Appraisal Report

Of

The City of Carbondale, IL
Vacant Lot
Sports Blast Road
Carbondale, IL 62901

By:

Mark Twain Real Estate Services, Inc
John A Clarke
Certified General Appraiser
PO Box 159
Olive Branch, IL

As of

December 4, 2013

Mark Twain Real Estate Services, Inc.
PO Box 159 25265 State Highway 3
Olive Branch, IL 62969
618.776.5000

January 6, 2014

City of Carbondale, IL
200 South Illinois Avenue
Carbondale, IL

Dear Gary:

As you requested, I have made an appraisal of the property located along Sports Blast Road in Carbondale, IL 62901.

This is a rectangular lot, approximately 400 feet South of the intersection of East Walnut with Sports Blast Road. It has approximately 445' of frontage along Sports Blast and is approximately 400.5' deep, for an overall square footage of 178,160sf or 4.09 acres +/-

There are no buildings on this site.

This letter is part of my appraisal report, plus addendum that contains the information used in forming the analysis and reaching the conclusions as to the market value of this parcel of real estate. The purpose of this appraisal is to provide an "as is" market value estimate of the subject for possible sale of the subject property.

John A Clarke has made a personal inspection of the subject site; based upon this, as well as the investigation and analysis subsequently undertaken, I have formed the opinion that as of the effective date of this appraisal, December 4, 2013, the market value of the subject property is:

$356,000

The analyses, opinion and conclusions herein were developed and this appraisal report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP), and the Rules and Regulations of the Illinois Department of Finance and Professional Regulation. It is understood that this is an Appraisal Report and will be used for market value for the possible sales of this asset of the City of Carbondale.

The Appraisal Report that follows presents only succinct discussions of the data, reasoning, and analyses undertaken to arrive at the valuation conclusion. This report is intended to comply with the reporting requirements set forth under Standards Rule 2-3 of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. Documentation supporting the data, reasoning and analyses is retained in the appraisers' file. This report is specific to the needs of the client.

This letter is cogent only when presented conjointly with the appraisal report. The appraiser is not responsible for unauthorized use of this report.

Thank you for the opportunity to provide this appraisal. If we can be of further service, please advise.

Respectfully,

SUMMARY of FACTS and IMPORTANT CONCLUSIONS

LOCATION:	tbd Sports Blast Road, Carbondale, IL 62901
OWNER OF RECORD:	the City of Carbondale, IL
ESTATE APPRAISED:	Fee simple title, subject to any easements or restrictions of record.
INTENDED USE:	Market value for possible liquation of assets by the City of Carbondale, IL
INTENDED USER (s)	City of Carbondale and/or their assigns
SITE SIZE:	**4.09 acres or 178,160 sf +/-**
IMPROVEMENT SIZE:	None
FLOOD ZONE:	Zone X
HIGHEST & BEST USE:	**Commercial/Retail**
DATE OF APPRAISAL:	December 4, 2013
COST APPROACH:	Not Used
INCOME APPROACH:	Not Used
SALES APPROACH:	$ 356,000
FINAL VALUE ESTIMATE	$ 356,000

CERTIFICATION of VALUE

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- 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.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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.
- John A. Clarke has made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- I have not performed a previous appraisal of the subject property; an appraisal review involving the subject property; an appraisal consulting assignment involving the subject property or any other service involving the subject property within the three years prior to this assignment.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity the Uniform Standards of Professional Appraisal Practice.
- As of the date of this report, John A Clarke, **has** completed the continuing education program for the State of Illinois.
- This appraisal report is prepared for the sole and exclusive use of the appraisers' client, City of Carbondale, IL and / or their assigns; no third parties are authorized to rely upon this report without the express written consent of the appraisers.

January 6, 2014

PART TWO

PREMISE of the APPRAISAL

TYPE of APPRAISAL and REPORT FORMAT

This is an appraisal report of the subject property reported in a narrative format. The supporting data, analyses, opinions and conclusions from which the value estimate was developed are included in this appraisal report. All approaches to value; the cost approach, the income approach and the sales comparison approach, have been considered. However it is sometimes inappropriate to develop one or more of the approaches due to a lack of data, or in some instances one or more of the approaches may not be applicable. These approaches are explained more fully in the *Appraisal Process* section of this report.

The appraiser has collected and confirmed data in the local market through research of public records found in the Jackson County Courthouse and the Carbondale City Hall as well as discussions with bankers, builders, investors and realtors who are knowledgeable about real estate matters, in the local marketplace. In addition, the appraisers have investigated other nearby counties for additional market data.

ASSUMPTIONS and LIMITING CONDITIONS

This appraisal report, including the letter of transmittal and the certificate of value are subject to the following assumptions and limiting conditions plus any special limiting conditions contained in other sections of this report.

The conduct of any appraisal is guided and its results are influenced by the terms of the assignment and the assumptions, which form the basis of the study. These conditions and assumptions, together with any other assumptions incorporated in the report, are the framework of our analyses and conclusions.

The appraisers assume no responsibility for legal matters nor do we give any opinion about the title, which is assumed to be good and the property marketable. All existing liens and encumbrances except as specified have been disregarded and the property appraised as though free and clear and under responsible ownership and competent management.

The legal description of the property was either furnished by the client or obtained from public records, and is included for the sole purpose of identifying the property. It should not be used in any conveyance or other legal documents.

The value of the property is based on the present conditions of the national and local economies, the present purchasing power of the dollar, present financing rates as of the date of this appraisal, and is subject to any future changes which may occur in any or all of these conditions.

Information and comments about the location, neighborhood, market trends, construction quality, obsolescence, condition, necessary repairs, expenses, income, taxes, zoning, or any other data about the property appraised represent the estimates and opinions of the appraisers, fashioned after an examination and study of the property.

Any sketch in the report shows approximate dimensions and is included to help the reader in visualizing the property. Unless otherwise stated the dimensions were taken from plans furnished by the client or from public records. The appraisers have not made a survey or undertaken engineering tests of the property and assumes no responsibility for the structural soundness of any improvements,

or the presence of asbestos or other toxins, adequacy of drainage, location of property lines and improvements on the site or any other related matters.

Full compliance with all applicable federal, state, and local environmental regulations and laws is assumed unless otherwise stated in this report and that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.

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

We believe the information furnished by others to be reliable, but assume no responsibility for its accuracy. In addition we believe the opinion and conclusions extracted are correct; however, we do not guarantee them and assume no liability for any errors in fact, analysis, or judgment.

This appraisal represents the independent opinion of the appraisers, free from any commitments, or anticipated future interest in the property. Our only compensation for the employment is a reasonable professional fee. Any liability for errors in judgment or in fact is limited to the amount of fee received.

We certify that this opinion is based on an examination and analysis of the property and the application of pertinent research data and basic economics compiled and developed by the appraisers using current appraisal techniques and procedures.

Any prospective mortgagee should note that this appraisal assumes that the property will be managed competently and operated by financially sound owners over the projected period of ownership. Because of the importance of underwriting considerations to the safety of such mortgages, no advice is given regarding the amount of money that may be loaned with safety, using the subject property as security.

Appraised values can differ significantly from actual sale prices, and sale prices may be inconsistent. Real estate appraisers sometimes differ widely in their opinions of value. Appraisers, like buyers and sellers, do not know everything about the property, the market, or the many other considerations that might influence the value. Differences sometimes result from a client presenting the property in a very positive or negative light, especially if there are no data to the contrary. Situations under which properties sell can vary depending on management of the property, various motives of the seller and buyer, information they may or may not have about the property, salesmanship and numerous other reasons. ***An appraisal is only an opinion - a sale is a fact.***

The appraisers will not appear in court or at any hearings or give testimony, because of having made this appraisal, unless separate arrangements are made for such appearances or testimony.

Any distribution of the valuation between land and improvements applies only under the existing program of use. The separate valuations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

On all appraisals, subject to satisfactory completion, repairs or alterations, the value conclusion is contingent upon completion of the improvements in a workmanlike manner.

The analysis, opinions, and conclusions have been developed and this report prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraisers have no direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value of the property has not been considered.

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 that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

COMPETENCY

The Competency Provision of the Uniform Standards of Professional Appraisal Practice (USPAP) requires the following:

Prior to accepting an assignment or entering into an agreement to perform any assignment, an appraiser must properly identify the problem to be addressed and have the knowledge and experience to complete the assignment competently; or alternatively:

1. Disclose the lack of knowledge and/or experience to the client before accepting the assignment.
2. Take all steps necessary or appropriate to complete the assignment competently.
3. Describe the lack of knowledge and/or experience and the steps taken to complete the assignment competently.

The experience and training illustrated in the qualifications of the appraisers shown in the addenda section of this report establish the competency of the appraisers for this appraisal assignment. In any instance in which the appraisers feel it to be necessary or appropriate to take additional actions to comply with the competency provision, these steps have been disclosed within the report.

ENVIRONMENTAL DISCLAIMER

The value estimated is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions unless otherwise stated in this report. The appraisers are not experts in the identification 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 unless otherwise stated in this report. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous substances or detrimental environmental conditions on or around the property that would negatively affect its value.

The appraiser is not a building inspector. This report should not be relied upon to disclose any conditions that might be present in the subject property. The appraisal report does not guarantee that the property is free of defects. A professional building inspection is recommended, at the clients' discretion.

USE of the APPRAISAL

This appraisal report is prepared for the sole and exclusive use of the appraiser's client, City of Carbondale, IL. No third parties are authorized to rely upon this report without the express written consent of the appraiser.

PRIVACY NOTICE:

Our privacy principles: We are committed to protecting our clients' personal and financial information. This privacy statement addresses what nonpublic personal information we collect, what we do with it, and how we protect it.

What information we collect:

We may collect and maintain several types of personal information in the course of providing you with appraisal services, such as:

- Information we receive from you on applications, letters of engagement, forms found on our website, correspondence, or conversations, including, but not limited to, your name, address, phone number, social security number, date of birth, bank records, salary information, the income and expenses associated with the subject property, the sale price of the subject property, and the details of any financing on the subject property.

- Information about your transactions with us, or others, including, but not limited to, payment history, parties to transactions and other financial information.

- Information we receive from a consumer-reporting agency such as a credit history.

What information we may disclose:

We may disclose the nonpublic personal information about you described above, primarily to provide you with the appraisal services you seek from us. We do not disclose nonpublic personal information about clients or former clients except as required or permitted by law.

Who we share the information with:

Unless you tell us not to, we may disclose nonpublic personal information about you to the following types of third parties:

- Financial service providers, such as banks and lending institutions.

- Non-financial companies.

Opt-Out Notice:

You may limit information shared about you. If you prefer that we not disclose nonpublic personal information about you to third parties, you may opt out of those disclosures, that is, you may direct us not to make those disclosures (other than those permitted by law). If you wish to opt out contact us at 618-776-5000 or via email at aclarke@midwest.net.

DISCLOSURE

The laws of the State of Illinois control disclosure of the contents of this report. Neither all nor any part of the contents of this report, especially any conclusions as to value, the identity of the appraisers or the firm for which they work, shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication, without your prior written consent and approval.

IDENTIFICATION of the PROPERTY

Subject is identified by situs address as tbd Sports Blast Road, Carbondale, IL 62901.

The owner of the subject property is the City of Carbondale, IL. The legal description of this property is contained in the Addenda section of this report.

TYPE OF VALUE and INTENDED USE of the APPRAISAL

The value reported in this appraisal is the ***"as is"*** market value of the fee simple interest in subject property.

The intended use of this appraisal is to assist the client, City of Carbondale, IL, for market value for possible liquation of assets by the City of Carbondale, IL on the subject property.

PROPERTY RIGHTS APPRAISED

The property rights evaluated in this report are those of the owner of the ***fee simple***[1] title to subject property, subject to any easements or restrictions of record.

DATE of the APPRAISAL

The effective date of this appraisal is December 4, 2013.

HISTORY

The standards of professional practice of the Appraisal Institute Standards Rule 1 - 5 states;

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[1] A fee simple estate is "absolute ownership unencumbered by any other interest or estate; subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."
Appraisal Institute. *The Dictionary Of Real Estate Appraisal*. 3rd ed. (Chicago: Appraisal Institute, 1993), p. 140.

In developing a real estate appraisal, an appraiser must;

(a) Consider and analyze any current Agreement of Sale, option, or listing of the property being appraised, if such information is available to the appraiser in the normal course of business;

(b) Consider and analyze any prior sales of the property being appraised that occurred within the three years preceding the date of the appraisal.

Subject is not presently listed or under contract to sell.

LEGAL DESCRIPTION

Lot 1, University Mall South, 22-9-1 as noted in book 976, page 251

ASSESSMENT and TAXES

The subject property is identified as parcel #15-22-276-021 by the Jackson County Assessment Office.

2013 Assessment

Land/lot	-0-
Building	-0-
Taxes	-0-

ZONING

This site is zoned BPL, Planned Business District which allows for most types of business usaage use. See Attached Zoning Map, next pages (Actual zoning book has not been made part of this report)

FLOOD ZONE:

This property is not located in a Flood Zone. It is noted as Zone X (see map) in Site Section.

DEFINITION of MARKET VALUE

In order to provide a reliable estimate of value, the meaning of the term "value" must be defined. The concept of value pervades every segment of the real estate industry. Value is an economic term that has a specific meaning that distinguishes it from the related concepts of price, market and cost. The definition of value used is determined by the function the appraisal will satisfy. Examples of value that might be requested include: market, use, investment, insurable, assessed, or going-concern. The category of value most often requested is "market value"; a current definition of Market Value as cited in the Uniform Standards of Professional Appraisal Practice (USPAP), Advisory Opinion 22 (AO-22) is:

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 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.

According to USPAP Advisory Opinion 22, this definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS) and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS and FDIC on June 7, 1994, and the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

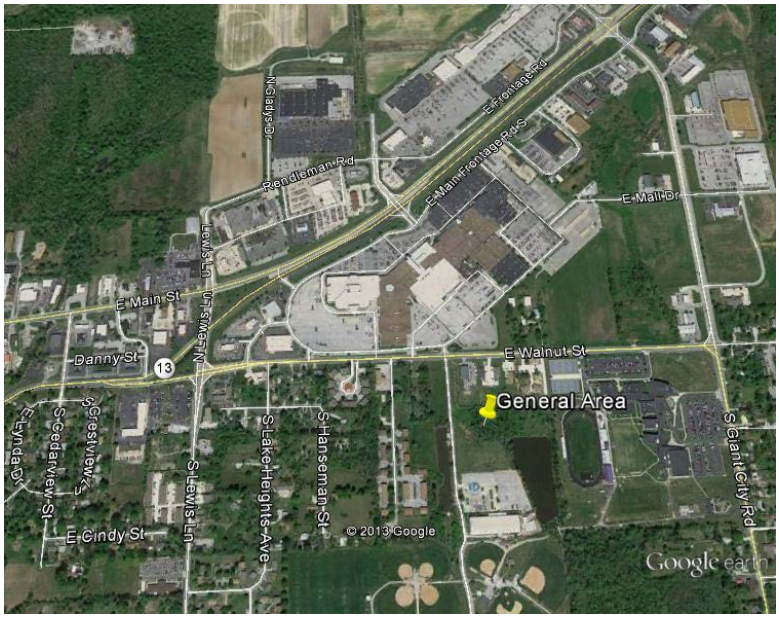
Exposure Time assumes that:

- The subject property would sell at the appraised value(s) as of the effective date(s) of the appraisal.
- The subject property was on the market for a reasonable time prior to the date of value and that the terms of sale are typical of other properties of its type that have sold as confirmed by exposure times of comparable sales.

PART THREE

PRESENTATION of DATA

NEIGHBORHOOD DATA



NEIGHBORHOOD MAP

A neighborhood is defined as: "A portion of a larger community, or an entire community, in which there is a homogeneous grouping of inhabitants, buildings, business enterprises or land uses."

The subject site is located along Sports Blast Road, approximately 400 feet south of East Walnut Street, and due south of the University Mall area in Carbondale, IL 62901

This site is located in a viable area with good visibility and access, and is in an area that is expected to have continued commercial development. Due to these factors, it is my opinion that the subject neighborhood is an area that will maintain value and should appreciate with the passage of time.

General area wide and city wide demographic data is contained within the appraiser's files and not incorporated as part of this report.

DESCRIPTION of the SITE

This is a rectangular lot with frontage of 445' along Sports Blast Road, with an approximate depth of 400.5' +/- or approximately 4.09 acres. This is a lot is mostly level in nature, and consists of approximately 50% open area and 50% wooded. From observation only, the frontage of the property along Sports Blast Road appears to be usable, with the East side of the property considered excess land.

This lot is in an area known at University Mall South. Zoning is BPS, planned business.

Public utilities of water, sewer, electricity, natural gas and telephone service are available to this parcel.

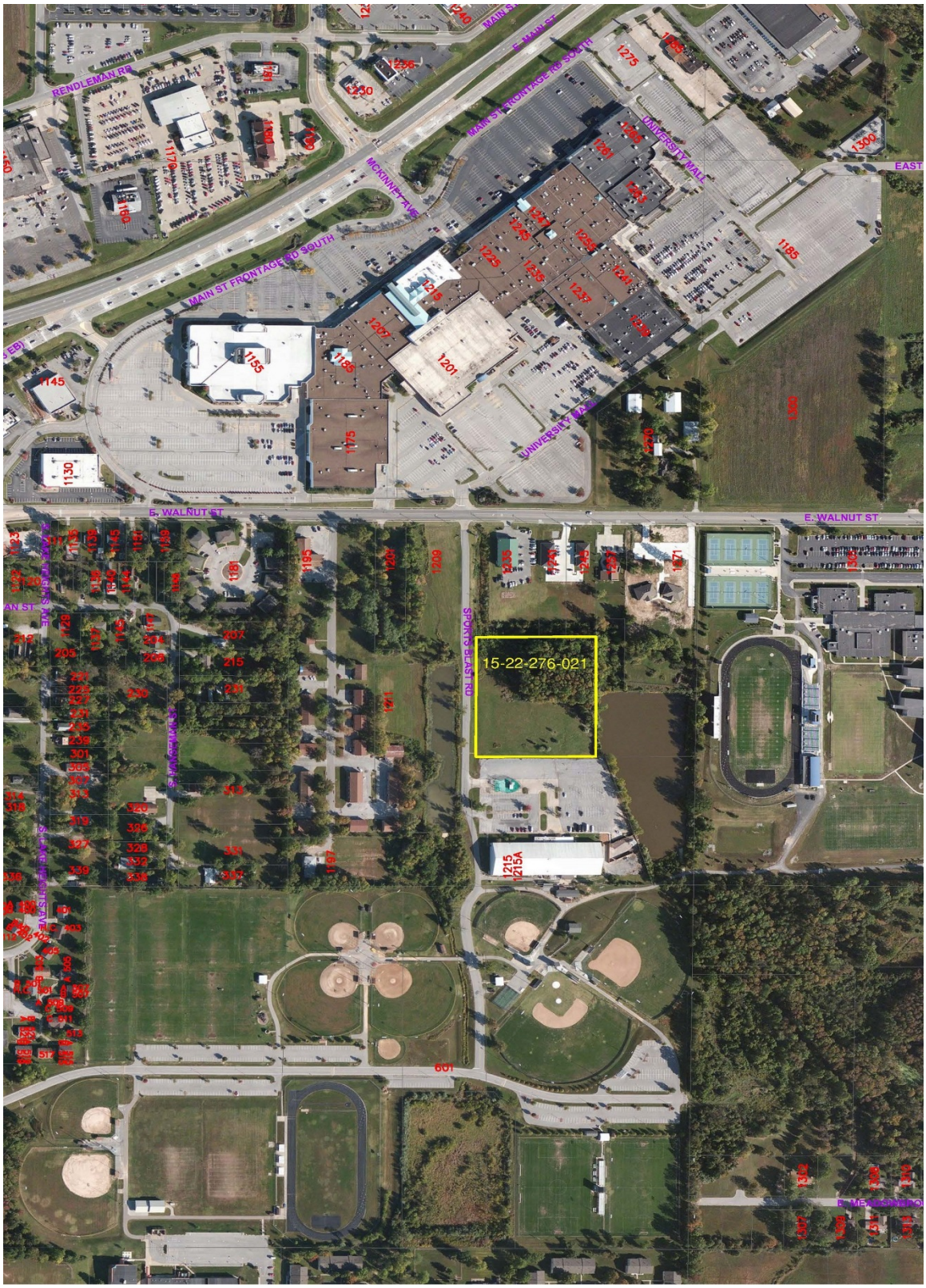
Subject property is ***not*** located within a special flood hazard area Zone X as shown on FEMA Flood Map for the City of Carbondale. Map # is 17077C0355D with a date of 5/2/2008 (A copy of this map is shown in the Addenda Section of this report.)

No soil report regarding the bearing capacities of the subject soil are available to the appraisers; however, from the viewing of the subject property and based on observation of other properties in the surrounding area, it is my opinion the bearing capacities of the subject site are adequate for any proposed improvements. Settlement or subsidence has never been considered a factor in the Carbondale area, and it is my opinion they do not pose a problem in regard to the subject. However, proper permitting should be obtained from the City to verify these observations.

The appraiser has NOT conducted an environmental audit or a Phase 1 Assessment. I make no representation as to the environmental quality of the subject site. During this appraisal investigation, I have assumed there to be no environmental hazards present which might adversely affect value. If any such environmental hazards are found, then the value estimated may not be valid.

A title search of the property was not conducted. However, there are no apparent encroachments on the property. It is assumed that all utility easements are in place.

Aerial Overview of Subject



County Record #
15-22-276-021
4.09 acres +/-

JACKSON COUNTY GIS MAP
15-22-276-021
Approximately 4.09 acres

Jackson County GIS

January 6, 2014

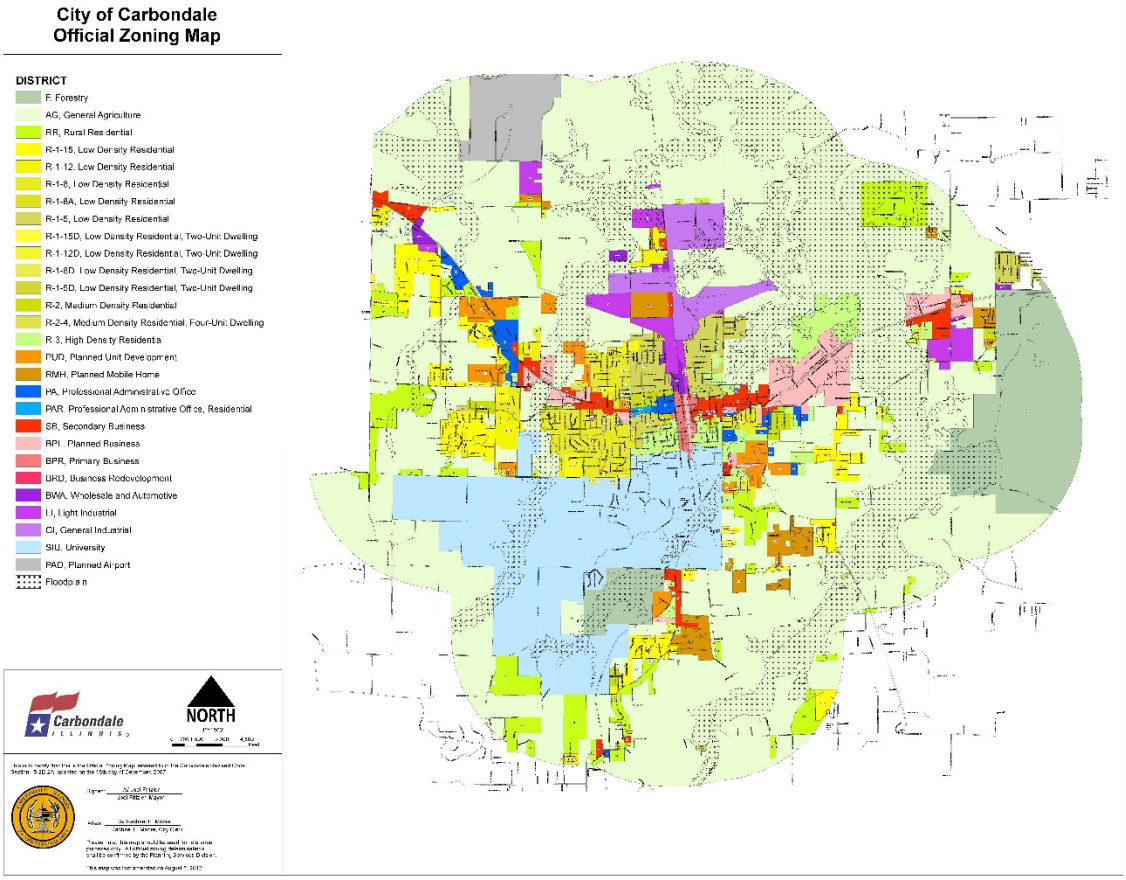
1:1,443

0 0.01 0.02 0.04 mi

0 0.0175 0.035 0.07 km

Jackson County, Illinois

Zoning Map


City of Carbondale
Official Zoning Map
DISTRICT
F, Forestry
AG, General Agriculture
RR, Rural Residential
R-1-15, Low Density Residential
R-1-12, Low Density Residential
R-1-8, Low Density Residential
R-1-8A, Low Density Residential
R-1-5, Low Density Residential
R-1-15D, Low Density Residential, Two-Unit Dwelling
R-1-12D, Low Density Residential, Two-Unit Dwelling
R-1-8D, Low Density Residential, Two-Unit Dwelling
R-1-5D, Low Density Residential, Two-Unit Dwelling
R-2, Medium Density Residential
R-2-4, Medium Density Residential, Four-Unit Dwelling
R-3, High Density Residential
PUD, Planned Unit Development
RMH, Planned Mobile Home
PA, Professional Administrative Office
PAR, Professional Administrative Offices, Residential
SB, Secondary Business
BPI, Planned Business
BPR, Primary Business
URD, Business Redevelopment
BWA, Wholesale and Automotive
LI, Light Industrial
GI, General Industrial
SIU, University
PAD, Planned Airport
Floodplain
Carbondale
ILLINOIS
NORTH

PART FOUR

ANALYSIS of DATA and CONCLUSIONS

HIGHEST and BEST USE

The analysis of highest and best use is a very important consideration in the appraisal of real estate. Very simply stated highest and best use is the answer to the question, "what use of the property under appraisal will earn the maximum return?" The definition of highest and best use is: *"the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible and that results in the highest value."*

Alternatively, that use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible and results in the highest land value. The definition above applies specifically to the highest and best use of the land. It is recognized that in cases when a site has existing improvements on it, the highest and best use may very well be concluded to be different from the existing use. The existing use will continue, however, until the land value in its highest and best use exceeds the total value of the property in its existing use.

Implied within these definitions is recognition of the contribution of that specific use to community environment or to community development goals in addition to wealth maximization of individual property owners. Also implied is that the determination of highest and best use results from the appraiser's judgment and analytical skill, i.e., that the use determined from analysis represents an opinion, not a fact. In appraisal practice, highest and best use represents the premise upon which value is established. In the context of most probable selling price (market value) another appropriate term to reflect highest and best use would be most probable use. In the context of investment value an alternative term would be most profitable use.

Highest and best use is the crux of the appraisal analysis in properties that are unimproved. In properties with existing improvements that add to the total value of the property, the highest and best use of the property as improved is of most concern. Whether vacant or improved, the highest and best use must fit the criteria of being physically possible, legally permissible, financially practical and maximally productive.

In determining the highest and best use of subject property, a number of factors must be considered. These factors include the location of the property, the size of the parcel, the existing improvements and the development in the immediate area.

Subject's applicable zoning allows for a business type of use. As the property is currently vacant, when developed, will satisfy the legally permissible part of the definition.

The size and topography of parcel make the physically possible aspect of the definition acceptable. However, it does appear from a viewing of the property, and based upon available sales, that 4 acres in this area is larger than the norm.

I believe that the highest and best use of the subject property would be for it to be divided into two-three parcels.

The property has been vacant for a number of years, however is located in the area of commercial and retail development. It has been held by the City of Carbondale for future development which should satisfy the financial feasibility as well as the maximally productive parts of the definition.

Based on these factors it is my opinion that the highest and best use of this site as vacant would be retail/commercial development.

THE APPRAISAL PROCESS

The appraisal process is an orderly program by which the data used to estimate the value of the property under appraisal is acquired, classified, analyzed and presented. ***The first step is to define the appraisal problem,*** i.e. identification of the real estate, the effective date of the value estimate, the property rights being appraised and the type of value to be developed. Once the problem has been identified, the appraiser collects and analyzes the data that affects the market value of the property under appraisal. The amount of data gathered and analyzed is determined by the complexity of the property under appraisal. Such data includes, an analysis of the area, the neighborhood, the site, the improvements or proposed improvements, the highest and best use of the site, comparable land and/or building sales and rental data as well as income and expense information which is processed in the three approaches into an estimate of the property's value.

The appraisal of real estate involves the use of three approaches to value and the correlation of the three into a final value estimate.

One approach is known as the Cost Approach. In this approach an estimate of the cost to replace the improvements is made; from this amount total accrued depreciation is deducted and to the difference is added the market value of the land "as if vacant." This approach utilizes the principle of substitution that states that when several properties are available, the one with the lowest price offering equal utility will attract the greatest demand.

A second approach is the Income Approach in which the net income attributable to the real estate is capitalized into an indication of property value. This approach utilizes the principle of anticipation that states that value is created by the expectation of future benefits.

The third approach is known as the Sales Comparison Approach. In this approach, the property under appraisal is compared with properties that have sold with an indication of value being developed through a comparison analysis of market transactions.

Reconciliation or final valuation is achieved through consideration of the strengths or weaknesses demonstrated in each approach to value and choosing the best of the three for the final value estimate.

SCOPE OF WORK

Scope of the Work is a critical decision the appraiser has made for this assignment. In solving any problem, including an appraisal problem, there are three major steps to the process:

(1) Identify the problem

(2) Determine the solution (or scope of work) and

(3) Apply the solution

The first step, identification of the problem, involves figuring out *Seven Key Assignment Elements* :

1. Client
2. Intended Users in Addition to the Client
3. Intended Use
4. Objective, or type of value in an appraisal
5. Effective Date
6. Property Characteristics that are relevant to the assignment
7. Assignment Conditions

After these elements are figured out, the appraiser can move to the second step, determining the Scope of Work. This includes the question of which approaches to value will be used, the data and its source, the time period of the comparable sales used, the extent of data verification and the extent of the property viewing.

The reconciliation of these steps will be the application of these steps to apply the solution.

The appraiser received a request for an appraisal from Gary Williams of the City of Carbondale, IL on November 15, 2013

Clarke spoke with the Mr Williams, discussed fees, and agreed to perform appraisal. Mr Willimas provided aerial maps with County PIN #.s.

Clarke met with Mr. Williams and December 4, and then viewed the subject property on December 4, 2013 and took descriptive photographs.

Clarke then visited the Jackson County Courthouse in Murphysboro and obtained Property Record cards and plat maps.

Clarke then viewed the Illinois Transfer Sheets for the 2012 and 2013 years for vacant lots. These sales are noted in the sales section of this report.

In deciding on how best to solve the appraisal problem, the appraiser believed that the parcel should be considered on the bases of "two-three tracts". Each tract would have sufficient frontage along Sports Blast Road, with a rear acreage of what would be considered 'excess' land. At the present time, only the road frontage would be available for development with additional roads and infrastructure needed for the rear area.

With the few sales identified and with other sales contained within the appraiser's files, enough information was believed to be available to arrive at a credible estimate of value.

The report was reconciled on January 3, 2014, written on January 6, 2014 and sent to the client on January 7, 2014.

EXPOSURE TIME – Exposure time is the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal, while the marketing time is the estimated time it might take to sell the property interest in the property at the estimated market value level during the period immediately after the effective date of the appraisal. Determination of a reasonable exposure time must recognize that real property is not generally a highly liquid asset and marketing periods vary significantly with respect to property type, location and local market conditions. Sales, offerings, options and transactions involving properties having comparable market features must be considered. Influences requiring consideration including location, condition, financial risk, the cash flow developed and the degree of management required, are factors involved in the marketability of any property.

The real estate market in the regional market area for properties such as subject is difficult to analyze for many reasons with the primary reason being the limited amount of information available. The multiple listing services in this region do not contain sufficient information to make an accurate prediction regarding marketing time for subject property and it is necessary to emphasize that ***unrealistic asking prices fostered by unrealistic expectations on the part of sellers are the primary detriment to the sale of commercial real estate.*** The amount an investor/purchaser can pay for a property is based on its cash flow and any potential to increase either cash flow or value through improvement of the property. Sellers often place properties on the market with unrealistic expectations and cause extended marketing times attempting to realize an unrealistic price only to lower the price at a later date to a realistic level and effect a sale. Considering these factors, it is our opinion a reasonable marketing period for the subject property would be an exposure on the open market of up to one year.

AN ESTIMATED MARKETING PERIOD: - Considering recent conditions of the local and regional real estate markets, the marketing period and the exposure time for the subject are identical in this instance; thus, a reasonable marketing period and a reasonable exposure period for properties such as the subject is up to one year on the open market.

LAND VALUATION-- Sales Comparison Approach

Several procedures are available to appraisers for the valuation of land, including the sales comparison method, the allocation or abstraction procedure, extraction, subdivision development, land residual or ground rent capitalization can all be used when no sales of comparable land are available. The sales comparison method is the most common technique for valuing land and is the preferred method when comparable sales are available. In this method, sales of similar parcels of land are analyzed, compared and adjusted to develop a value indication for the site being appraised. The comparison process is based on an analysis of the similarity or lack of similarity of the parcels.

The normal steps in the application of the sales comparison approach include: researching the market to identify similar properties for which relevant sales or listing data is available; qualifying the prices as to terms, motivating forces and bona fide nature; comparing each of the comparable property's important attributes to the corresponding ones of the property being appraised, under the general categories of market conditions, location, physical characteristics and conditions of sale; considering all dissimilarities and their probable effect on the price of each sale property to derive the market value indication for the property being appraised, and; from the pattern developed, formulate an opinion of market value for the property being appraised.

In making comparisons between properties, appraisers normally make adjustments for the general areas in which properties normally vary. These areas are called elements of comparison and include conditions of sale, financing terms, market conditions (time), location, physical characteristics and income characteristics. Due to the fact that properties often vary significantly in size, differences between the properties are reduced to units of comparison. Typical units of comparison used in the comparison process are the price per square foot, per front foot and per acre. Adjustments can be made in percentages or in dollar amounts. The type of adjustment is determined by the manner the adjustment is derived.

The adjustment process used in this appraisal reflects the appraiser's opinion as to the market's reaction to those items of significant difference between the subject and the sale properties. If an item in the comparable sale property is superior to or more favorable than subject, a minus adjustment is made, thus reducing the indicated value of subject. If a significant item in the sale property is inferior to or less favorable than subject, a plus adjustment is made, thus increasing the indicated value of subject.

In researching the Carbondale market area for sales of similar parcels of land to be used in a comparison analysis with the subject sites, several land sales, within the subject neighborhood, were found to be the most comparable. At the end of this section of the report are data sheets providing details regarding these sales, a location map showing their location in relation to subject and an adjustment grid on which adjustments have been made for those factors which affect the value of real estate including market conditions, location and access, size of parcel and physical characteristics.

The following is a brief explanation of the adjustments used in this appraisal.

Property Rights Conveyed: Subject and sales all represent the fee simple interest in the properties as mentioned in the discussion of property rights appraised in the introduction of this report.

Financing: All sales involved cash or conventional financing, and require no adjustment for financing.

Conditions of Sale: All sales utilized in this appraisal are considered to be normal market (arms-length) transactions and were exposed to the market for sufficient periods. None of the parties acted under duress and none of the sales involved condemnation proceedings.

Market Conditions: In the absence of back-to-back sales of sites around the subject, the market conditions adjustment used in this appraisal is based upon the annual average increase in the Consumer Price Index (CPI) in recent years and is the best guide available for a time adjustment in property values in this area where there is limited market data; however recent economic trends render an adjustment after January 2007 unnecessary.

Location: The location adjustment relates to the desirability of the location, visibility and access of the sale property as it compares with the subject.

Physical: The physical characteristics adjustment refers to the physical attributes of the sale property in comparison with the subject property.

Size: The size parcel adjustment relates to the accepted appraisal axiom that when **all** other considerations are equal, smaller parcels normally sell for higher unit prices.

LAND SALES ADJUSTMENT GRID

	Size	Sales Price	Price/SF	Zoning
Sale #1	4,356	$30,000	$ 6.88	BWA
Sale #2	21,613	$75,000	$ 3.47	PA
Sale #3	30,978	$378,000	$12.10	BRD
Sale #4	762,300	$275,000	$ .361	No Zoning
Sale #5	64,904	$290,000	$ 4.47	BPL
Sale #6	10,640	$18,000	$ 1.69	R-3
Sale #7	38,547	$76,000	$ 1.94	PA
Sale #8	23,087	$70,000	$ 3.03	PA
Sale #9	60,500	$35,000	$ 0.58	R-2
Sale #10	22,441	$75,000	$ 3.34	BWA

The Subject has BPL zoning. It is adjacent to PA zoning which note values in the $1.94 - $3.47/sf range of value

The available sale in a similar classification and similar location have a wide range of values, and are noted from $3.47 to $4.47.

However, as noted in the Scope of Work and Highest and Best Use sections, only the front acreage would be immediately available for development. As such, the value of $4/sf would be estimated to be cut in half.

It is believed that a value of $2/sf can be estimated.

4.09 acres or 178,160 sf X $2.00 = $ 356,320
= $ 356,000 (rounded)

Sale #1

Grantor:	SDC Corporation, Inc
Grantee:	Jeremy T Osthoff, et ux
Address:	North Illinois Avenue Carbondale, IL
Date of Sale:	August 6, 2012
Recording Info:	Book 2012, page 21725
Property Tax #:	part of 15-16-460-007
Zoning:	BWA
Sales Price:	$ 30,000
Size Tract:	44 x99 0.1 acres or 4,356 +/- sf
Price/Acre:	$ 300,000
Price/SF:	$ 6.89

Sale #2

Grantor:	Hess Properties, LLC
Grantee:	Saum Burruss Properties, LLC
Address:	Lot Behind 1245 E Walnut, Carbondale, IL
Date of Sale:	March 6, 2012
Recording Info:	Book 2199, page 7301
Property Tax #:	part of 15-22-276-032
Zoning:	PA
Sales Price:	$ 75,000
Size Tract:	0.4962 acres or 21,613 +/- sf
Price/Acre:	$ 151,149
Price/SF:	$ 3.47

Sale #3

Grantor:	Peoples National Bank
Grantee:	Michael D Quagliano
Address:	412 East Walnut, Carbondale, IL
Date of Sale:	June 27, 2012
Recording Info:	Book 2012, page 17699
Property Tax #:	15-21-277-017
Zoning:	BRD
Sales Price:	$ 375,000
Size Tract:	0.711 acres or 30,978 +/- sf
Price/Acre:	$ 527,426
Price/SF:	$ 12.10

Sale #4

Grantor:	Louie E Cecil, Trust
Grantee:	Brehm Investment Group, Inc
Address:	part of 8865 Giant City Road, Carbondale, IL
Date of Sale:	November 20, 2013
Recording Info:	Book 2013, page 33175
Property Tax #:	15-27-275-003, 15-27-275-001 and part of 15-26-100-004
Zoning:	No Zoning
Sales Price:	$ 275,000
Size Tract:	17.5 acres or 762,300 +/- sf
Price/Acre:	$ 15,714
Price/SF:	$ 0.361

Sale #5

Grantor:	Rolf Shilling, Successor Trustee/3880 Land Trust
Grantee:	Daniel L Massie and Stacy M Massie
Address:	180 Giant City Road, Carbondale, IL
Date of Sale:	September 27, 2013
Recording Info:	Book 2013, page 28220
Property Tax #:	15-23-101-014
Zoning:	BPL
Sales Price:	$ 290,000
Size Tract:	1.49 acres or 64,904 +/- sf
Price/Acre:	$ 194,631
Price/SF:	$ 4.47

Sale #6

Grantor:	Tracy Bryant, et al
Grantee:	Rosewood Properties of Southern Illinois
Address:	501 South Poplar, Carbondale, IL
Date of Sale:	July 9, 2013
Recording Info:	Book 2013, page 19964
Property Tax #:	15-21-327-001 and 15-21-327-002
Zoning:	R-3
Sales Price:	$ 18,000
Size Tract:	95 x 112
	0.24 acres or 10,640 sf +/-
Price/Acre:	$ 128,571
Price/SF:	$ 1.69

Sale #7

Grantor:	Jeffrey Dale Pirmann, Successor Trustee/Trust #2012
Grantee:	Sun Valley Property Management, LLC
Address:	Beadle Drive, Carbondale, IL
Date of Sale:	July 8, 2013
Recording Info:	Book 2013, page 19703
Property Tax #:	15-18-457-001, 002 and 003
Zoning:	PA
Sales Price:	$ 75,000
Size Tract:	.8849 acres or 38,547 +/- sf
Price/Acre:	$ 84,755
Price/SF:	$ 1.94

Sale #8

Grantor:	Nisha Investments, LTD
Grantee:	Brehm Preparatory School, Inc
Address:	Brehm Avenue, Carbondale, IL
Date of Sale:	January 22, 2013
Recording Info:	Book 2013, page 1897
Property Tax #:	15-22-477-003
Zoning:	PA
Sales Price:	$ 70,000
Size Tract:	0.53 acres or 23,087 sf +/-
Price/Acre:	$ 132,075
Price/SF:	$ 3.03

Sale #9

Grantor:	Pee Vee Properties, LLC
Grantee:	RLH Properties, LLC
Address:	400 South Logan, Carbondale, IL
Date of Sale:	June 28, 2013
Recording Info:	Book 2013, page 18827
Property Tax #:	15-21-279-023, 024, 025, 026, 027 and 028
Sales Price:	$ 35,000
Size Tract:	1.389 acres or 60,500 +/- sf
Price/Acre:	$ 25,198
Price/SF:	$ .58

Sale #10

Grantor:	Joyce Fligor, Trustee/Island Land Trust
Grantee:	PGA, LLC
Address:	328 North Illinois, 501 N University, Carbondale, IL
Date of Sale:	September 20, 2013
Recording Info:	Book 2013, page 27654
Property Tax #:	15-16-368-001 and 15-16-459-005
Zoning:	BWA
Sales Price:	$ 75,000
Size Tract:	0.515 acres or 22,441 sf +/-
Price/Acre:	$ 145,631
Price/SF:	$ 3.34

THE COST APPROACH

The Cost Approach is one of the three approaches in the valuation process. The underlying theory of the Cost Approach is the principle of substitution, which suggests that a prudent person will not pay more for a property than the amount for which they can buy a site and construct without undue delay, a building of equal desirability and utility. For these reasons, reproduction cost new, before any depreciation, plus land value, often sets the upper limit of value. For the Cost Approach to produce a valid sign of market value that may be reconciled with the value indications developed by the other two approaches, it is necessary to consider accrued depreciation due to all causes — physical, functional and economic.

However, in the case of vacant land, the Cost Approach is not a credible approach to value.

While considered, it is not used herein.

THE INCOME APPROACH

In estimating the value of income producing properties using the Income Approach, the appraiser first estimates the annual income that can be expected from the property; estimates and deducts the expenses that will be incurred in producing the income; and finally, capitalizes the resulting net income into ***an estimate of value*** for the property.

Income producing property is typically purchased for investment purposes, and the projected net income stream is the critical factor affecting its Market Value. An investor purchasing income producing real estate is in effect spending a sum of present dollars for the right to an income of future dollars. There is a relationship between the two, and the connecting link is the process of capitalization. Because future dollars are typically worth less than present dollars, the anticipated future dollars are discounted to a present worth on some basis that reflects the risk and waiting period involved. Critical factors in the estimation of net income are a reliable estimate of gross income, minus market-oriented expenses to develop the anticipated net income. Proper capitalization techniques and rate selection procedures are also crucial in this analysis. The net income and capitalization rate are processed into a Market Value estimate using the universal capitalization formula; ***net income, divided by capitalization rate*** equals ***market value***.

The beginning point of the Income Approach is the gross income expectancy of the property. Normally, the best method of estimating rental value of a property is by comparison with similar rented facilities with similar physical characteristics and location characteristics; from this comparison the appraisers estimate the rental value of the subject property.

However, in this instance, available rents of vacant land tracts are not available.

While this approach to value was considered, it is not used herein.

RECONCILIATION or FINAL VALUATION

This is the process by which the most reliable estimate of value is gleaned from the values from the three recognized approaches to value. In this appraisal, only the sales comparison approach was applicable, therefore reconciliation is not required. In theory, if all of the approaches were properly processed and each produced the same answer, reconciliation would not be necessary. In actual practice, some approaches to value are more pertinent than others because of inherent weaknesses of the assumptions made in the approaches.

The indications of value for subject property by the approaches are:

COST APPROACH:	Not Used
INCOME APPROACH:	Not Used
SALES APPROACH:	$178,000

Throughout this appraisal an attempt has been made to test the value of subject property considering marketplace reactions. In the applicable approaches, actual data taken from the market has been used in drafting the value estimates. At this point, the question is, which approach most accurately reflects the attitudes and behaviors of buyers and sellers. The market determines value. By analyzing and interpreting the market, the appraiser attempts to estimate market value. Other less quantifiable factors including supply and demand, trends, location and the availability of financing are also considered in the approaches to value.

The cost approach is a good indicator of value if the property under appraisal is new or relatively new and the improvements represent the highest and best use of the land. However, in a vacant land appraisal, the Cost Approach is not considered to be relevant.

The income stream is often the primary decision making tool for investment decisions involving income producing property such as the subject. The income approach is therefore considered in the valuation process. The value conclusion has been estimated based upon our opinion of the economic rental level for the property and market-derived expenses. However, in this instance, no rentals of vacant land have been found. While this approach was considered it is not used herein.

The sales comparison approach is based upon a comparison between the subject property and similar properties, which have sold. In this appraisal, sales of similar properties within the subject's market area were available for comparison with a reasonable degree of comparability to subject. For this reason, the sales comparison approach is considered a strong indicator of value in this appraisal.

The appraisal of real estate is an inexact science, and buyers and sellers tend to negotiate sales prices at significant digits.

It is my opinion the value of the subject property lies around the sales comparison approach at a value of $ 356,000.

ADDENDA

County Records

Jackson County Supervisor of Assessments
Jackson County, Illinois
Jackson County Courthouse
20 S. 10th Street
Murphysboro, IL 62966

PIN: 15-22-276-021

Parcel Information	
PIN	15-22-276-021
Alternate Parcel Number	15-22-276-021-0060
Owner Name	CITY OF CARBONDALE
Owner Address	CITY OF CARBONDALE PO BOX 2047 CARBONDALE IL 629022047
MailTo Address	CITY OF CARBONDALE PO BOX 2047 CARBONDALE IL 629022047
Township	Carbondale

Property Information	
Acres	0
Homesite Acres	0
Farm Acres	0
Legal Description	LOT 1 UNIVERSITY MALL SOUTH 22-9-1 2001/1870 2008/21214
Last Sale Date	
Gross Sale Price	
Net Sale Price	
Gross Acres	0
Homesite Acres	0
Farm Acres	0
Lot Dimensions	

Assessment Information	
Year	
Category	
Last Assessment	10/23/2013 5:22:16 PM
Non-Farm Land	$11,492
Non-Farm Building	$0
Farm Land	$0
Farm Building	$0
Py Non-Farm Land	
Py Non-Farm Building	
Py Farm Land	
Py Farm Building	

Exemption Information
Owner Occupied

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PICTURES

View East towards small pond

View south towards Sports Complex

PICTURES

View north from Parking Lot towards Rt 13

View NE from Parking lot towards Rt 13

Professional Qualifications

Qualifications
John A 'Andy' Clarke

Mark Twain Real Estate Services, Inc
618-776-5000

Certified General Appraiser	**553-000970**	**1994-Current**
State of Illinois Real Estate Broker	**475-099343**	**1995-Current**
Certified Illinois Assessing Official		**1987-Current**

Appraisal Institute

1.	Appraising Convenience Stores	June 2005
2.	USPAP Update	July 2005
3.	Appraising Manufactured Homes	July 2005
4.	Appraisal Litigation	July 2005
5.	Valuation of Partial Interests	July 2005
6.	Appraisal Principles	October 2012
7.	USPAP	October 2012
8.	Appraisal Procedures	February 2013

American Society of Farm Managers and Rural Appraisers

1.	Swine Facility Valuation - Case Study	October 1994
2.	Federal Land Exchanges and Acquisitions	August 2001
3.	Eminent Domain	September 2003
4.	Uniform Ag Appraisal Report	March 2004

National Association of Independent Fee Appraisers

1.	Advanced Farm, Ranch and Rural Appraisals	May 1993
2.	Financial Analysis of Income Properties	October 1993
3.	Financial Analysis/Discount Cash Flow	October 1993
4.	Income Property Appraising	May 1994
5.	Techniques of Income Property Appraising	June 1994
6.	New URAR	November 1993
7.	Fair Lending	June 1999
8.	Reviewing Residential Appraisals	September 2001
9.	Reading Blueprints	September 2001

McKissock

1.	USPAP Update	August 2012

Real Estate Education Company

1.	Illinois I Standards of Professional Practice	May 1993
2.	Illinois II Foundations/Appraisal	May 1993
3.	Advanced Real Estate Principles	June 1995
4.	Contracts and Conveyances	June 1995
5.	Real Estate Finance	June 1995
6.	Property Management	June 1995

Illinois Department of Revenue

1.	1A Residential/Rural Assessments	1986
2.	2A Commercial/Industrial Assessments	1986
3.	1F Farmland Assessments	1986
4.	Mapping	1986

Illinois Property Assessment Institute

1.	B100 Basic Course	1987
2.	A200 Master Course	1987

Southeastern Illinois College

1.	Principles of Real Estate	1986

State of Illinois Property Tax —
County Boards of Review

Member----------Alexander County	1998-2012
Member----------Union County	2006-2012
Member----------Pulaski County	2001-2012
Member----------Perry County	2011-2012

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