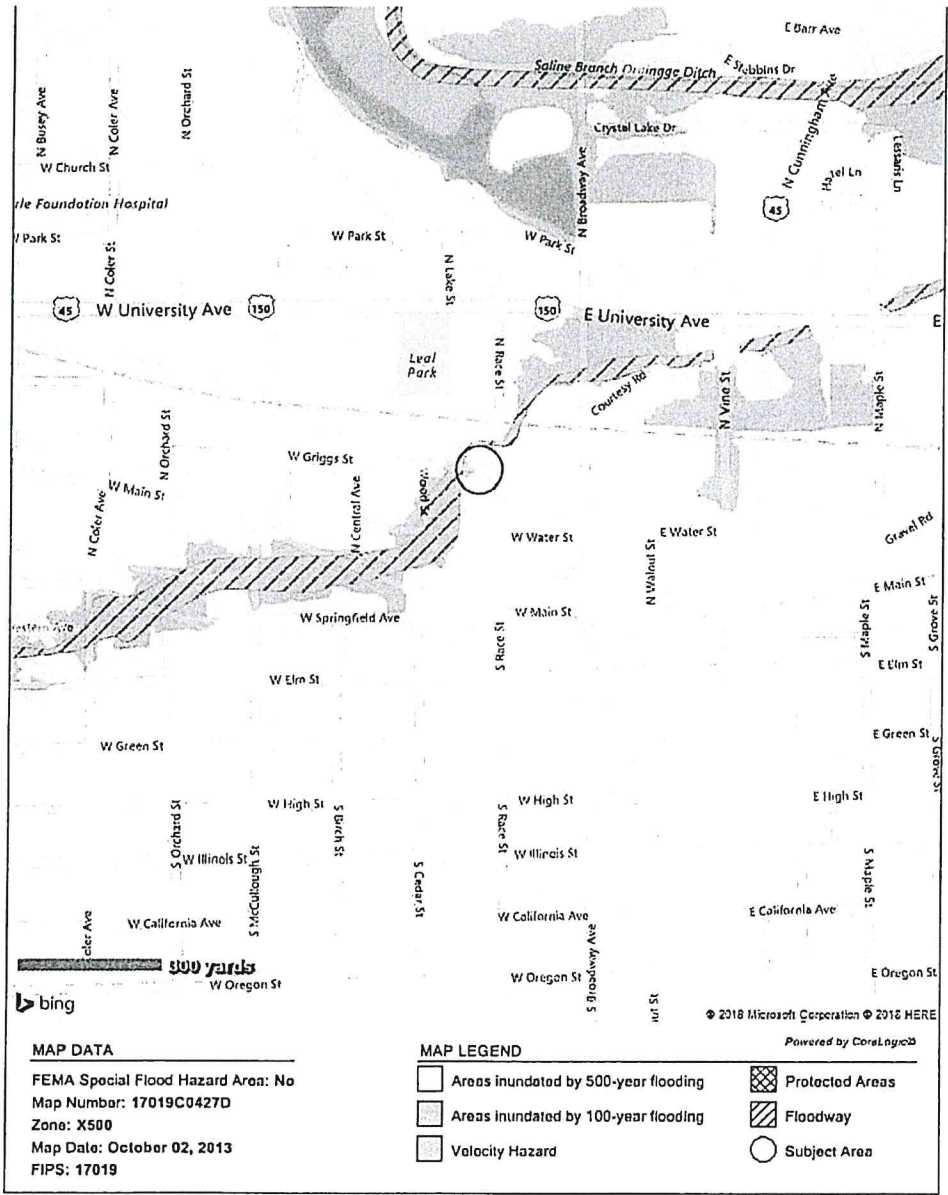
Location: The subject property is located on the north periphery of the downtown area. Land use patterns within the subject area are a mix of office, retail, and multi-family land use. Commercial demand increases to the south toward the heart of the downtown area.

Site: The subject's legal description is shown as Lots 3-11 Besore, George & C.A. Sub and the N 32.75' of Lot 5 of Busey's S. T. Addition except the West 40' of Lots 6-11 and the West 40.5' of Lots 3-5, City of Urbana, Champaign County, Illinois. The subject consists of an irregular shaped parcel that contains ±37,890 square feet. The subject is zoned B4, Central Business. The subject is a legally conforming use of the B4 classification. Some 16-17 parking spaces lie on the south side of the building. Portions of the subject site extend into the 100 and 500 year flood zones, as noted on FEMA map #17019C0427D dated October 2, 2013.

Subject Plat Map



Flood Plain Map



MAP DATA
 FEMA Special Flood Hazard Area: No
 Map Number: 17019C0427D
 Zone: X500
 Map Date: October 02, 2013
 FIPS: 17019

MAP LEGEND

Areas inundated by 500-year flooding	Protected Areas
Areas inundated by 100-year flooding	Floodway
Velocity Hazard	Subject Area

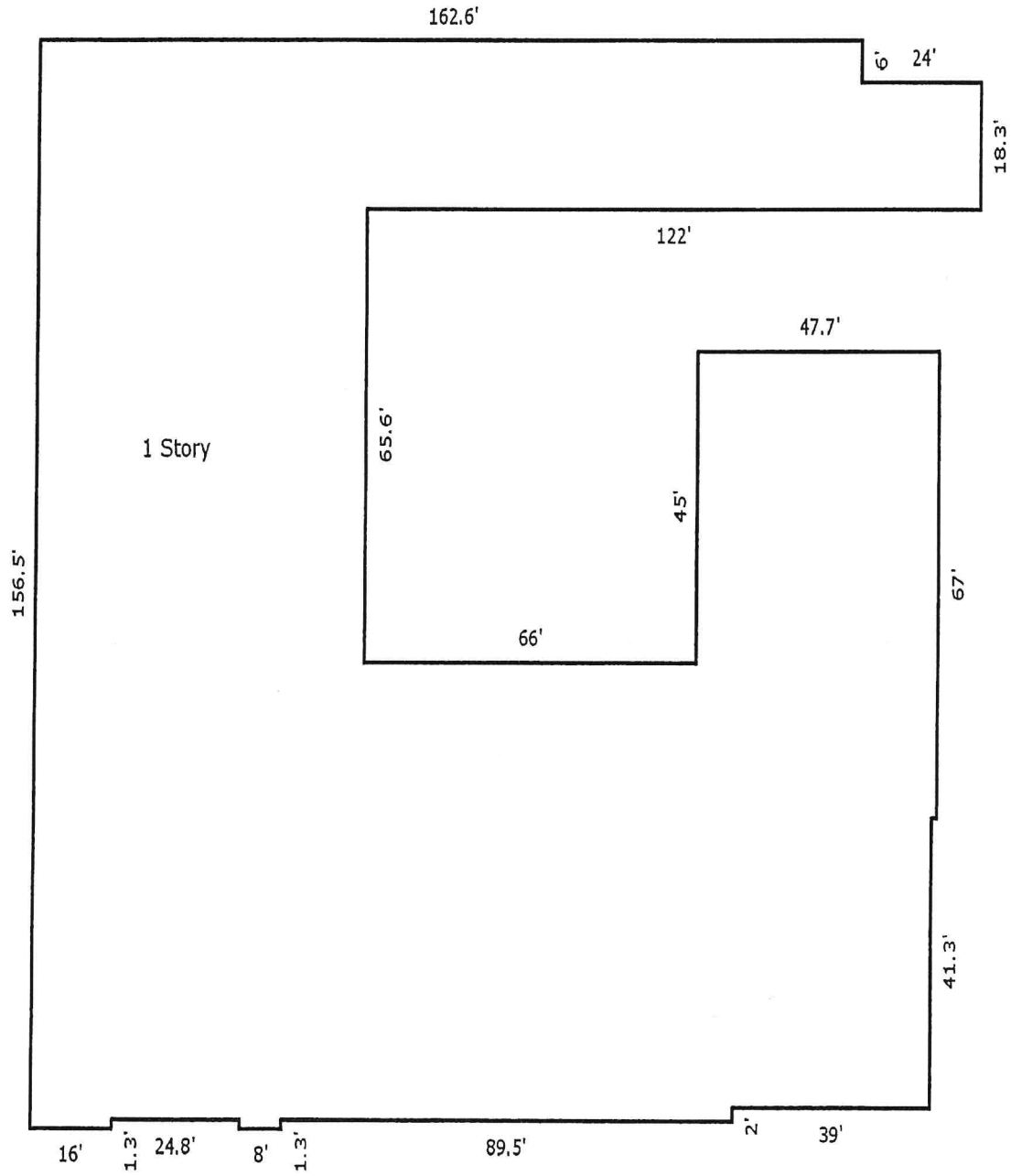
Improvements: The subject is a 21,783 square foot office building constructed in 1968. It is a one story design, with a partial 7,142 square foot basement.

<u>Foundation:</u>	Part slab, part concrete block
<u>Basic Construction:</u>	Masonry
<u>Exterior Walls:</u>	Brick, steel sheet siding
<u>Roof:</u>	Rubber membrane
<u>HVAC:</u>	Forced warm air natural gas heat, central air conditioning, baseboard electric heat
<u>Electrical:</u>	1,200 Amp, 3-phase
<u>Plumbing:</u>	Partially sprinkled
<u>Interior Walls:</u>	Drywall
<u>Ceilings:</u>	Drop ceiling tiles at 8 – 10' levels
<u>Floor Coverings:</u>	Carpet, VCT
<u>Security Equipment:</u>	Sprinkled, burglar & fire alarms

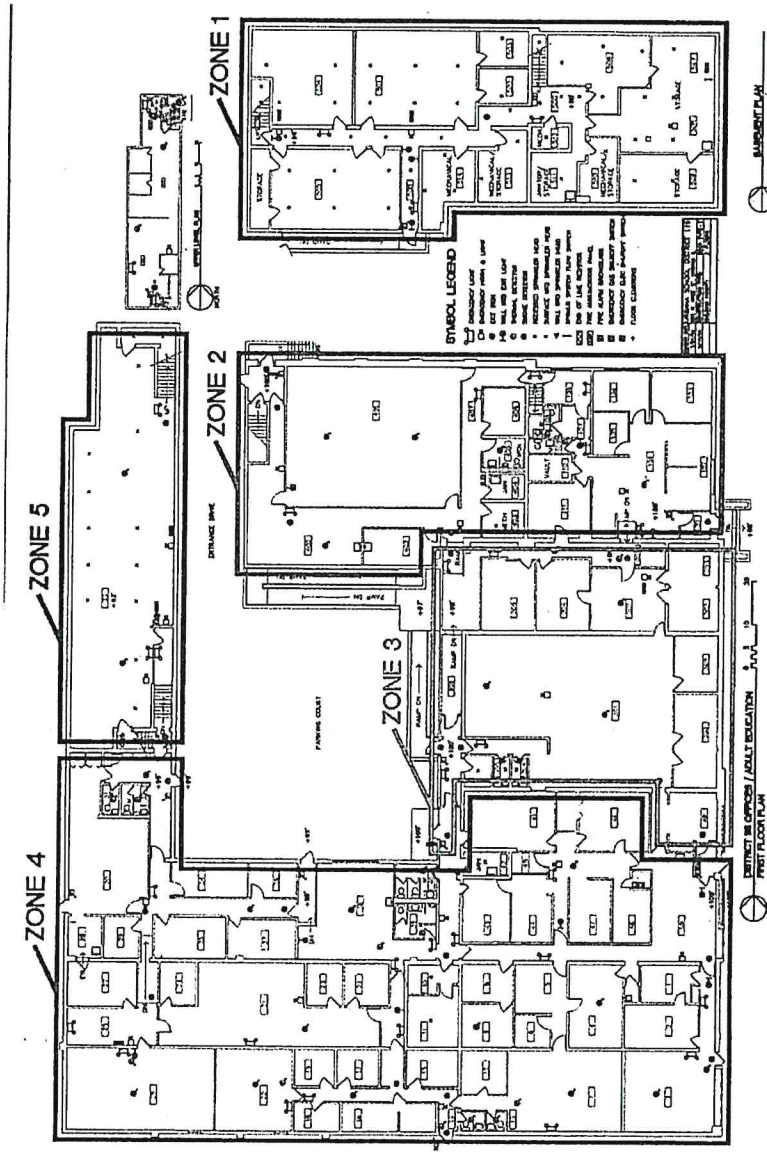
Layout and Design: The subject lies largely on a slab, although two sections of the building are designed over a basement. Of the 7,142 square feet in the basement, roughly half of this space is finished. Partitioning within the subject creates individual offices and classroom space, with the building designed creating a small courtyard open to Griggs Street at the rear. Reference is made to the accompanying floor plan for a visualization of the layout and design of the subject.

Condition and Necessary Repairs: The most significant recent capital improvement to the subject consists of a new HVAC unit in 2017. Additional maintenance has been on a periodic basis, with the effective age suggested at 20 – 25 years.

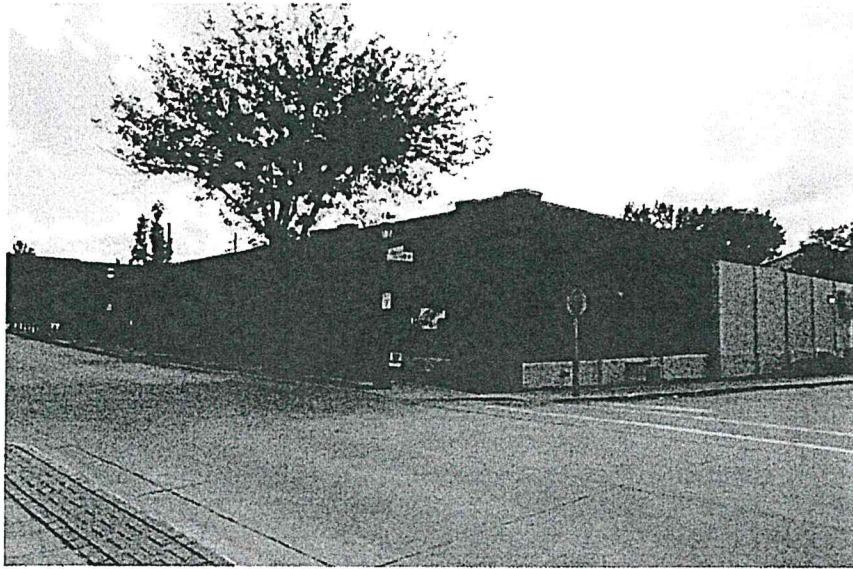
Building Sketch



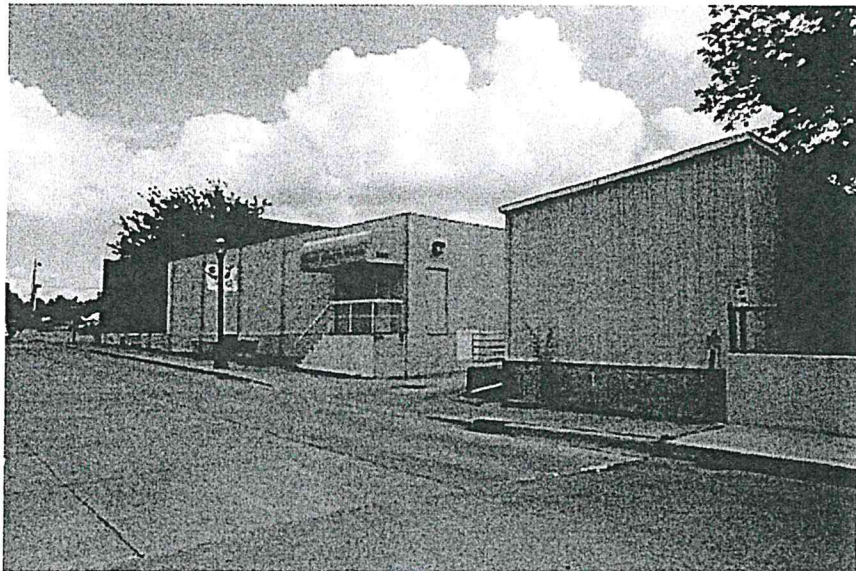
Floor Plan



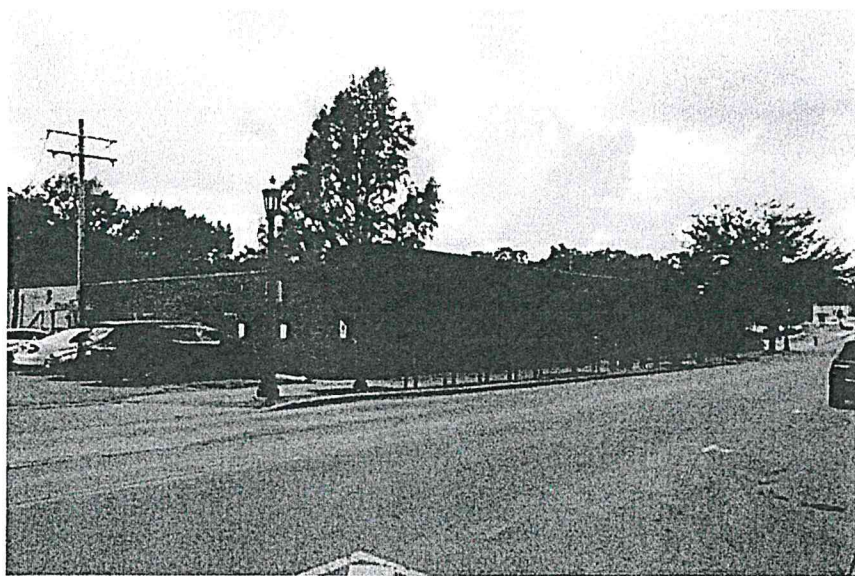
View of Subject Facing Southwest



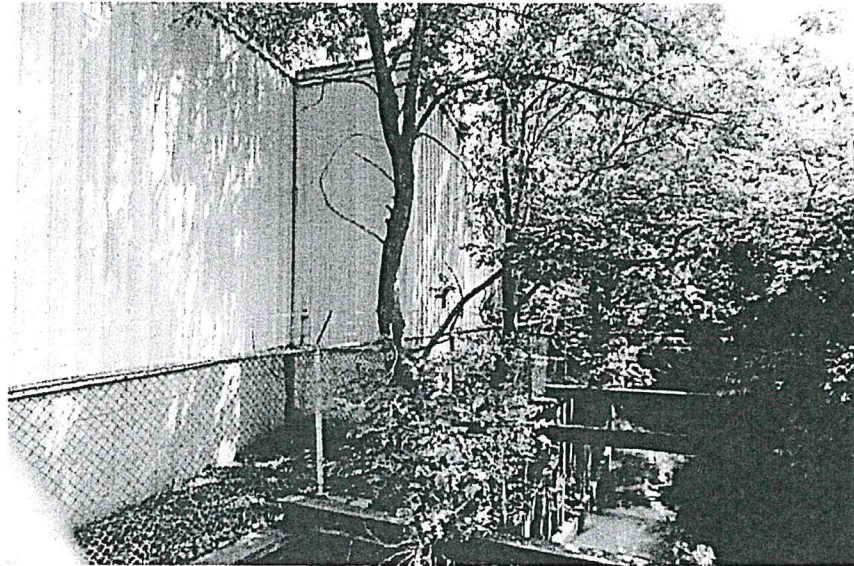
View of Subject Facing Southeast



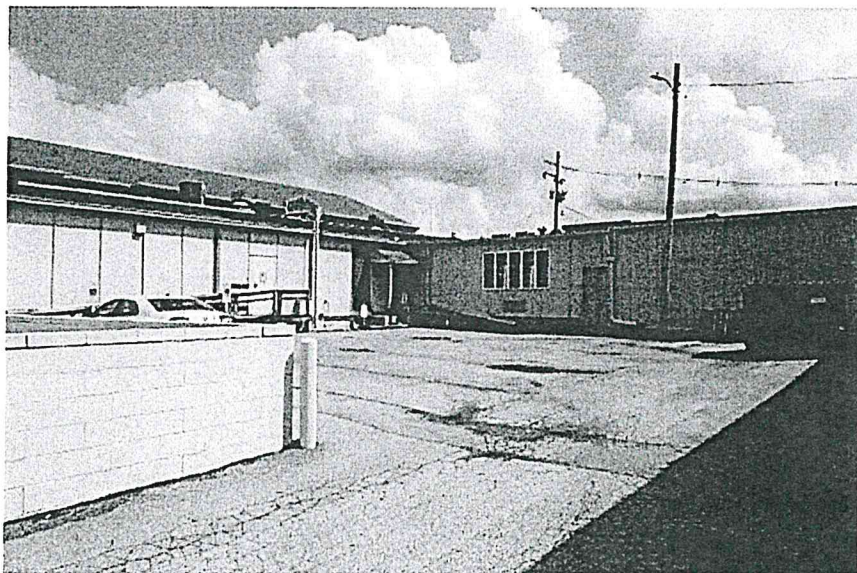
Views of Subject Facing Northwest



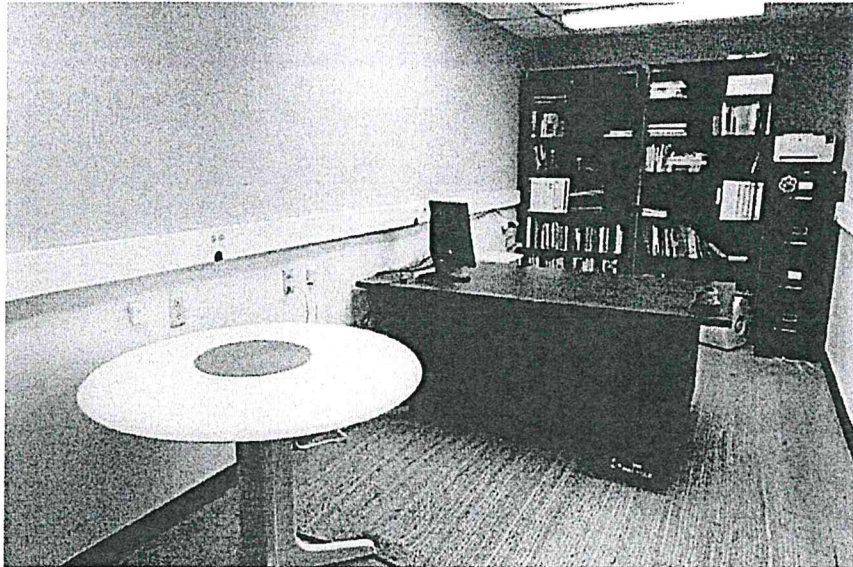
View of Subject Facing Southeast



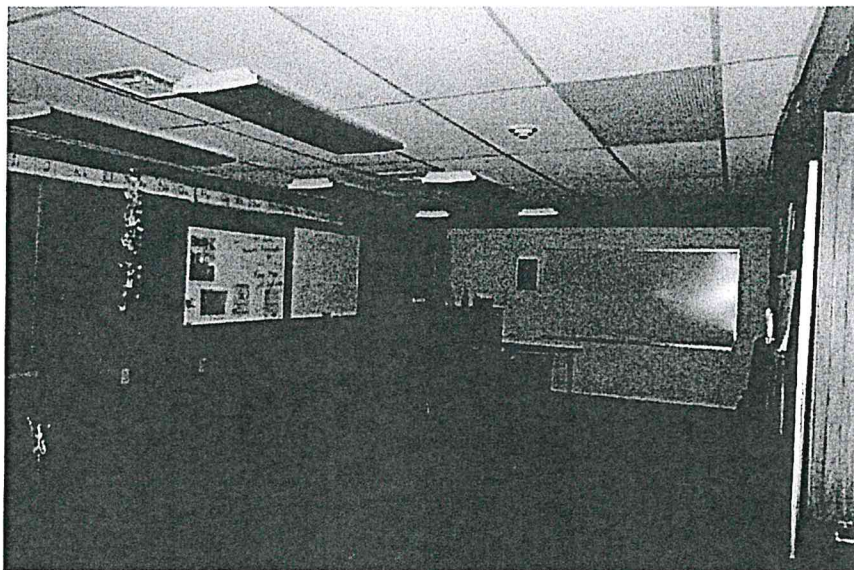
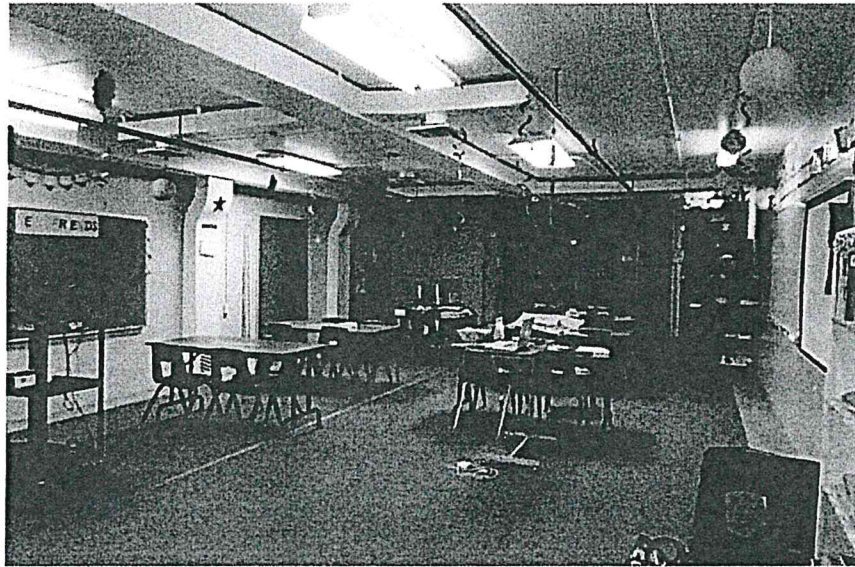
View of Courtyard Area Facing Southeast



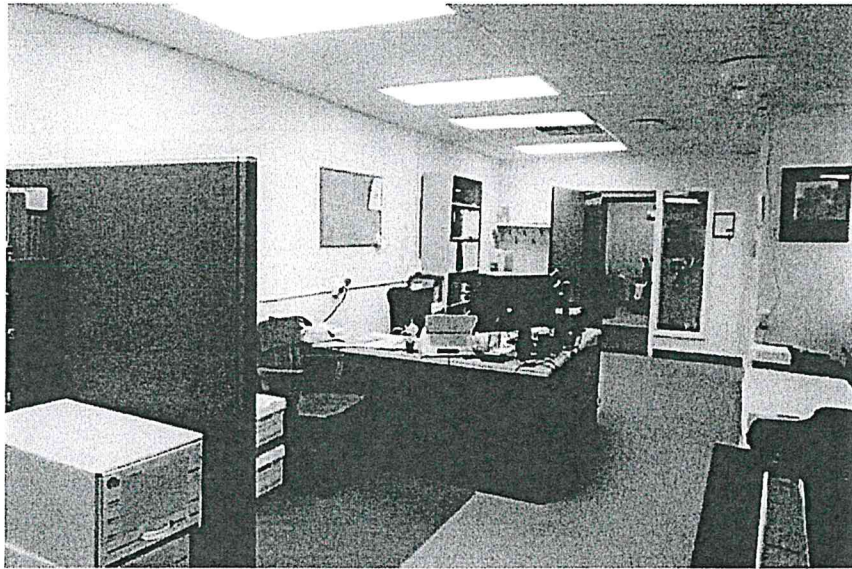
Interior Views of Subject



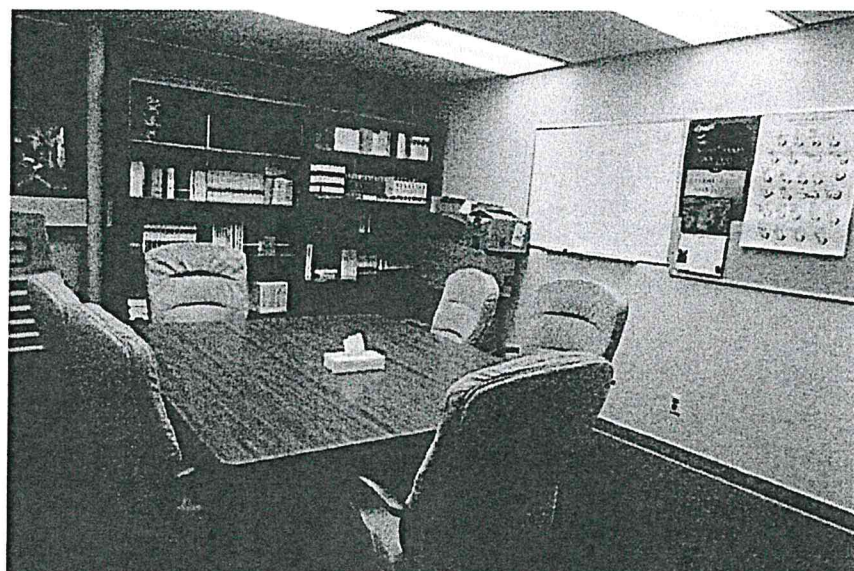
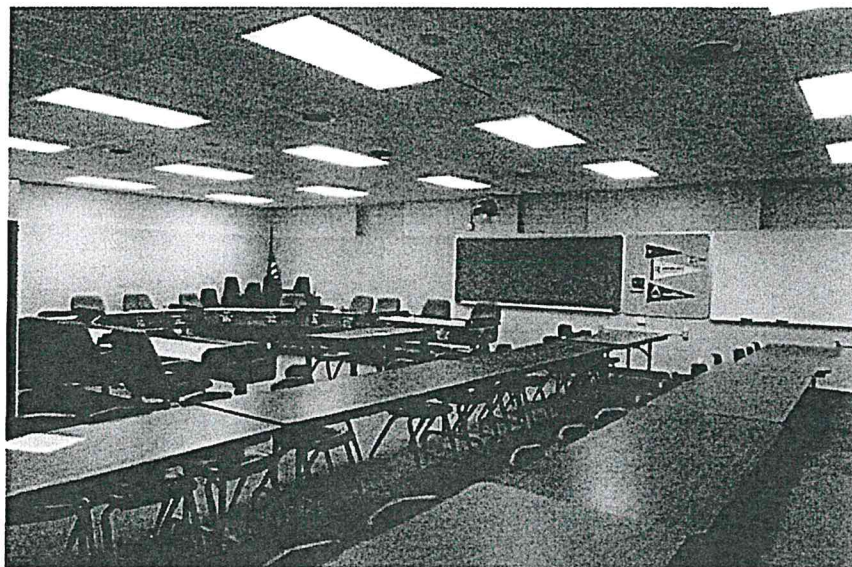
Interior Views of Subject



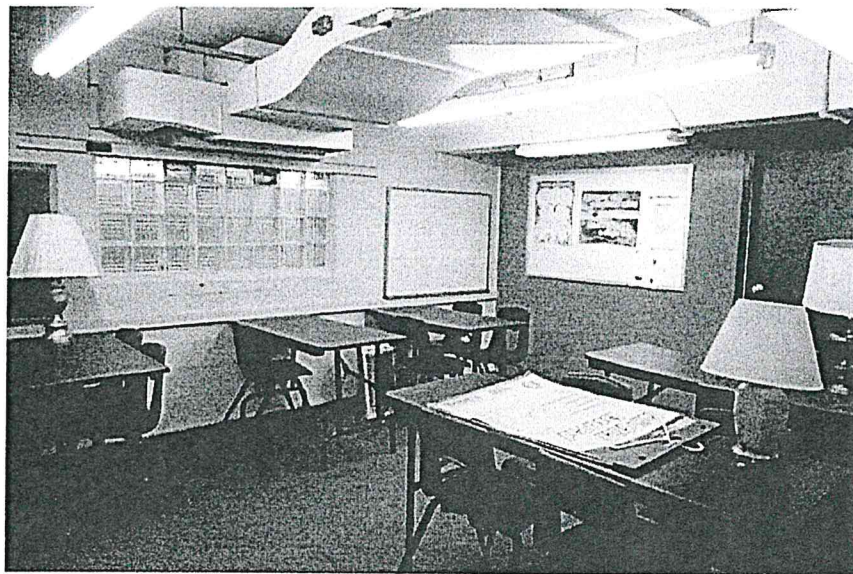
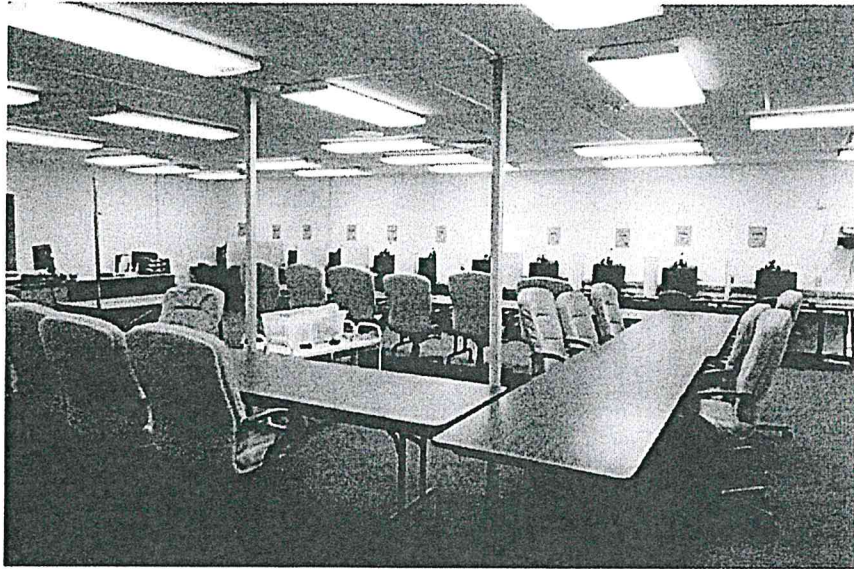
Interior Views of Subject



Interior Views of Subject



Interior Views of Subject



Street Scene Facing North on Race Street



Street Scene Facing South on Race Street



Tax Data: Tax ID Number 91-21-08-453-017 & 91-21-08-453-018

The subject is owned by a tax exempt entity. There is no meaningful tax or assessment information.

HIGHEST AND BEST USE AS IF VACANT

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- Legally permissible;
- Physically possible;
- Financially feasible; and
- Maximum profitability

Highest and best use analysis involves assessing the subject both as if vacant and as improved.

Legally Permissible – The B4 Central Business district is designated for a full range of commercial and business uses located in areas of high intensity uses. This classification allows public/quasi-public uses, office and retail uses, some residential uses including multi-family, however generally excluding industrial uses. Certain industrial uses are allowed under conditional use permits. The standard requirements for the B4 classification show a 2,000 square foot minimum lot size and a maximum floor area ratio of 9.00.

Physically Possible – The site size, that being 37,890 square feet, is adequate to develop one of the legally permitted uses. The location within the flood plain causes some development restrictions.

Financially Feasible – The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally permissible and physically possible land uses versus the cost to create the uses.

- The office category is considered to be in balance from a supply and demand perspective.
- Surrounding land use includes office, retail, and multi-family
- Access to the subject site is adequate, with the subject lying on a secondary roadway.

Maximum Productivity – The final test of highest and best use of the site as though vacant is that the use be maximally productive, yielding the highest returns to the land. In the case of the subject as if vacant, the analysis has indicated that maximum profitability can be achieved by office or retail development.

Conclusion as Vacant	As an office or retail site
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HIGHEST AND BEST USE AS IMPROVED

Legally Permissible – The subject is improved with an office building. It is a legally permissible use of the B4 zoning classification.

Physically Possible – The subject shows a 57% site coverage ratio. The site adequately supports the existing improvements.

Financially Feasible – The subject is located on the north periphery of the downtown, in an area offering good property compatibility. Demand for office property at this location is average. The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally permissible and physically possible land uses versus the cost to create the uses. The financial feasibility is based on the amount of rent that can be generated, less operating expenses required to generate that income; if a residual amount exists then the land is productive to that use. As will be indicated in the Income Capitalization Approach, the subject is capable of producing a positive net cash flow and continued utilization of the subject as an office property is financially feasible.

- The office category is considered to be in slight oversupply from a supply and demand perspective.
- Surrounding land use includes office, retail, and multi-family.
- Access to the subject site is adequate, with the subject lying on a secondary roadway.

Maximum Productivity – The subject site has been developed with an office building. The maximally profitable use of the subject as improved should conform to neighborhood trends and be consistent with existing land uses. Although several uses may generate sufficient revenue to satisfy the required rate of return on investment and provide a return on the land, the single use that produces the highest price or value is typically the highest and best use.

Overall, it appears there are no alternative uses of the existing improvements that would produce a higher net income and/or value over time than the current office use. The current improvements further exceed the site value and do not warrant demolition.

Conclusion as Improved	A continued use as an office building
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Most Likely Buyer	Owner/User
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APPROACHES TO VALUE

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

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

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

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

SALES COMPARISON APPROACH

The sales comparison approach is one of three traditional approaches to value whereby an opinion of value is derived by analyzing closed sales, listings, or pending sales of properties that are similar to the subject. This approach is based primarily upon the principle of substitution, whereby a prudent purchaser will not pay more for any particular property than it would cost to acquire an equally desirable alternate property. Inherent to the applicability of this approach is that a market exists for the subject property type. It also presumes that there is sufficient data on recent market transactions for comparison purposes.

We have valued the subject according to its highest and best use as improved. A summary of the sales follows. These sales represent the best data available for comparison.

Comparable Sale #1

Address: 136 W. Main Street
Urbana, IL

Parcel ID#: 92-21-17-202-002
Recorded As: Document #2016R13388

Description of Property

Building Classification: Office
Zoning: B4, Central Business
Land Area: 5,553 SF
Gross Building Area: 9,744 SF
Site Coverage Ratio: 88%
Number of Stories: Two
Year Built: 1907
Exterior Construction: Brick, Limestone
Construction Quality: Average
Condition of Improvements: Average

Facts of Sale

Grantor: Carolyn Phebus
Grantee: D & E Enterprises
Date of Sale: July 2016
Occupancy: Vacant
Consideration: \$640,000
Terms of Sale: Cash
Price/SF: \$65.68

Comments: This is the sale of a two story office building constructed over an unfinished full basement. It lies on the northeast corner of Main and Race Streets in downtown Urbana. This building offers thermal pane windows, forced warm air natural gas furnaces, central air conditioning, four half-bathrooms, drywall and wood paneling, and a rubber membrane roof. The ceilings are acoustic tile and tin, with flooring consisting of carpet, hardwood, brick, and VCT. The staircase is marble. The building is configured as offices and conference areas, with ceiling heights of approximately 14' in the entry area, library, and some offices. Wood paneling and trim (oak and pecan) is present throughout the building. Some offices have built-in shelving, and two offices have a fireplace. An original Mosler fire-proof bank vault is in the library and used for storage. The unfinished basement was used as storage. While a two-stop elevator was noted, it was not functional at the time of sale. Prior to this sale, it had been 100% occupied by a single tenant operating a law office. This lease expired and the tenant vacated just prior to closing.

Photo of
136 W. Main Street, Urbana



Comparable Sale #2

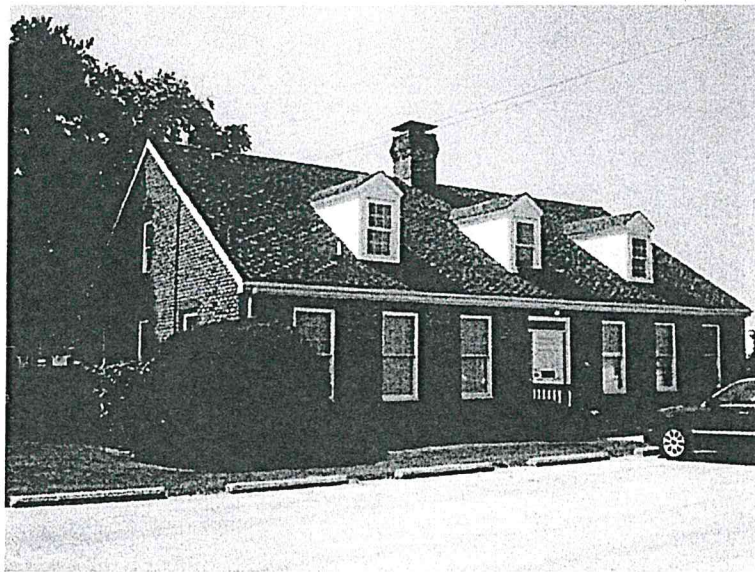
Address:	2500 Galen Drive Champaign, IL
Parcel ID#:	46-20-26-226-002
Recording Information:	Document #2016R00514
Description of Property	
Building Classification:	Offices
Zoning:	CO, Commercial Office
Land Area:	1.66 Acres
Gross Building Area:	16,098 SF
Site Coverage Ratio:	22%
Number of Stories:	Two
Year Built:	1976
Exterior Construction:	Brick Veneer
Construction Quality:	Good
Condition of Improvements:	Good

Facts of Sale

Grantor:	Sterling Management, LLC – 2500 Galen Series
Grantee:	CMH Properties, LLC – Galen Series
Date of Sale:	January 2016
Consideration:	\$1,125,000
Terms of Sale:	Cash
Price/SF:	\$69.88
Occupancy:	83%
Potential Gross Income:	\$165,423
Net Operating Income:	\$103,846
Overall Rate:	9.23%
Expense Ratio:	34%

Comments: This property consists of three detached office buildings and two detached garages. The garages are leased for a prorata tax payment to the original owner. The primary office building features extensive oak millwork, two fireplaces, and above-average quality kitchen. The two other buildings are average quality construction, with pine trim, and more modest floor coverings and finish.

**Photos of
2500 Galen Drive, Champaign**



**Additional Photo of
2500 Galen Drive, Champaign**



Comparable Sale #3

Address: 1910 N. Federal Drive
Urbana, IL

Parcel ID#: 91-21-06-402-004
Recording Information: Document #2017R15408

Description of Property

Building Classification: Office Condominiums
Zoning: IN, Industrial
Land Area: 32,550 SF
Gross Building Area: 7,565 SF
Land to Building Ratio: 4.32:1
Number of Stories: One
Year Built: 1997
Exterior Construction: Aluminum/Brick
Construction Quality: Average
Condition of Improvements: Average

Facts of Sale

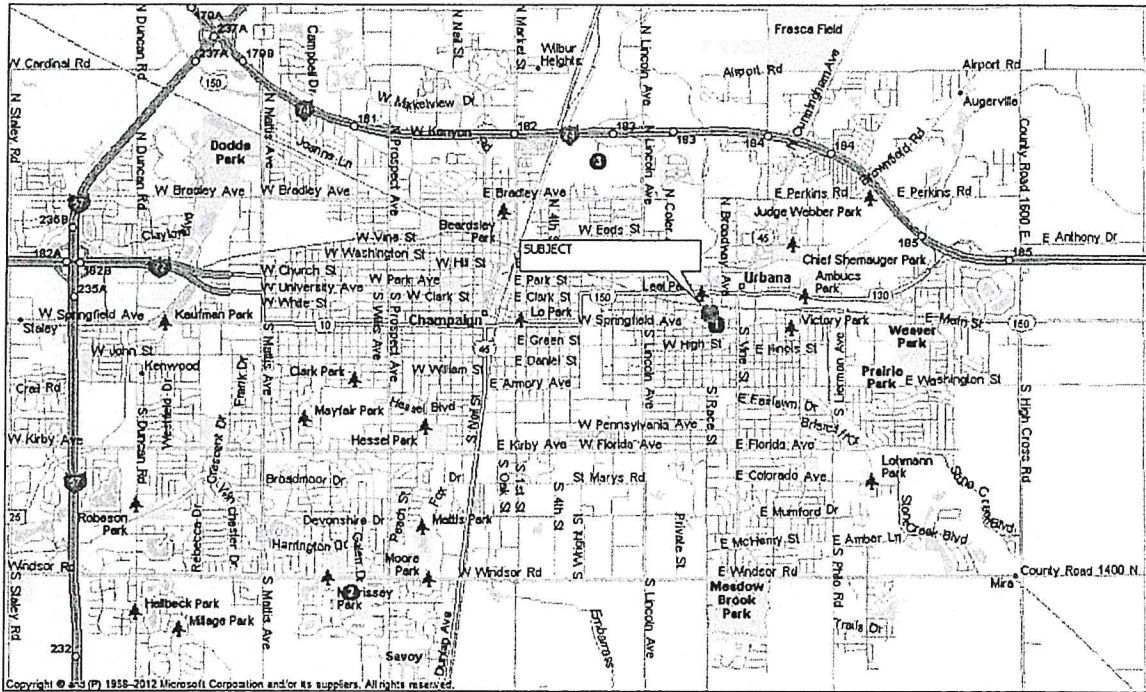
Grantor: Dash Real Estate Group, LLC
Grantee: BC Winkler Entp. LLC
Date of Sale: August 2017
Consideration: \$400,000
Terms of Sale: Cash
Price/SF: \$52.88
Occupancy: Unknown

Comments: This the sale of a three-tenant Morton building, with brick veneer, metal siding and roofing, constructed on a slab. The improvements were built in 1997, with an addition in 1998. There is a total of 7,543 square feet in the building. The interior is totally finished as offices, with carpet and vinyl composition tile flooring, acoustic ceiling tiles and drywall partitioning. Lighting is fluorescent. Interior trim and doors are oak. There is a security system on the exterior. HVAC includes Lennox forced air furnaces, with central air conditioning. Plumbing includes two (2) two-fixture restrooms in each suite, a kitchen sink, a janitor's sink, and water fountains in each suite. This parcel is located near an interchange with I-74.

**Photo of
1910 Federal Drive, Champaign**



Comparable Sale Map



Sales Comparison Approach Comments

	Subject	Sale #1	Sale #2	Sale #3
Price/SF	N/A	\$65.68	\$69.88	\$52.88
Property Rights Appraised	Fee Simple	Fee Simple	Leased Fee	Leased Fee
Conditions of Sale	Cash	Cash	Cash	Cash
Date	08/18	07/16	01/16	08/17
Adj. Price/SF	N/A	\$65.68	\$69.88	\$52.88
Functional Utility	Fair	Fair	Fair	Superior -5%
Location	Average	Superior -5%	Superior -5%	Inferior +5%
Site	37,890 SF	5,553 SF	1.66 Ac.	32,550 SF
Building Area	21,783 SF	9,744 SF -5%	16,098 SF	7,565 SF -5%
Site Coverage Ratio	57%	88% +5%	22% -5%	23% -5%
% Finished Area	100%	100%	100%	100%
Ceiling Height	8-9'	9-14'	9'	9'
Age/Condition	50/Average	>60/Average	40/Superior -5%	20/Superior -15%
Quality	Average	Average	Average	Inferior +5%
C/A	Yes	Yes	Yes	Yes
Basement	Partial Finished	Full Unfinished	None +5%	None +5%
Amenities	Alarm	Vault, Fireplace	Fireplace	Inferior +2%
Net Adjustments	N/A	-5%	-10%	-13%
Adj. Price/SF	N/A	\$62.40	\$62.89	\$46.01
Expense Ratio	N/A	N/A	34%	N/A
Overall Rate	N/A	N/A	9.23%	N/A

The aforementioned properties reflect a cross section of office transactions viewed as competition for the subject. They have been chosen based on a variety of factors which include building size, age, and location. A mix of fee simple and leased fee estates were noted. However, no leasehold values were identified. Conditions of sale are shown as arm's length and essentially cash to the seller. These sales transpired over the last few years, and no market condition

adjustments are necessary. Adjustments, however, have been made for significant variances. The functional utility category recognizes the below average floor plan at the subject, lacking central hallway systems connecting each section of the building. Sales #1 and 2 also show below average functional utility, as these are two story structures which lack elevator access between the floors. While sale #1 shows an elevator, the elevator reportedly does not work. Therefore, an adjustment has been made to sale #3 which shows stronger functional utility characteristics. The property locations have been reviewed, with sales #1 and 2 showing stronger property compatibility than the subject. Conversely, sale #3 lies off of a frontage road and is considered inferior from a location perspective. Site areas are provided for illustrative purposes, with the building area adjustments recognizing that larger buildings often command a lower unit price due to feasibility factors. Site coverage ratio adjustments are shown in each instance, with this category recognizing the ability for property expansion and parking adequacy. Effective age and condition adjustments are shown in two instances, with sale #3 considered inferior from a quality perspective, recognizing the steel construction features at the property. Basement adjustments are shown in two cases, with the general amenity category recognizing the alarm system at the subject. This is offset at sales #1 and 2 which offer fireplaces and, in one instance, a vault. Sale #3, however, lacks the alarm noted at the subject, requiring an adjustment. These properties indicate adjusted prices on a per square foot basis, summarized as follows:

Adjusted Price/Square Foot

\$62.89

62.40

46.01

The lowest price per square foot reflects a building showing a frontage road location and inferior construction quality. With this in mind, and recognizing the range shown by the comparables, a conclusion of \$60.00 per square foot seems reasonable. At \$60.00 per square foot, a value of \$1,300,000 is indicated.

$$21,783 \text{ SF @ } \$60.00 = \$1,306,980$$

Say \$1,300,000

Indicated Value by the Sales Comparison Approach..... \$1,300,000

INCOME APPROACH

The income capitalization approach is a method converting the anticipated economic benefits of owning real property into a value through the capitalization process. It is based on the premise that value is created by the expectation of future benefits. This approach requires an estimation of the net operating income of a property. The estimated net operating income is then converted to a value indication by use of either the direct capitalization method or the discounted cash flow analysis (yield capitalization).

Direct capitalization uses a single year's stabilized net operating income as a basis for a value indication. It converts estimated "stabilized" annual net operating income (NOI) to a value indication by dividing the NOI by a capitalization rate. The capitalization rate chosen includes a provision for recapture of the investment and should reflect all factors that influence the real property value, such as tenant quality, property condition, neighborhood change, market trends, interest rates, and inflation trends. The capitalization rate can be inferred from local market transactions, or when transaction evidence is lacking, obtained from various sources such as interviews with market participants, national investor surveys, and the band of investment analysis.

The discounted cash flow (DCF) analysis focuses on the operating cash flows expected from the property and the anticipated proceeds of a hypothetical sale at the end of an assumed holding period. These amounts are then discounted to their present value. The discounted present values of the income stream and the reversion are added to obtain a value indication. Because benefits to be received in the future are worth less than the same benefits received in the present, the DCF analysis weights income projected in the early years of the holding period more heavily than the income and the sale proceeds received in the latter half of the projection period.

The direct capitalization method is normally more appropriate for properties with relatively stable operating histories and expectations. The DCF analysis is more appropriate for investment properties with multiple or long-term leases, particularly leases with cancellation clauses or renewal options, and especially in volatile markets.

Conclusions – The subject is owner occupied and is being analyzed as a stabilized property, and the direct capitalization method reflects investor's considerations. For the subject, we have utilized the following:

Capitalization Method	Direct Capitalization
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The following rental properties have been reviewed to identify the market rental rate for the subject.

Comparable Rental #1

Address: 51 E. Kenyon Road
Champaign, IL

Leased Area: 12,253 SF

Annual Rent:

(08/01/17 – 07/31/18)	\$62,948	\$5.14/SF
(08/01/18 – 07/31/19)	\$65,945	\$5.38/SF
(08/01/19 – 07/31/20)	\$68,943	\$5.63/SF
(08/01/20 – 07/31/21)	\$71,940	\$5.87/SF
(08/01/21 – 07/31/22)	\$77,935	\$6.36/SF
(08/01/22 – 07/31/23)	\$83,930	\$6.85/SF

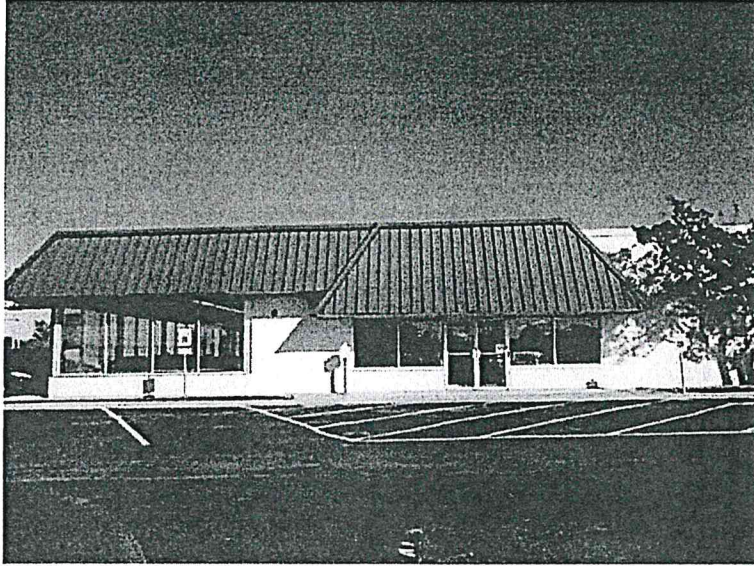
Lease Expiration: 07/31/23

Lessee: Inprentus, Inc.

Lessor: Barr Real Estate

Comments: This is the 7 year step-up lease of office space located on an interstate frontage road, near the Neil Street exit. It is a one-story masonry building which was constructed in 1985. There are single entry doors on the east and west, with an overhead door opening to the west, including a loading well. The overhead door has been closed up for the current use. The partitioning is drywall, the ceilings and flooring are typical of office finish, with carpet, fluorescent lighting and suspended acoustic tile ceilings in most of the space. Most of the interior is a large, open area, in addition to six private offices and two conference rooms. There are four (4) two-fixture restrooms. Parking is available on the north and west sides of the building improvements, with the concrete surface lot designed to accommodate adequate parking. Lease terms are gross. There are (2) 5-year options through 07/31/33.

**Photo of
51 Kenyon Drive, Champaign**



Comparable Rental #2

Address: 2005-2007 Round Barn Road
Champaign, IL

Leased Area: 10,080 SF

Rent/SF: \$12.73 Gross

Expiration: 12/31/19

Tenant: Swann Special Care

Management: Shapland

Comments: This multi-tenant office building was constructed in 1983, although extensive tenant build-out was completed in 1993. The building has frame construction on a poured concrete slab with a brick veneer exterior, asphalt shingled roof, drywall walls, suspended ceiling tiles at 8' to 9' heights, carpet and vinyl floor coverings, and separate forced warm air/central air conditioning for each tenant. Metering is separate, with 200 amp electric service each. This is a long term tenant, with one 5-year renewal option available.



Comparable Rental #3

Address: 103 S. Country Fair Drive
Champaign, IL

Tenant: Tap In Leadership

Leased Area: 19,908 SF

Annual Rent: \$218,547

Rent/SF: \$10.98 Gross

Lease Period: 06/01/17 – 05/31/27

Management: Shapland

Comments: This is the 10 year lease of a one story building. It was constructed in 1991 and remodeled in 1999. It has a covered common entryway. Slim shades are installed and a solarium is located on the west side of the building, with a gazebo and picnic area also located on the northwest side of the building. There is a wet sprinkler system throughout the building, with FWA/CA, various men's and women's bathrooms, as well as kitchen facilities.



Comparable Rental #4

Address: 702 Bloomington Road
Champaign, IL

Leased Area: 7,572 SF

Rent/SF: \$12.32 Gross **

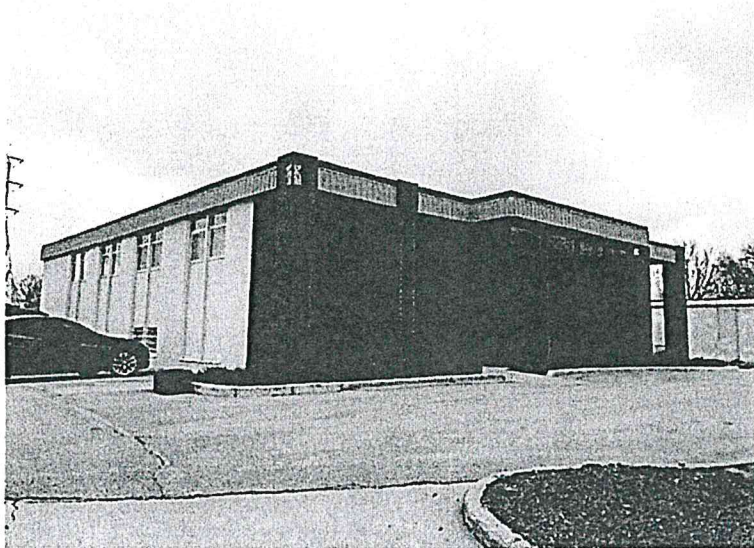
Lessor/Management: Orlando Thomas

Comments: This office property lies on Bloomington Road, east of Prospect Avenue. It was built in 1971 and contains a total of 7,572 square feet and is a two-story design, with an additional 205 square foot entry area in a bi-level fashion. Therefore, first and second floors consist of 3,684 square feet, as well as the 205 square foot entry. It is encumbered with various leases, with the tenant spaces essentially individual rooms. The room sizes vary, and some of the tenants occupy more than one room, such that ambiguity exists regarding specific tenant areas. It is masonry construction designed on a slab, with exterior walls concrete block, as well as brick veneer. The roof is a built-up surface, with HVAC consisting of multiple forced warm air natural gas furnaces and central air conditioning. One 5-fixture bathroom lies on the upper level, and (2) 2-fixture bathrooms lie on the lower level. The electrical amperage was indicated as 400 amp, with interior finishes consisting of carpet and vinyl floor coverings, drywall and paneled walls, and drop ceiling tiles. The ceilings are dropped to 8' levels in a majority of the space, with the lobby area shown at approximately 13'. The rents for the individual offices are shown below:

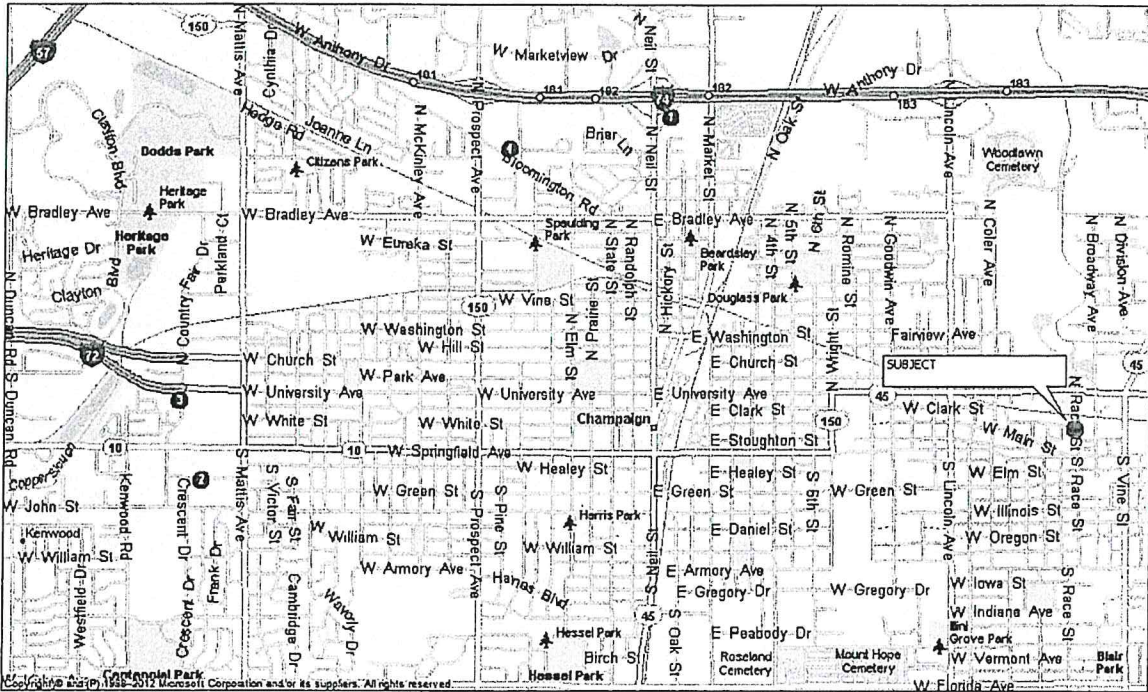
Building Area	Annual Rent	Less Utilities	Net Rent	Rent/SF
7,572 SF	\$93,300	\$12,000	\$81,300	\$10.74

**The \$12.32 per square foot rent includes utilities. The \$10.74 reflects rent with utilities removed.

**Photo of
702 Bloomington Road, Champaign**



Comparable Rental Map



Comparable Rental Comments

	Subject	Rental #1	Rental #2	Rental #3	Rental #4
Rate	N/A	\$5.38	\$12.73	\$10.98	\$10.74
Location	Average	Inferior +5%	Superior -5%	Superior -5%	Average
Size	21,783 SF	12,253 SF -5%	10,080 SF -5%	19,908 SF	7,572 SF -5%
Age	50 yrs	33 yrs -5%	25-35 yrs. -10%	19-27 yrs -10%	47 yrs
Condition	Average	Average	Average	Average	Average
% Office	100%	100%	100%	100%	100%
Amenities	Basement, Alarms	Inferior +7%	Inferior +7%	Sprinkled +5%	Inferior +7%
Net Adjustments	N/A	+2%	-13%	-10%	+2%
Adjusted Rent/SF	N/A	\$5.49	\$11.08	\$9.88	\$10.95

The aforementioned rentals show adjusted rent on a per square foot basis, illustrated as follows:

Adjusted Rent/Square Foot

\$11.08
10.95
9.88
5.49

The subject is currently owner occupied. From the range noted above, a rental rate of \$9.00 per square foot on a gross basis is anticipated for the subject. At \$9.00 per square foot, potential gross income is indicated at \$196,047.

Income Statement

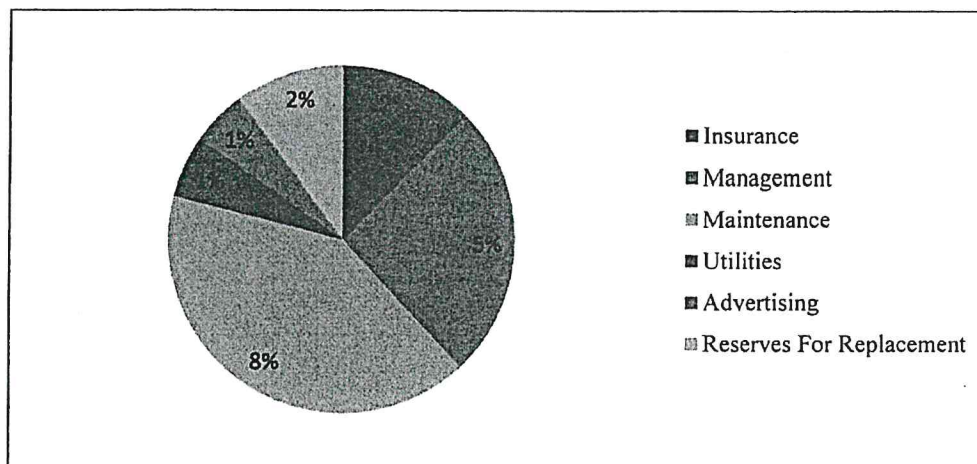
Potential Gross Income		\$196,047
Vacancy & Rent Loss	8%	<u>-15,684</u>
Effective Gross Income		\$180,363

<u>Expenses</u>	<u>% EGI</u>	<u>\$/SF</u>	<u>Amount</u>	
Taxes	0%	\$0.00	\$0	
Insurance	2%	0.20	4,400	
Management	5%	0.41	9,018	
Maintenance	8%	0.66	14,429	
Utilities	1%	0.09	2,000	
Advertising	1%	0.02	500	
Reserves For Replacement	<u>2%</u>	<u>0.17</u>	<u>3,607</u>	
Total Expenses	19%	\$1.56	\$33,954	<u>-33,954</u>

Net Operating Income		\$146,409
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Income Statement Comments

The subject is being analyzed in anticipation of gross lease terms which show a majority of the expenses borne by the lessor. An 8% vacancy and rent loss factor is shown to recognize concern over the slight oversupply in the office category in Champaign-Urbana. The subject is a not-for-profit entity, such that there is no meaningful tax information. Therefore, taxes as an expense category will be omitted, and the overall rate will be loaded by the tax rate. The insurance expense reflects that noted by like properties, with a 5% management fee suggested as the minimal amount in the local marketplace to obtain prudent management. An 8% maintenance and repair provision is shown, with this category effectively supplemented by reserves for replacements. A utility expense is shown to reflect costs anticipated during periods of vacancy. A small advertising budget is shown, with reserves for replacements of short-lived items estimated at 2% of effective gross income. Excluding the tax expense, these expenses represent 19% of effective gross income. These expenses are graphically displayed as follows:



For the direct capitalization method, an estimate of an appropriate overall capitalization rate (OAR) is required.

Overall Capitalization Rate – An overall capitalization rate (OAR) is defined by The Appraisal of Real Estate 14th Edition as “An income rate for a total real property interest that reflects the relationship between a single year’s net operating income expectancy and the total property price or value”.

Survey of Investors – One approach used to estimate an approximate rate of return required by the most probable buyer is to analyze the current investment parameters applied by institutional investors and advisors to real estate pension and portfolio funds when acquiring real estate. We have reviewed rates of return within PwC Real Estate Investor Survey. This survey comprises investors’ assumptions and return requirements, which provide a national basis for comparison. Investors surveyed include pension funds, pension fund advisors, investment advisors, direct advisors, direct investors, and investment bankers.

Within the second quarter 2018 report, PwC shows overall cap rates from 4.35 – 10.00%, at an average of 6.58% for similar property types.

The above represents investment parameters for Class A institutional investment grade properties. We have also considered RealtyRates.com survey, which consists of non-institutional investment grade product, as follows. Within the second quarter 2018 report, RealtyRates shows overall cap rates from 4.85 – 11.92%, at an average of 8.97% for similar property types.

Market Extraction – In this method for estimating an overall capitalization rate (the ratio of net income to selling price), the appraiser extracts it directly from the market. Direct market comparison is probably the simplest and most justifiable method of selecting an overall rate, provided comparable market data available can satisfy the following conditions:

- Locational and physical characteristics similar to the appraised property;
- Occurrence of sales in market conditions similar to those affecting the appraised property;
- Similar buyer motivations, terms of sale, and financing; and
- Income streams with similar quantity, quality, and durability characteristics.

The following capitalization rate was derived from sale #2.

<u>Property</u>	<u>Age</u>	<u>Sale Date</u>	<u>Expense Ratio</u>	<u>Overall Rate</u>	<u>Net Rating</u>
2500 Galen, C.	40	01/16	34%	9.23%	Superior

The capitalization rate data is based on a personal inspection of the property. The net operating income reported included a line item deduction for reserves.

Band of Investment – For additional support, we also considered the band of investment method. This formula is used by real estate lenders in determining an investment's degree of risk. The band of investment method derives a capitalization rate from the weighted average of the mortgage and equity demands on net income generated from the property. This method involves an estimate of typical financing terms, as well as an estimated rate of return on equity capital sufficient to attract investors. Rates in the local marketplace are in the range of 4.75%, amortized over 25 years, with a balloon provision, at up to 70% of the property value. A rate to the equity of 10% is considered reasonable for the subject. The rate indicated by this method is shown below.

$$\begin{array}{rcl}
 .70 \text{ M} \times & .068414 \text{ R}_M & = & .047890 \\
 .30 \text{ E} \times & .100000 \text{ R}_E & = & \underline{.030000} \\
 & \text{Overall Rate} & & .077890 \\
 & & & \text{Say } .078000
 \end{array}$$

Based upon our research, we conclude an appropriate OAR for the subject as follows:

Capitalization Rate Conclusion:	8.50% OAR
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It was noted that the subject is owned by a tax exempt entity and there is no meaningful tax information. Therefore, in lieu of showing taxes as an expense, the overall rate will be loaded by the tax rate. Recognizing that assessments are levied at one-third of market, when one-third of the current tax rate is added to the overall rate, a loaded rate of 12.063% is indicated.

Overall Rate	.08500
Tax Rate .106876 / 3 =	<u>.03563</u>
Loaded Overall Rate	.12063

When capitalized at a loaded rate of 12.063%, a value of \$1,215,000 is indicated.

$$\begin{array}{r} \$146,409 \text{ NOI} / .12063 \text{ Loaded } R_o = \\ \text{Say } \$1,215,000 \end{array}$$

Indicated Value by the Income Approach.....\$1,215,000

FINAL ANALYSIS

The subject is a 50 year old building. As an existing building, depreciation estimates require conjecture, reducing the reliability of the cost approach. Therefore, the cost approach has been omitted. Within the sales comparison approach, local office transactions have been analyzed. These sales have been placed in an adjustment grid to recognize significant variances. Price conclusions for the subject are bracketed by the comparables and well supported. Within the income approach, rent comparables have been used to determine the market rent for the subject. Expense ratios typical within the marketplace have been used. An overall rate has been identified, recognizing mortgage and equity return requirements, as well as market extraction and national market indicators. The subject is an owner occupied property. Therefore, the sales comparison approach has been weighted accordingly.


SUMMARY OF ANALYSES AND VALUATION

Cost Approach	N/A
Sales Comparison Approach	\$1,300,000
Income Approach	\$1,215,000
Value Conclusion	\$1,300,000

RESTRICTIONS UPON DISCLOSURE AND USE

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

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

 MAI, SRA

Stephen D. Whitsitt MAI, SRA
Illinois License #553.000207
Expires 09/30/19

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

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

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

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

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

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

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

It is assumed that all required licenses, certificates of occupancy, consents and other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.

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

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

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

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

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

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

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

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

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

QUALIFICATION OF THE APPRAISER

**Stephen D. Whitsitt
MAI, SRA**

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

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

Educational background:

Bachelor of Arts Degree - Hanover College - 1976

Appraisal courses attended and completed and examinations challenged and passed:

SREA Course 101 - Principals and Techniques - 1976
 SREA Course 201 - Income Property Valuation - 1977
 SREA Course 202 - Applied Income Property Valuation - 1986
 Ted Whitmer/Appraisal Institute - Comprehensive Review Workshop - 1992
 Appraisal Institute - II510 Advanced Income Capitalization - 1994
 Appraisal Institute - II520 Highest & Best Use & Market Analysis - 2000
 Appraisal Institute - Appraisers & Fair Lending - 2001
 Federal Highway Admin. & Illinois Dept. of Transportation - Eminent Domain For Attorneys & Appraisers - 2002
 Appraisal Institute - Course 420 Business Practices & Ethics - 2003
 Appraisal Institute - Appraisal Curriculum Overview - General - 2010
 Appraisal Institute - Online - Business Practices & Ethics - 2011
 Appraisal Institute - Online - An Introduction to Valuing Commercial Green Buildings - 2011
 Appraisal Institute - Fundamentals of Separating Real Property, Personal Property, & Intangible Business Assets - 2012
 Appraisal Institute - Appraising the Appraisal: Appraisal Review - General - 2013
 Appraisal Institute - Supervisor/Trainee Seminar ILST - 2014
 Appraisal Institute - Advanced Income Capitalization/B - 2015
 Appraisal Institute - Advanced Income Capitalization/A - 2017
 National USPAP Update - 2017

Association Memberships:

Member Appraisal Institute

Senior Residential Appraiser, designation of the Appraisal Institute

Member of Champaign County Board of Realtors

Professional Service:

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

Licenses:

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

Court Testimony:

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

Review Appraiser:

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

Professional Instruction:

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

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

Experience:

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

Experience References:

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

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

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

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

Federal Agencies: FDIC

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

Your appraiser has completed training on fair lending / fair housing issues, having completed courses for the broker cycle through the State of Illinois Real Estate Continuing Education seminars, most recently in 2017..

ADDENDUM

Appraiser's License

