

ILLINOIS STATE LIBRARY
FY2013 Library System Annual Report Cover Sheet

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Library System: Illinois Heartland Library System

Date Reviewed: _____

Signed: *Linda M. Donnell*
Board President

Leslie M. Bidner
Executive Director

1.1 Narrative report

Illinois Heartland Library System in FY2013: Removing the Barriers to Resource Sharing

Resource sharing is a basic tenet of library service in Illinois. It's a simple concept wherein all have more by each doing a little. For Illinois Heartland Library System (IHLS), FY2013 witnessed the accomplishment of a primary objective when four library automation consortia began to share a single bibliographic database. The SHARE (Sharing Heartland's Available Resources Equally) database offers four times the discovery opportunities to hundreds of communities in our 58-county service area. Like SHARE, many of our efforts are related to resource sharing—from library materials delivery to support of the Talking Books program to WebJunction Illinois—our human resources facilitated an exchange of ideas and materials. The end result for our young organization is a refined sense of purpose and direction.

The spring of 2013 ushered in a new era for resource sharing for a majority of IHLS members as SHARE went "live" on their new platform. However, some members were left out of the conversation. Due to the elimination of an LLSAP (local library system automation project) membership category that permits non-LLSAP members to place holds in the database on a fee basis, members with standalone library automation products used other methods to achieve access to the large SHARE holdings. IHLS staff toured our service area with the express purpose of meeting with non-LLSAP members to promote additional access options including interlibrary loan via OCLC and the I-SHARE catalog. Not surprisingly, some of these members face funding challenges which limit collection development and also prohibit migration to the SHARE platform. Instead of opening a door, the SHARE membership categories decision built a wall.

IHLS began FY2013 with a single LLSAP whose vision of a shared database required a great deal of planning, coordination and patience. Near the end of FY2012, four LLSAPs representing the four former southern library systems (elCat/Rolling Prairie Library System, GateNet/Lewis & Clark Library System, LINC/Lincoln Trail Libraries System and SILNet/Shawnee Library System) voted to merge into a single organization known as SHARE. The database is powered by a Polaris integrated library system (ILS) to administer the wide range of circulation parameters for each member. Although the concept of all four automation groups utilizing the same database is simple, management of the myriad of circulation, cataloging, and item record options would be a daunting task with earlier generation ILS platforms.

The need to meld best practices and policies in all areas of SHARE required the cooperation of system and member library staff. Members working toward policy development on committees led to a great deal of appreciation and understanding of the differences between the automation organizations. This knowledge and empathy became the foundation blocks to the largest automation consortium in the country in terms of members. At the end of FY2013, SHARE included 296 agencies representing 425 service centers, and as of this report (September, 2013) there are 19 agencies representing 22 service centers committed to joining SHARE in the next three years!

Getting member libraries ready to fully utilize the Polaris platform involved a great deal of continuing education and two-way communication. We developed a help desk and FAQs (frequently asked questions) to assist with computer registration, network testing, and training/usage challenges. Information technology (IT) staff developed a list of recommended computers and peripheral equipment for libraries that chose to upgrade their in-house technology. We organized a one-time joint purchase of equipment and facilitated delivery and set up. SHARE staff developed two newsletters for member library staff: one for general library and director information and one specific to bibliographic services. IHLS SHARE staff received 17 days of training from Polaris, covering Introduction to Polaris, Circulation, Cataloging, PAC (public access catalog), System Administration, Workflow Analysis, and Acquisitions and Serials. Methods of instruction included webinars and on-site training in system computer labs.

Staff developed training for members in these formats: in person (scheduled classes and one-on-one learning) and online (single topic quick lessons, video tutorials including a quick start circulation session), as well as considerable documentation posted on the SHARE web site for all Polaris modules. We utilized a train the trainer model relying on highly qualified and available member library staff; provided training in many member libraries utilizing mobile computer labs; scheduled classes in system computer labs; and via video conferencing (AdobeConnect and V-Tel). In total, over 200 in-person training sessions were provided to SHARE members.

Library materials delivery focused on three main areas: communication and coordination, innovation and investment. IHLS and our sister regional library system RAILS (Reaching Across Illinois Library System) have begun dialogue to share and use consistent practices, where feasible. Counting practices are improved, and packaging and labeling options are moving toward standardization. We have narrowed the number of containers types being used, reduced the number of transit slips to three (one being the slip used by ILDS (Illinois Library Delivery Service)), and updated the information on packaging and labeling on the IHLS web site. IHLS conducted an internal study and participated in a study conducted by CARLI (Consortium of Academic and Research Libraries in Illinois) to determine the turnaround time for library materials transported through ILDS. IHLS Operations staff followed up an extensive system-wide survey on delivery and the delivery process with letters to all library members and the opportunity for them to make recommendations and suggestions. Based on the information received, improvements in service were made to over 20 libraries.

To support a single automation platform for a majority of IHLS members, data from the December 2012 and February 2013 system-wide library material counts was critical to adjustments made to the timing, staffing, and containers needed to accommodate the significant increase in library materials being transported between IHLS hubs after the implementation of Polaris. Delivery routes were evaluated to maximize efficiency. Some libraries are now being served by different hubs. We installed Map Point software at each hub, enabling Operations Managers to enter the libraries to be served on each route. Including additional information such as approximate time needed for each stop, etc., the software then

provides the optimum streets to use, creates a map, and turn by turn information. In addition, IHLS uses fleet management software to capture real time information on where each delivery van is and its travel speed. In addition, operations staff developed a transit slip to be used by member libraries who do not have receipt printers.

Operations staff also continued to invest in people and capital. A delivery van replacement schedule has been created and is included in each annual budget. In FY 2013 the bid process was completed and led to the acquisition of four extended cargo vans. The first step in our safety training for drivers was the implementation of a pre-trip vehicle inspection. This process requires all drivers to check their van for safety issues prior to pulling out each day.

The Illinois Machine Sublending Agency (IMSA), supports the Talking Books program in Illinois by maintaining and circulating several pieces of equipment used by registered patrons and by providing technical support to those in need of assistance with the Braille and Audio Reading Download (BARD) program from the National Library Service (NLS). Our IMSA staff bridge physical barriers to access through technology. IMSA worked diligently toward the resolution of a problem caused by batteries in digital machines by working closely with the NLS. Project staff continue to promote Talking Book services to potential patrons and certifying authorities by attending health fairs and similar events at libraries, support group meetings, senior citizen groups, conferences, etc. The target audiences at the events were those who are likely to be eligible for service.

In FY2013, WebJunction Illinois continued to promote learning for all Illinois library staff members by providing an open, affordable learning community. Throughout the year, three new topics were added to the web pages making up WebJunction Illinois in an effort to provide more resources to the Illinois library community. These new web pages added information on sustainable librarianship (Growing Greener Libraries), introductory information on lending eBooks and eReaders (eBooks & eReaders), and diversity in the library (Creating More Inclusive Libraries). BlogJunction Illinois provided a new opportunity for community-centered learning through a guest blog series this year. Five blog series were featured and covered topics including: library programming, eBook & eReader lending, continuing education, and information for new library trustees.

The WebJunction Illinois Project Team continued to raise awareness of the WebJunction Illinois learning community through listservs, presentations, and targeted mailings, increasing unique visits to the website by 23%. WebJunction Illinois members became more knowledgeable of topics in library basics, software, customer service and others by completing self-paced online courses made available through the WebJunction course catalog and by attending monthly, online webinars. As in past years, WebJunction Illinois enabled library staff members to access vital continuing education resources in FY2013.

Communication continues to be a work in progress for IHLS. We maintain an online presence with the system, SHARE and IMSA web sites, and utilize social networking tools such as FaceBook and Google+. The Moving Forward Together newsletter and announce listserv

provide timely information to members and interested stakeholders. IHLS maintains several listservs which encourage member communication. Board and committee meetings are generally held at an office location as well as online via AdobeConnect or V-Tel. Staff gained important member feedback with online survey instruments on topics as varied as LLSAP policy development, delivery satisfaction and third-party database opportunities.

In FY2013 we debuted two new uses of the AdobeConnect online meeting software. Connect with Leslie is a 30-minute opportunity for two-way member communication on current system activities and topics. Four sessions were held in FY2013, and the event has a growing audience as we experiment with scheduling. During the Polaris go live period, SHARE staff manned an AdobeConnect chat room to provide an additional method of access to automation staff. Attendance in the chat room peaked at over 30 users at one time, and demonstrated the popularity of real time problem solving.

The IT department continued to implement cost-saving innovative ideas which furthered our organizational goals. In the past year we have utilized open source software when appropriate, cloud based file storage, and voice-over-IP (VoIP) technologies. Utilizing VoIP specifically has allowed a whole new range of flexibility for staff. The ability to forward phones to other system offices, or to even use an office phone from a home office has given us a level of flexibility we've not had in the past. Also, the IT department now has all offices interconnected with true IPSec VPNs (internet protocol secure virtual private networks), allowing for a future development of a single Microsoft Active Directory domain. This domain will tie directly in with the Polaris domain, giving us a high degree of malleability and control in regards to security and access for our member libraries. The implementation of Microsoft's Remote App feature with Polaris has also proven to be a trail blazing endeavor. Support for Remote App was not available from Polaris, and IHLS IT staff continued to push through the implementation barriers and successfully achieved Remote App for all member libraries using Polaris.

As payment delays continue in our state, IHLS took several steps to grow its reserves and reduce overhead. A two-phase facilities study led to the difficult decision to consolidate locations (Champaign and Decatur) to improve service, resulting in a sales contract for the Decatur building. Administrative staff developed the process and timetable for relocating the Carterville office and consolidating the Decatur and Champaign offices. The study also recommended capital improvements to existing facilities. Through attrition we are moving toward an all part-time driving staff which allows for flexibility in scheduling coupled with significant savings in personnel costs. We continued the process of server collocation at the Illinois Century Network point of presence in Champaign, reducing a duplication of effort at all buildings.

Fiscal and SHARE staff carefully administered the process of allowing SHARE members to utilize credits from the legacy automation projects toward FY2013 automation fees and the single joint equipment purchase. At years' end we achieved a small savings in general fund expenditures due to the management of budget and cash. A long-anticipated salary equity study took the very first step toward mitigating significant differences in staff compensation

across four locations. Driven by a conservative long-range fiscal forecast the study implementation realized a nearly 43% savings over budgeted figures.

At the end of our second year we made significant strides to remove the many barriers to resource sharing in our service area, and have much more to accomplish. We recognize the reality of leveraging resources to achieve economies of scale, while at the same time melding four distinct library system cultures into all they can be collectively. We look forward to further support of IHLS staff through staff development and salary improvements based on achievement of mutually-designed goals and objectives and merit. As we proceed through FY2014 we strive for further refinements necessary to better marry delivery and automation for improved patron experience, and innovative approaches to all other aspects of resource sharing.

System Member Fees and Revenue

The General Fund contains the following fees or revenue

Continuing Education Workshop fees	\$	980
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LLSAP user fees from member libraries:	\$	189,359
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System Non-Member Fees and Revenue

Sub-lease of Edwardsville location	\$	9,225
Room Rental of Edwardsville location	\$	450
Plinkit Fund - Web hosting fees	\$	20,625

Fund Balances

On June 30, 2013, the fund balances for each fund are as follows:

General Fund	\$4,259,514
Capital Projects Fund	\$810,383
Proprietary Fund	\$1,748,021

Description of Intended Use of Existing Fund Balances

General Fund

It is anticipated that the General Fund Balance will be used as working capital for expenses incurred before the incremental receipt of Area and Per Capita Funds and for the replacement or major repairs to the buildings or the replacement of capital equipment.

\$ 3,529,181

Capital Projects Fund

The Capital Projects Fund was established to provide for the purchase of capital assets for System operations, including building renovations, replacement of delivery vehicles, etc.

\$ 810,388

Proprietary Fund - LLSAP

The funds for LLSAP are used for operations of the LLSAP, including projected upgrades of hardware and software.

\$ 1,748,021

OUTSTANDING LIABILITIES
as of June 30, 2013

<u>Payee</u>	<u>Amount</u>
ABS	\$ 4,185.00
AMEREN ENERGY MARKETING	\$ 1,559.21
ANTHONY SCHUERING	\$ 971.25
AT&T	\$ 784.41
AUTO TIRE	\$ 1,069.81
CHAMPION ENERGY	\$ 1,866.23
JOHN A LOGAN COLLEGE	\$ 1,815.96
LIMRICC	\$ 1,849.74
MIDWEST SUNRAY	\$ 1,639.88
STATE OF ILLINOIS	\$ 10,697.95
VISA	\$ 1,252.35
TOTAL	\$ 27,691.79

**CAPITAL EXPENDITURES IN EXCESS OF \$5,000
as of June 30, 2013**

Computers and Software

Polaris Automation System	<u>\$ 855,000</u>
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Vehicles

4 Delivery vans	<u>\$ 86,260</u>
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2.8 Loans, Letters of Credit, Grant Anticipation Warrants as of June 30, 2013

As of June 30, 2013, there were no outstanding loans, letters of credit or grant anticipation warrants for Illinois Heartland Library System.

2.9 Treasurer's Security Bond



Interchange Corporate Center
450 Plymouth Road, Suite 400
Plymouth Meeting, PA 19462-1644
Ph. 610.832.8246

PUBLIC OFFICIAL BOND

Bond Number: 39S201164

Know all men by these presents: That we, Nina M. Wunderlich
729 W. Prairie, Taylorville, IL 62568 as Principal(s)
and Liberty Mutual Insurance Company, a Massachusetts Mutual Insurance Corporation authorized to transact surety
business in the Commonwealth of Massachusetts, as Surety, are held and firmly bound unto
Illinois Heartland Library System, 345 W. Eldorado, Decatur, IL 62522
in the penal sum of One million seven hundred fifty thousand & 00/100
Dollars (\$ 1,750,000.00),
lawful money of the United States of America; for the payment of which, well and truly to be made, we bind ourselves,
our heirs, legal representatives, successor and assigns, jointly and severally, firmly by these presents.

WHEREAS, the above bounden Principal has been duly elected or appointed to the office of _____
Treasurer

for a term beginning _____ and ending _____ (if no ending
date is listed, the appointment is for an indefinite term);

Now, therefore, the condition of this Obligation is such that if the Principal shall well, truly and faithfully execute
and perform the official duties of said office during said term, according to all laws now in force or which may be
enacted subsequent to the execution of this bond, then this obligation shall be void; otherwise it shall remain in full
force and effect.

This Bond may be cancelled by the Surety effective upon the expiration of thirty (30) days from the date of written
notice of such cancellation to the Principal and Obligor named herein at their last known address, provided no
such cancellation shall affect or abridge the liability of the Principal or the Surety to the Obligor for losses occurring
during the term covered by this bond prior to the effective date of cancellation.

DATED as of this _____ day of _____, 20____.

Nina M. Wunderlich
(Principal)

Witness: _____

By: _____

LIBERTY MUTUAL INSURANCE COMPANY
(Surety)

By: [Signature] (Seal)
Attorney-in-Fact

3.1.1 Membership Changes

September, 2012

The IHLS Board of Directors voted to accept the request from the following libraries to withdraw from the system:

- Grand Tower Public Library
- Anna Veterans Home
- Champaign/Ford County Regional Office of Education

The IHLS Board of Directors voted to suspend the following libraries from the system because they failed to meet membership criteria:

- Dahlgren Public Library
- Olmsted Public Library
- Dodds CCSD #7
- Jonesboro SD #43
- Raccoon CSD #1
- Trinity Lutheran School (Edwardsville)
- St. Mary's Hospital (Centralia)

April, 2013

The IHLS Board of directors recognized the merger of Arthur CUSD #305 and Lovington CUSD #203 as the Arthur Community Unit School District #305.

The IHLS Board of Directors voted to suspend the following libraries from the system because they did not complete the required annual certification:

- Archer Daniels Midland Company
- Centralia Correctional Center
- Lincoln Correctional Center
- Vandalia Correctional Center
- Big Middy River Correctional Center
- Vienna Correctional Center
- Southwestern Illinois Correctional Center
- Danville Correctional Center
- Tamms Correctional Center
- Pinckneyville Correctional Center

Note: The Lawrence Correctional Center in Lawrenceville was originally included in this list, but was able to become compliant during the 60 grievance period due to a change in staffing.

The IHLS Board of Directors voted to suspend the following libraries that did complete the certification process, but submitted responses indicating that the agency was not in compliance with system membership criteria and the Illinois Administrative Code:

- East St. Louis School District #189
- West Washington CCUD #10
- Patoka CUS #100
- Lick Creek CCSD #16
- Logan Correctional Center Library
- Shawnee Correctional Center
- Bishop O'Rourke Library at the Institute of Catholic Thought

June, 2013

The IHLS Board recognized the consolidation of four member libraries (Illinois Sustainable Technology Center, Illinois Natural History Survey Library, Illinois State Geographical Survey Library, Natural History Library) to form the Prairie Research Institute.

3.1.2 Summary of System Membership

Library Type	Full Members	Developmental Members	Total Members
Academic	41		41
Public	227		227
School	251		251
Special	37		37
Total	556		556

3.1.3 Continuing Education / Training

<i>Priority of Service</i>	<i>Types of Programs</i>	<i>Number of Events</i>	<i>Number of Participants</i>	<i>Number of Contact Hours</i>
Resource Sharing	Meetings, instructional classes	355	2952	7538
Delivery				
Talking Books				
Information for Libraries	Discussion groups	43	798	1770
Administration				

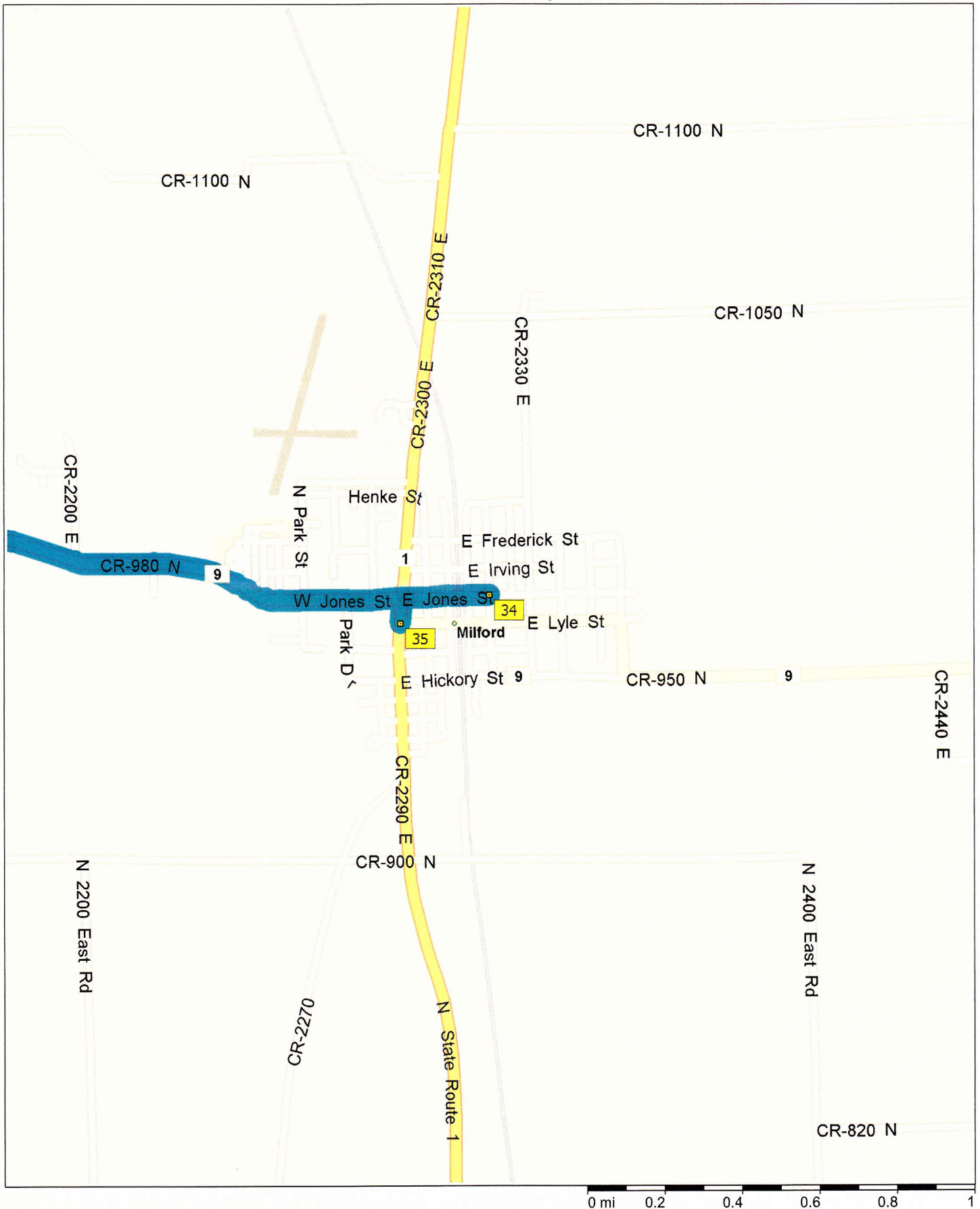
3.1.4 Delivery

Items Delivered and Picked up	Average Miles Per Week	Average Number of Direct Delivery Stops Per Week
6,741,923 (4.3% increase over previous year)	14,003 (1% decrease from the previous year)	978 (6.5% increase over previous year)

Maps are attached.

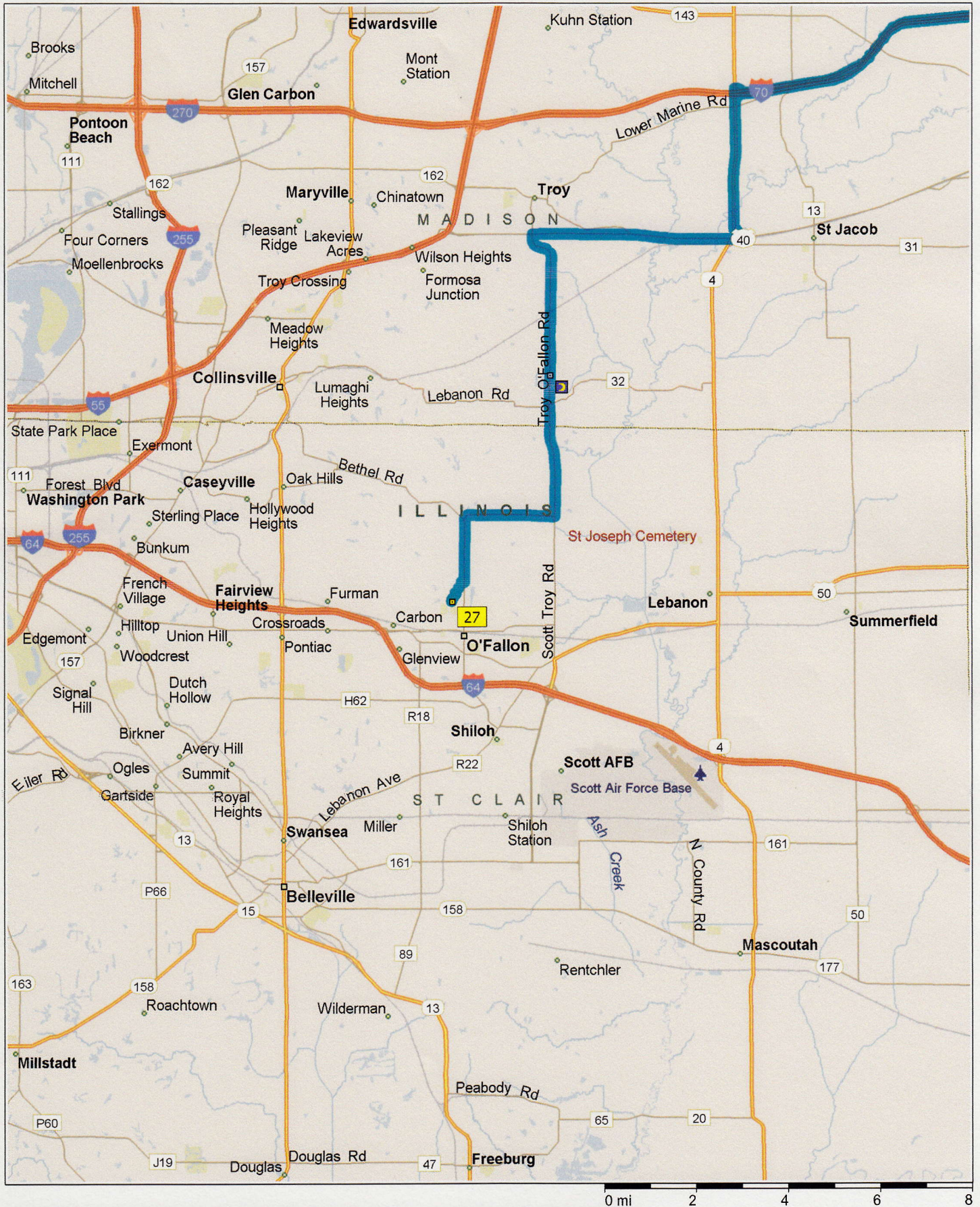
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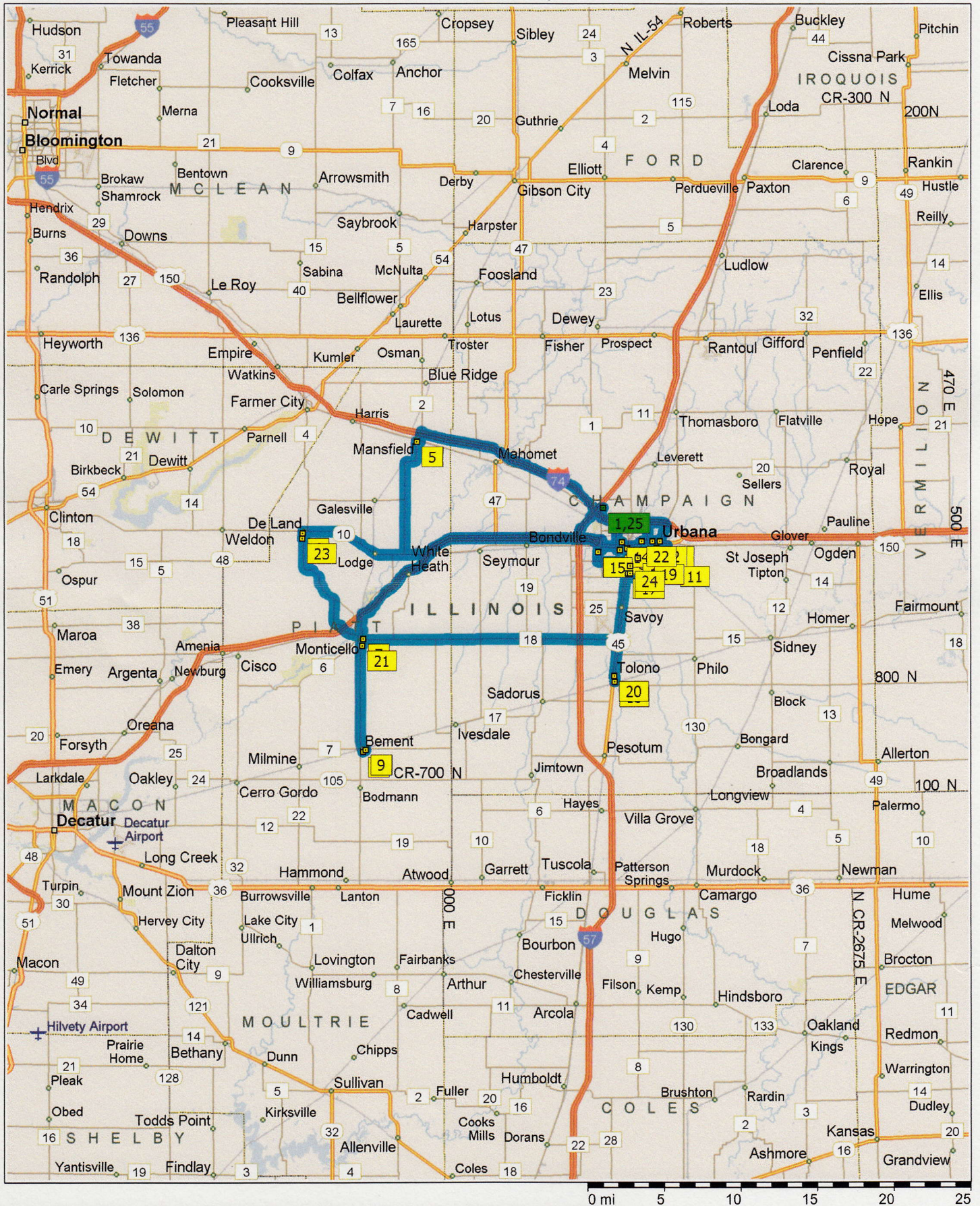
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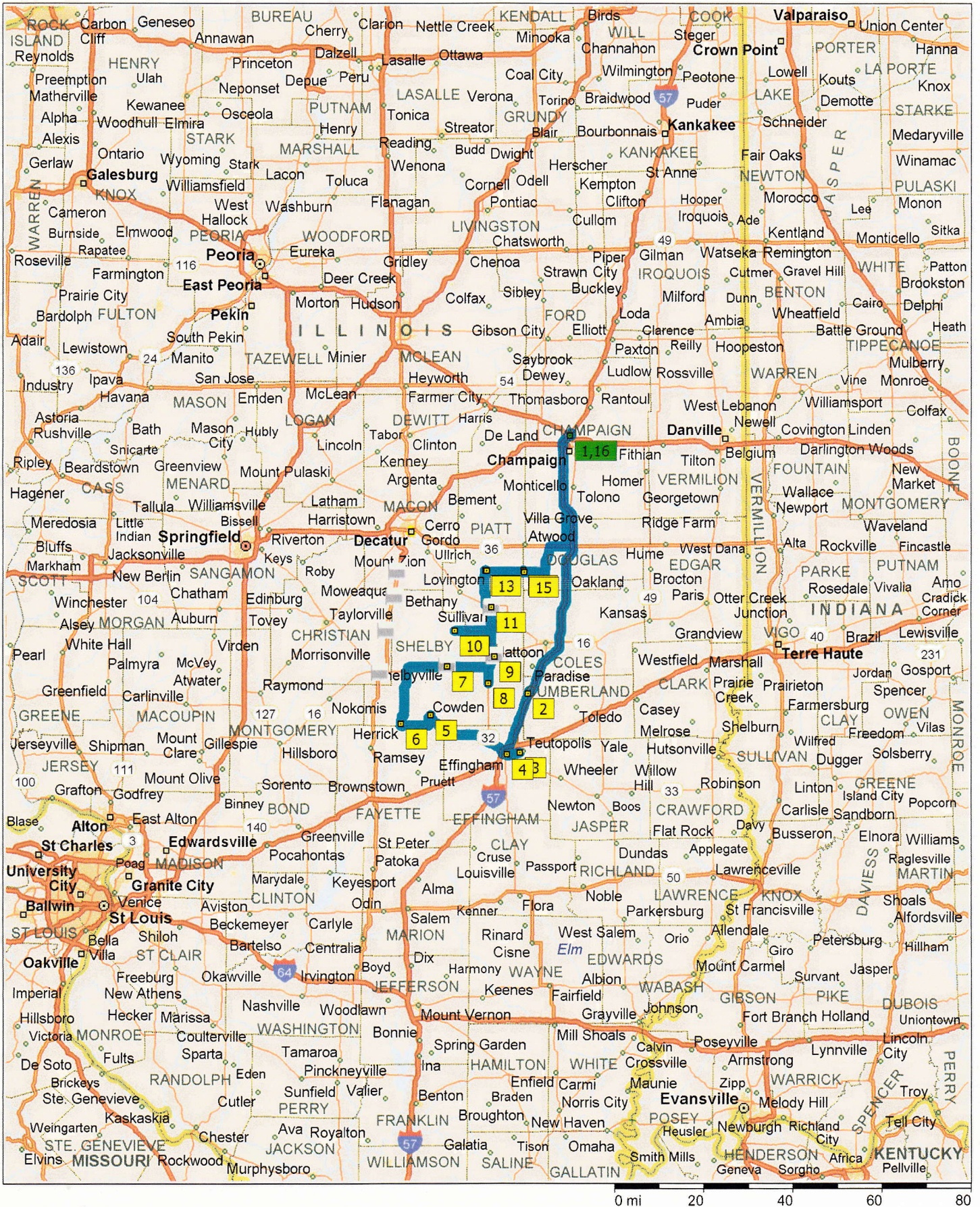
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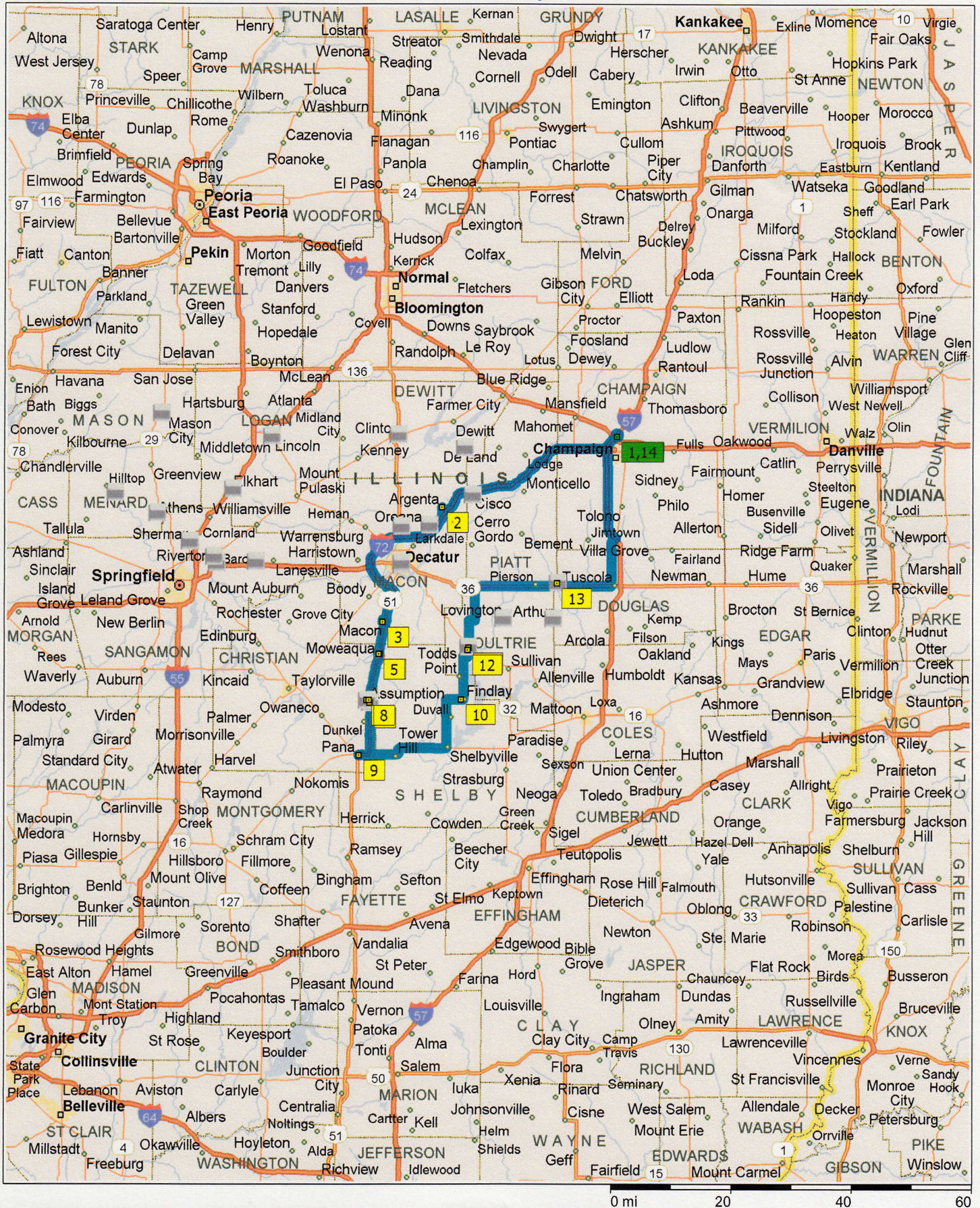
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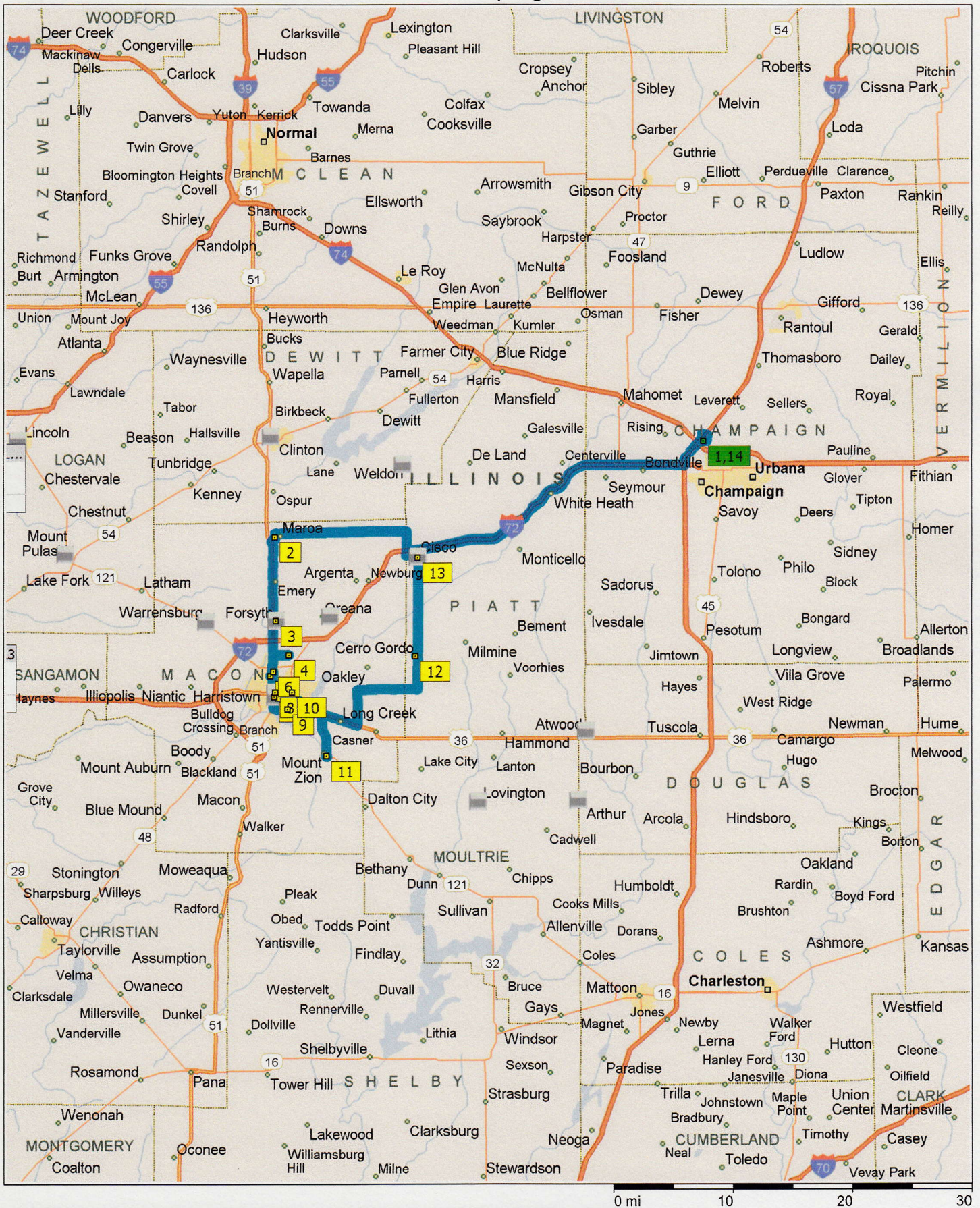
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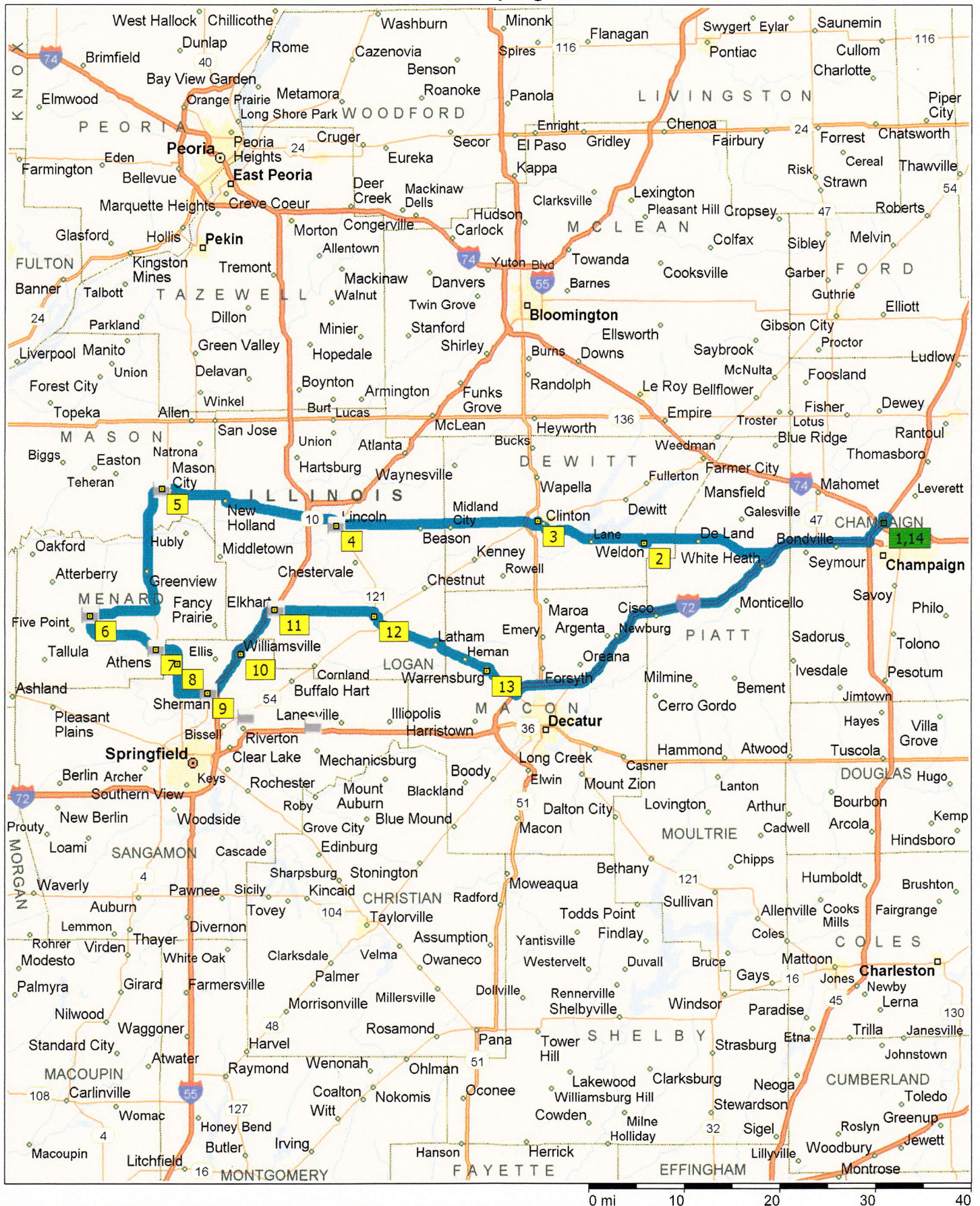
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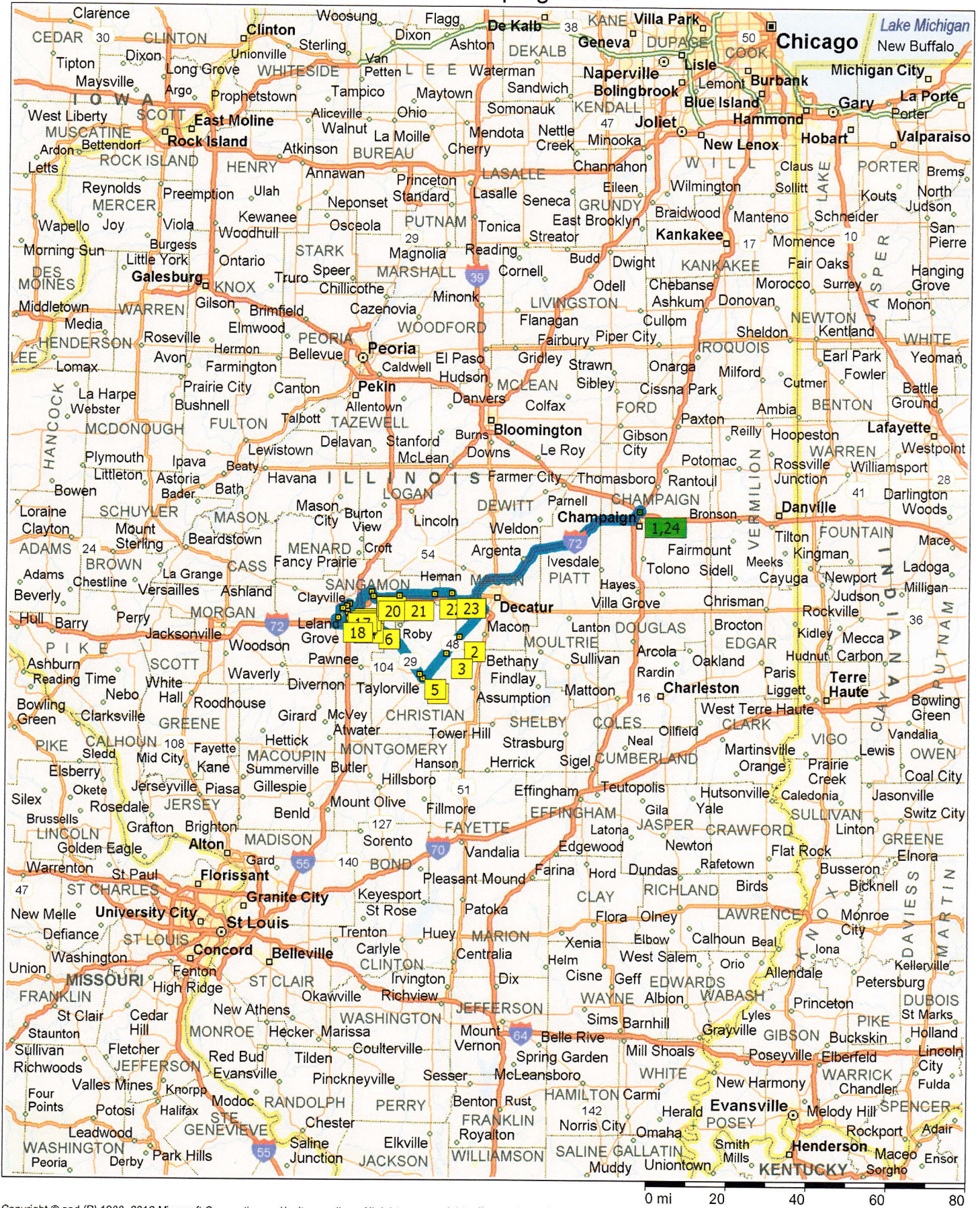
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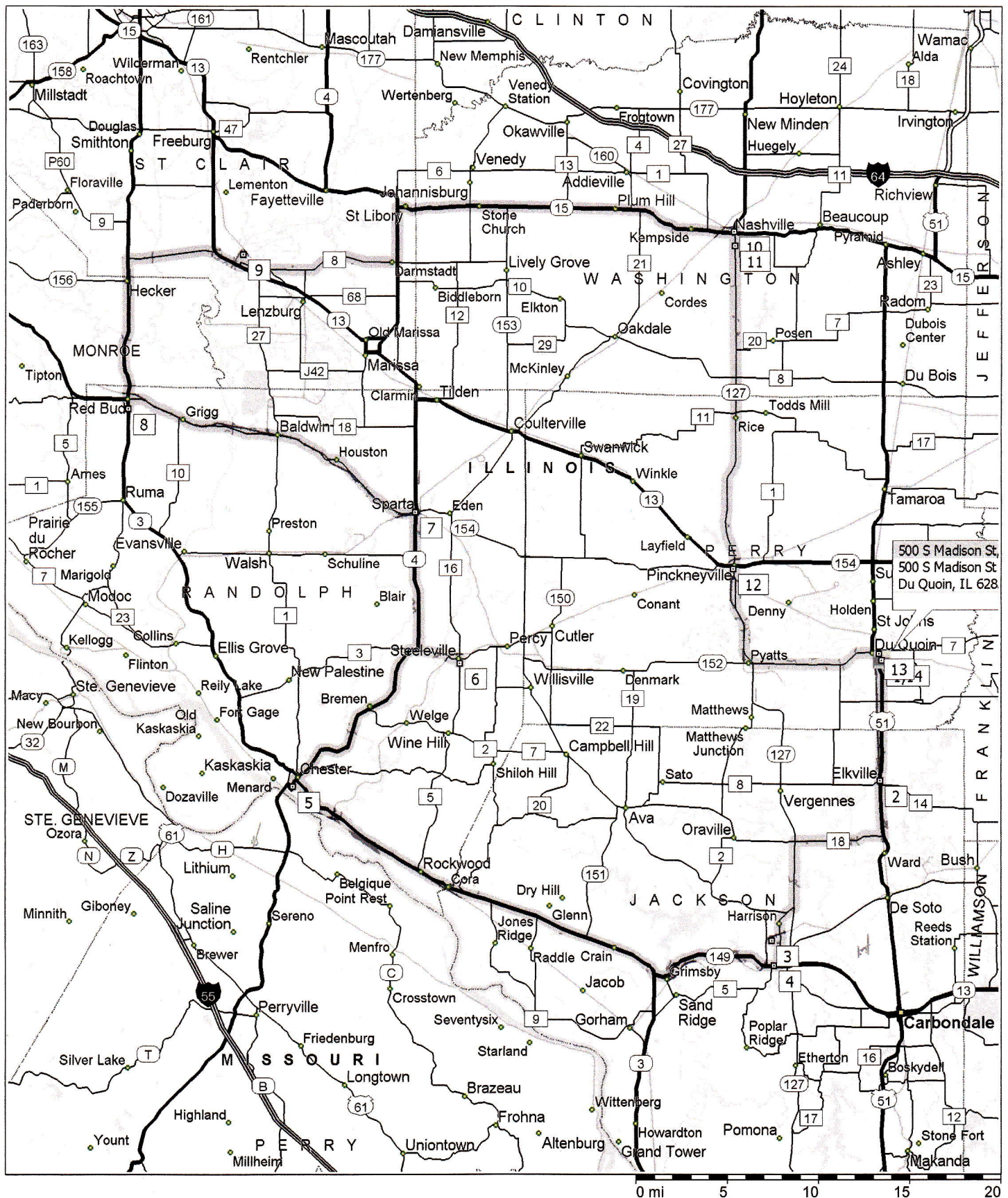
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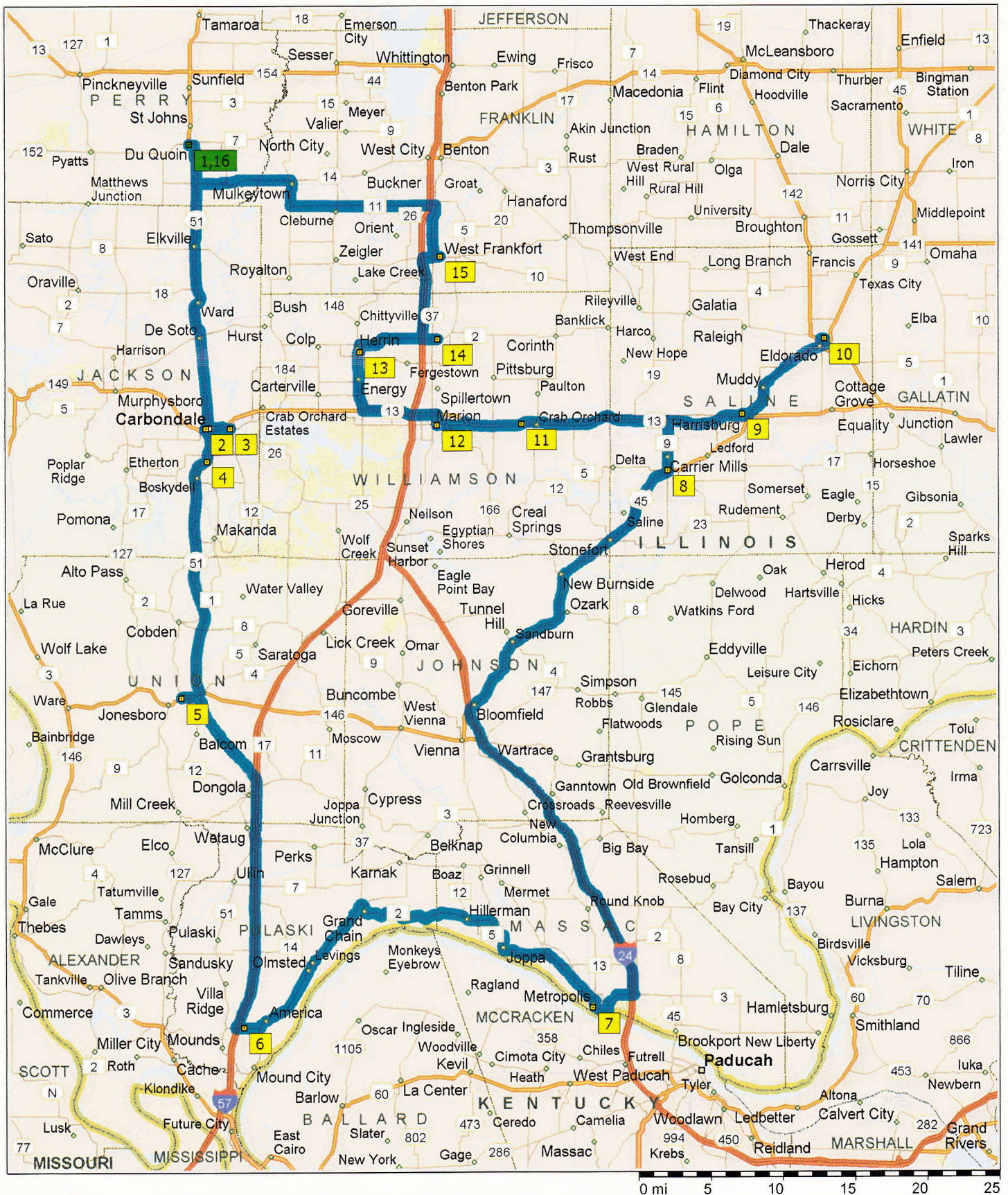
175.5 miles; 4 hours, 44 minutes



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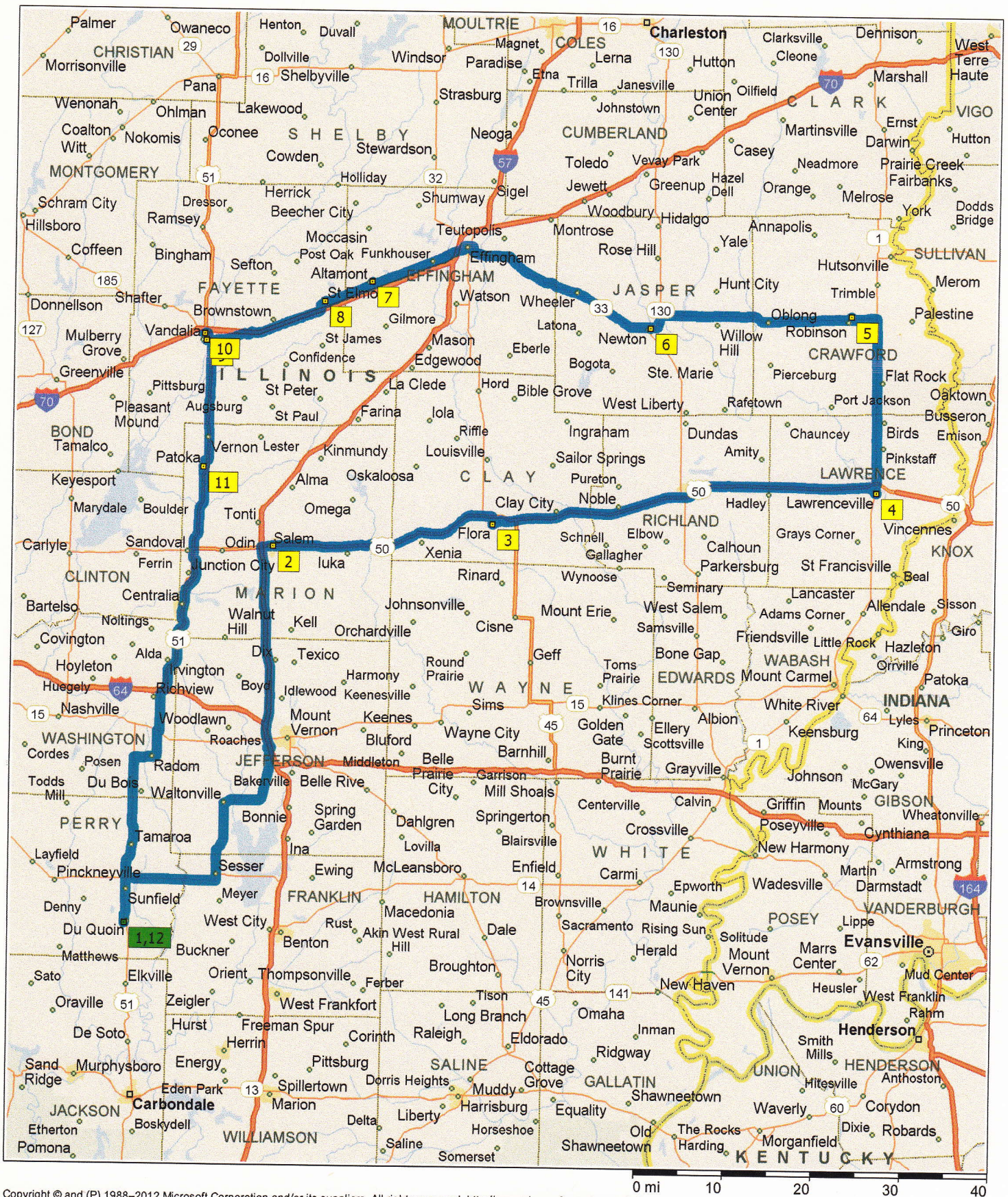
253.9 miles; 6 hours, 37 minutes



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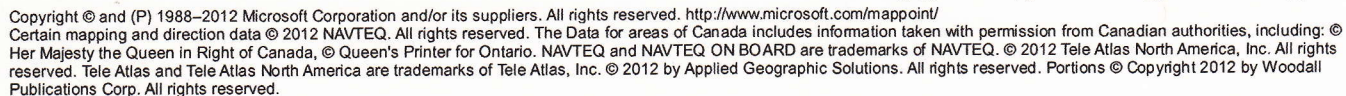
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310.8 miles; 6 hours, 58 minutes



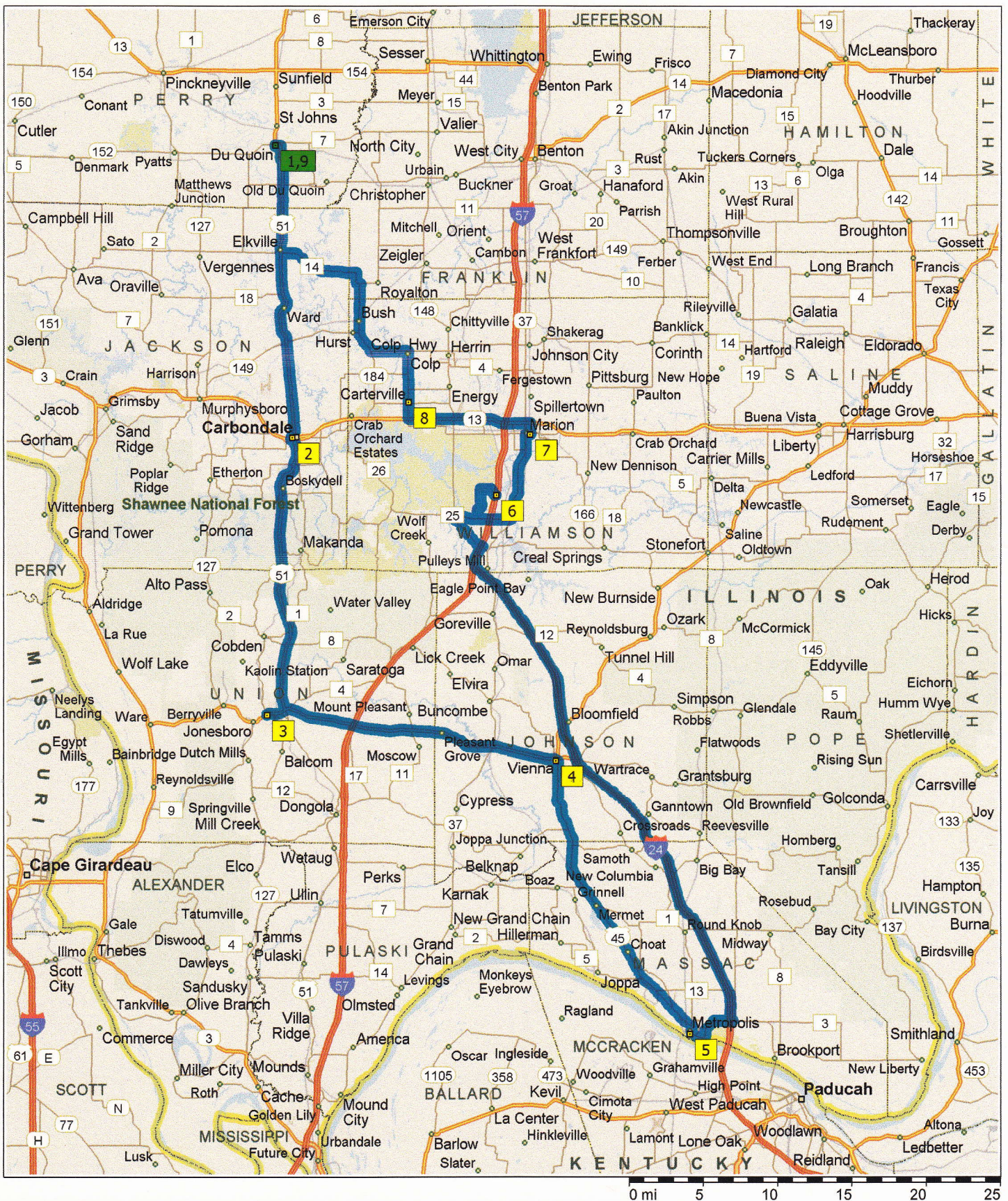
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253.9 miles; 5 hours, 51 minutes



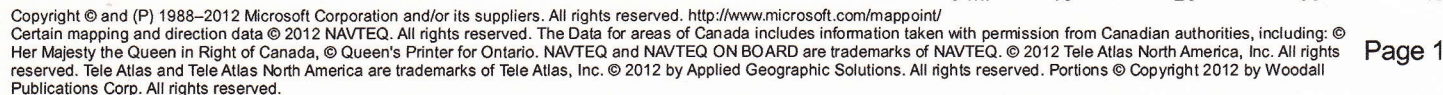
DuQuoin Rt 5

180.5 miles; 4 hours, 47 minutes



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322.0 miles; 7 hours, 13 minutes



DuQuoin Rt 7

183.1 miles; 4 hours, 46 minutes



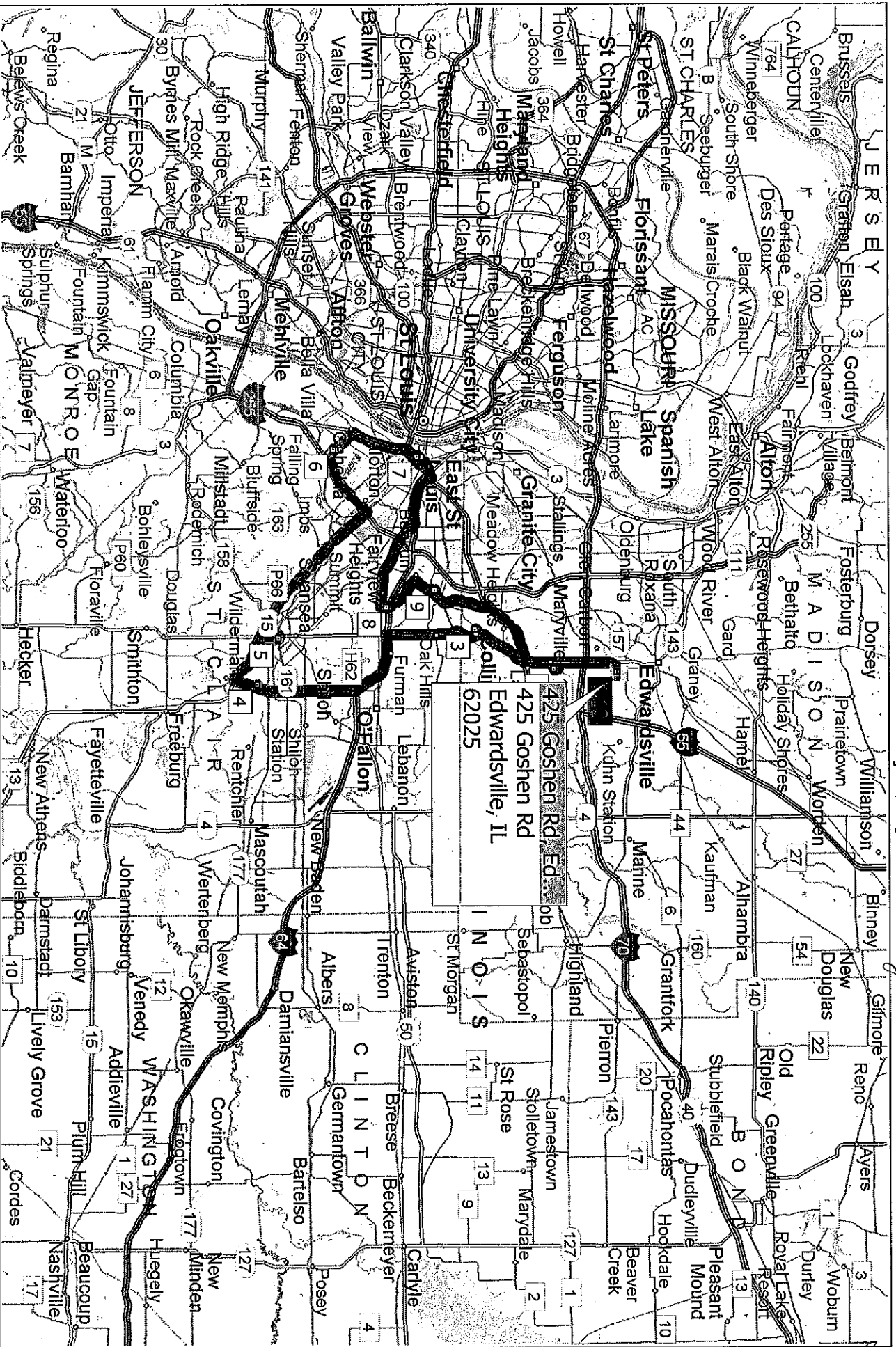
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157.5 miles; 4 hours, 12 minutes

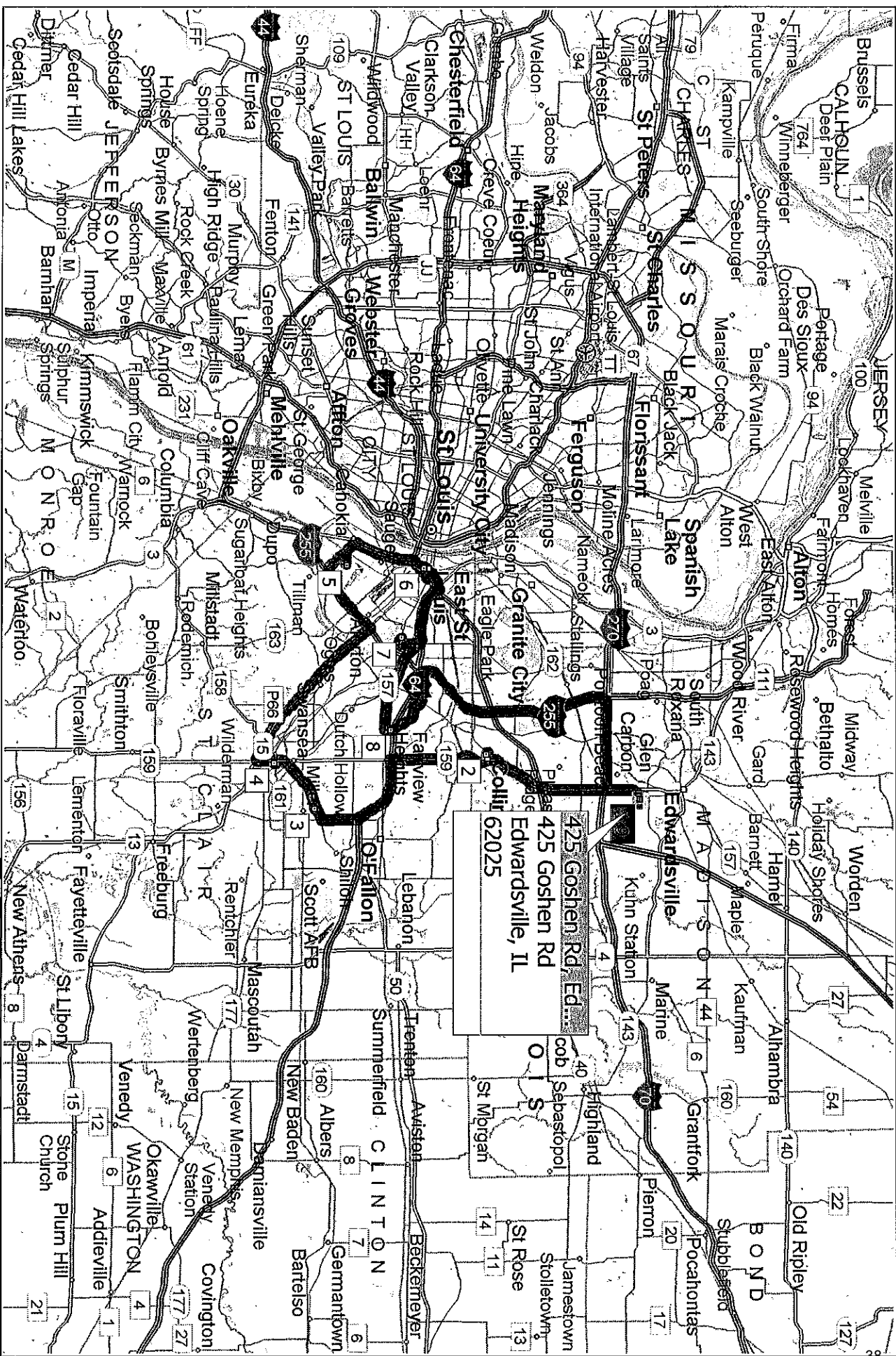


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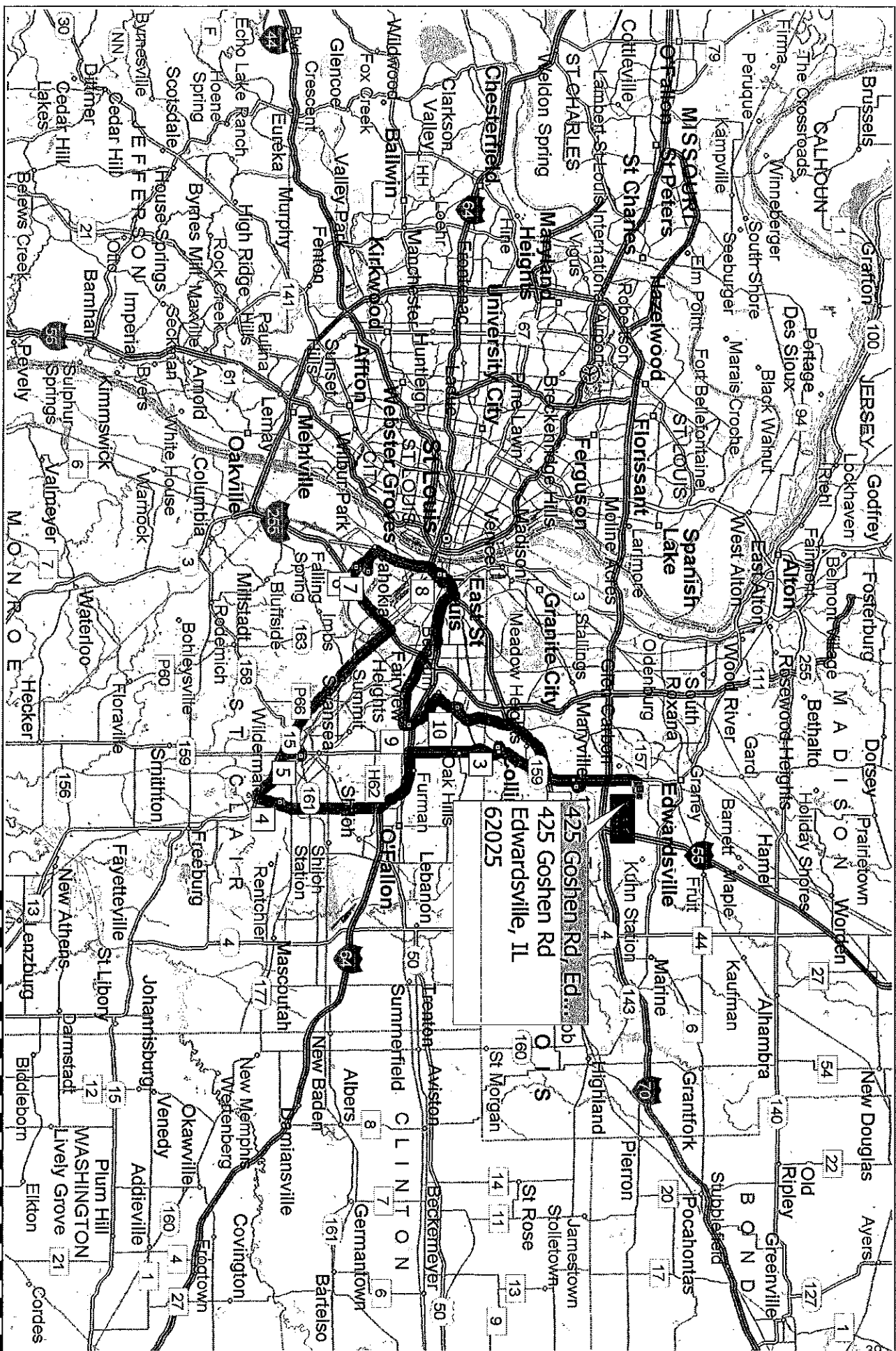
Cahokia Monday & Wednesday



Cahokia Tuesday & Thursday



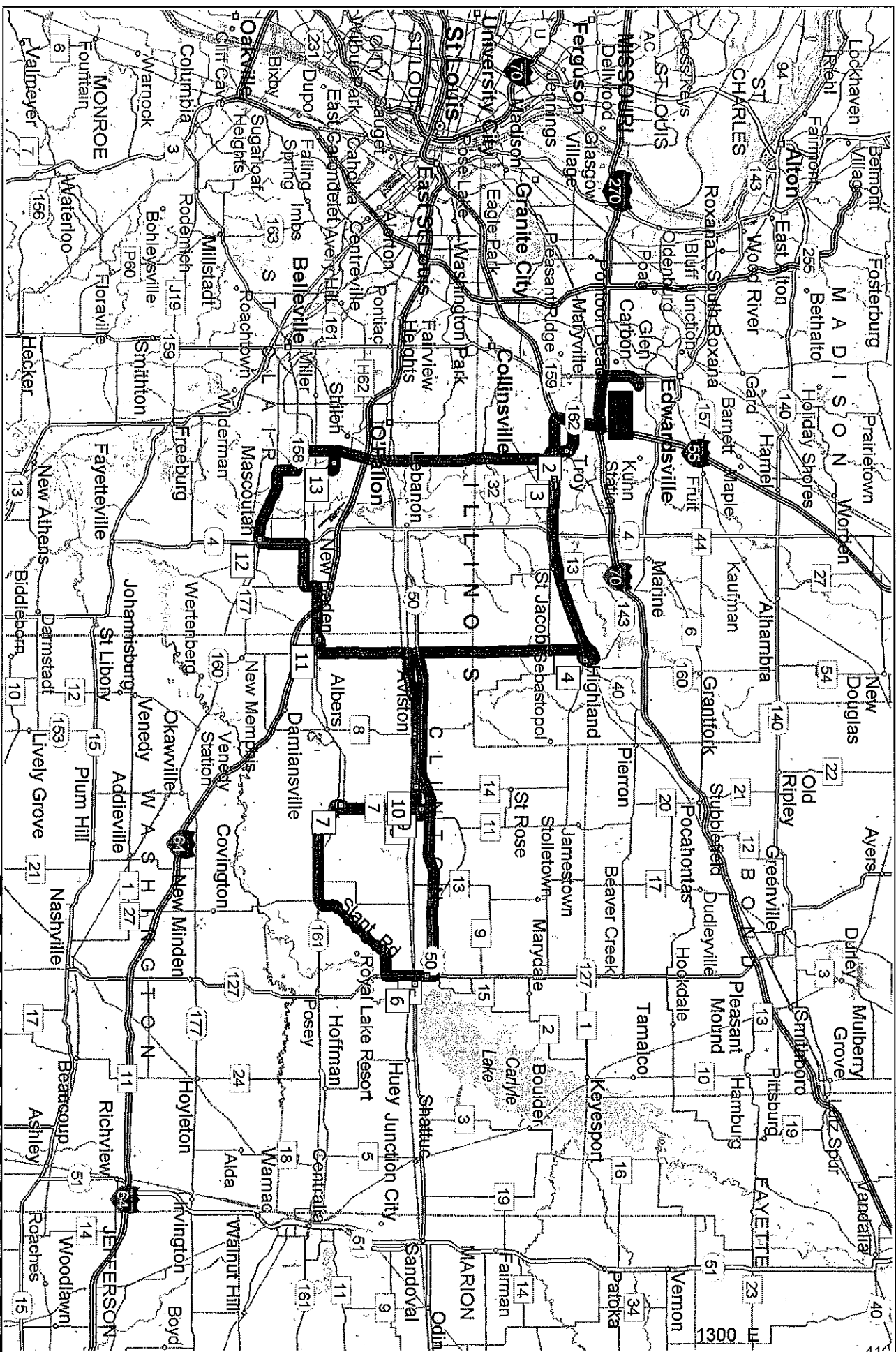
Cahokia Friday



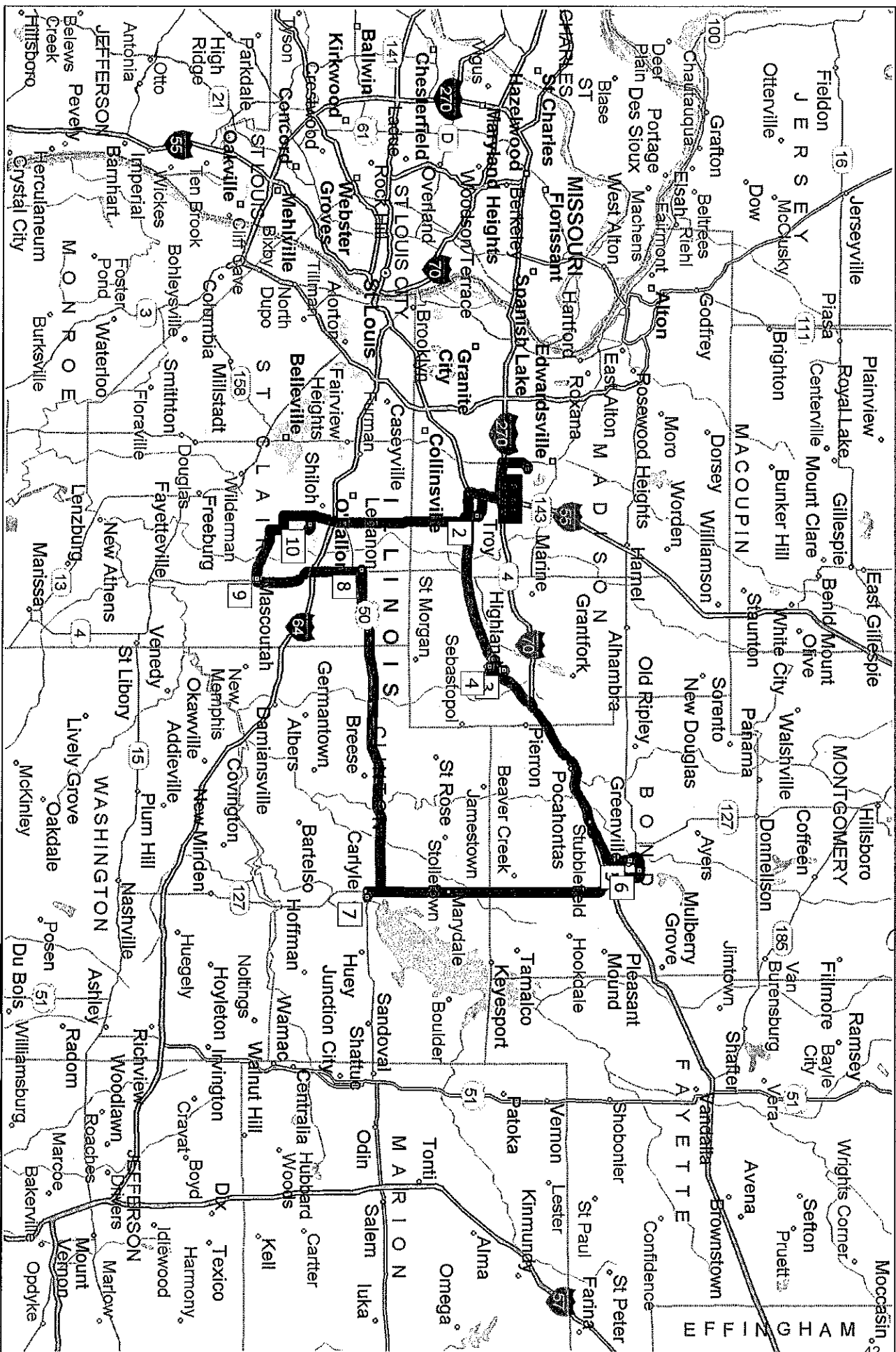
Frish



Carlyle Wednesday

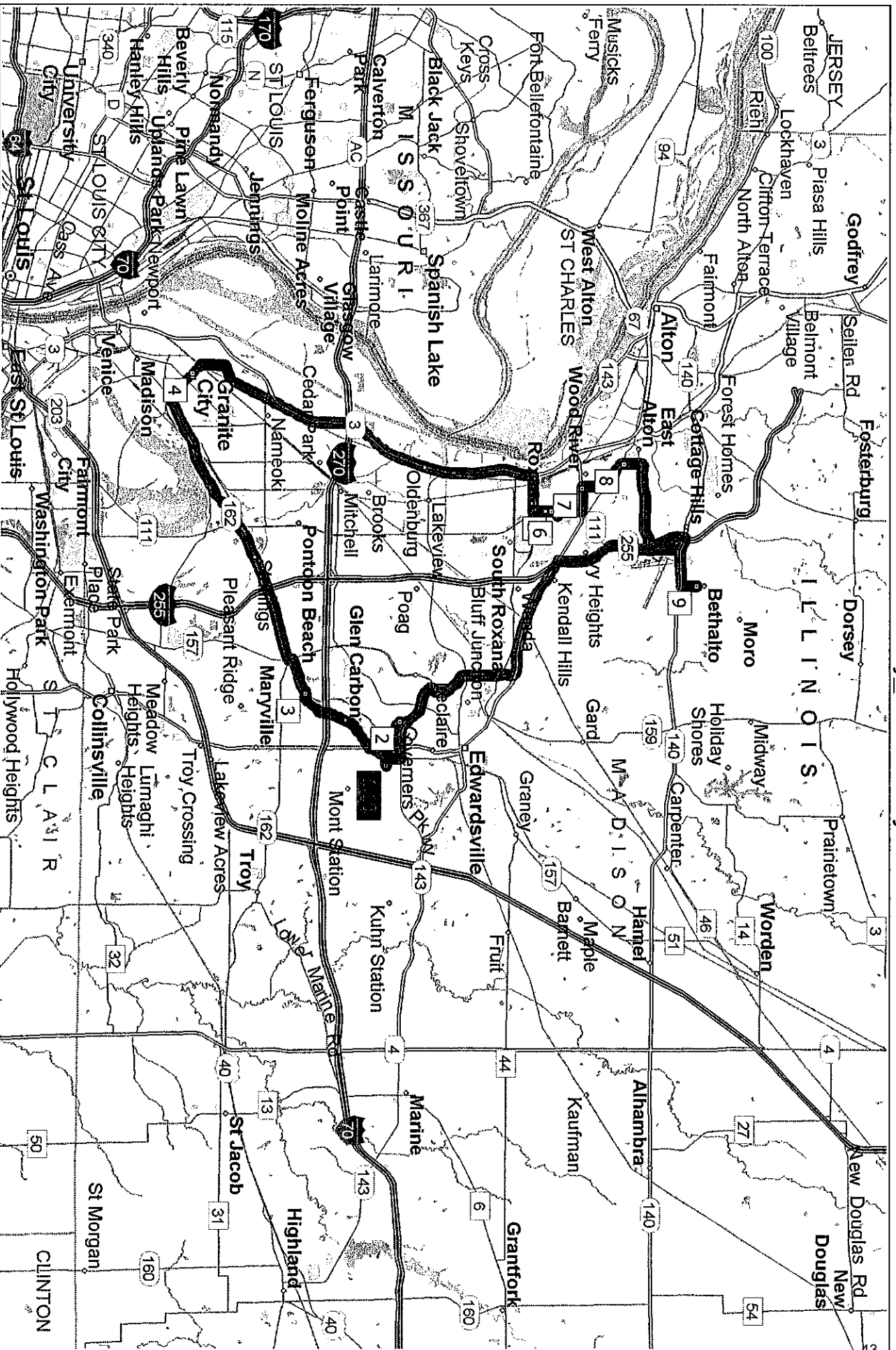


Thursday

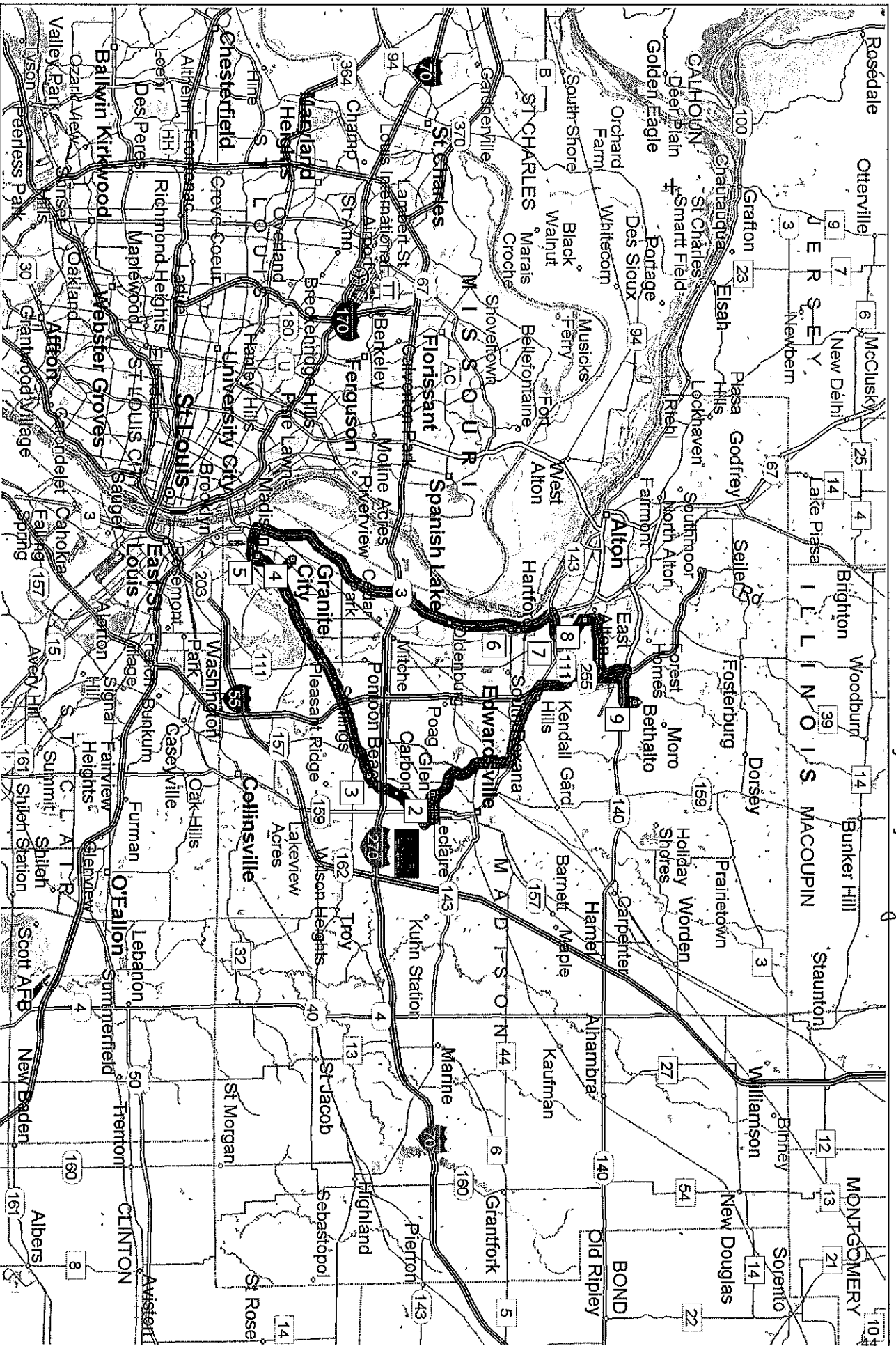


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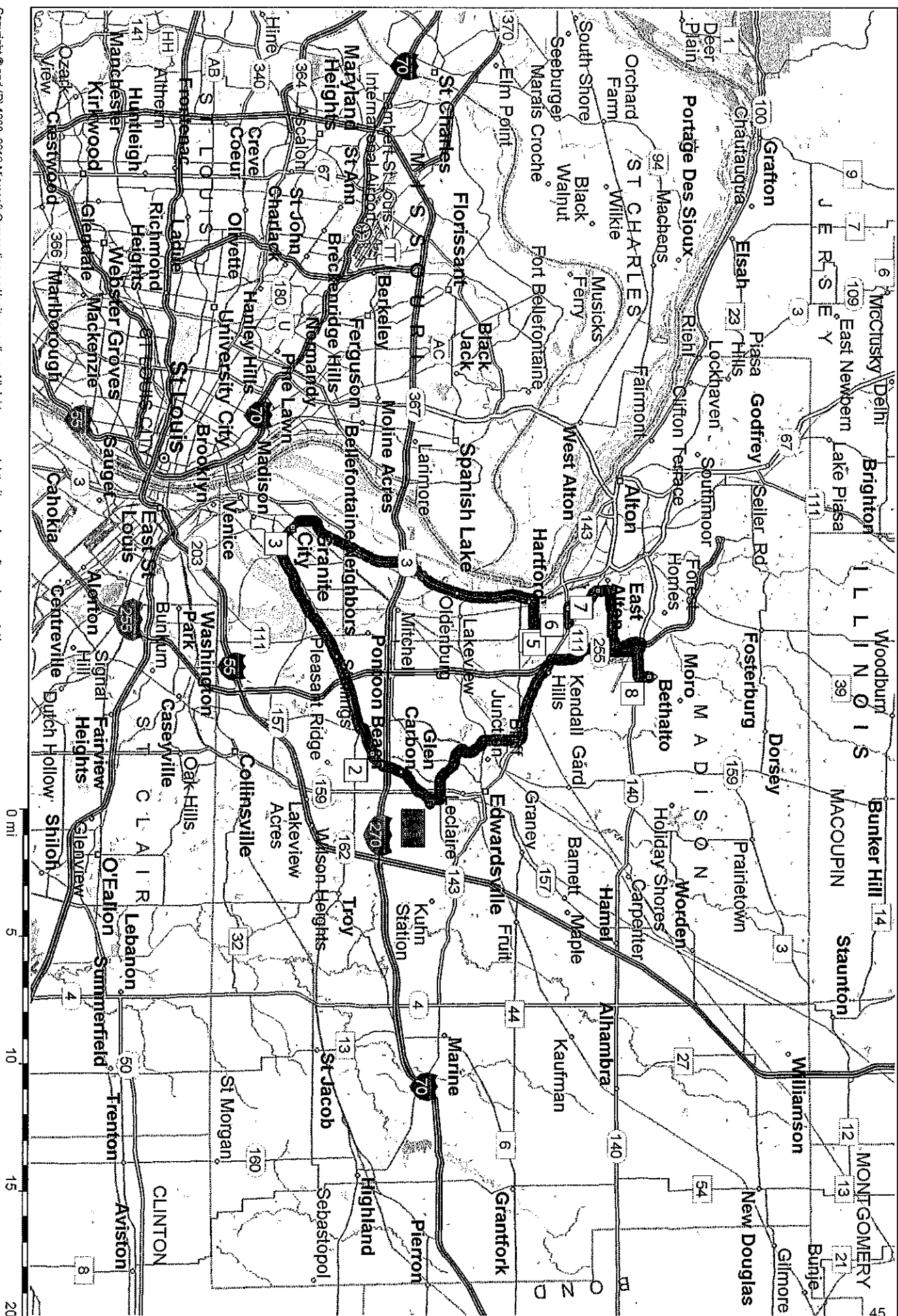
East Monday Wednesday



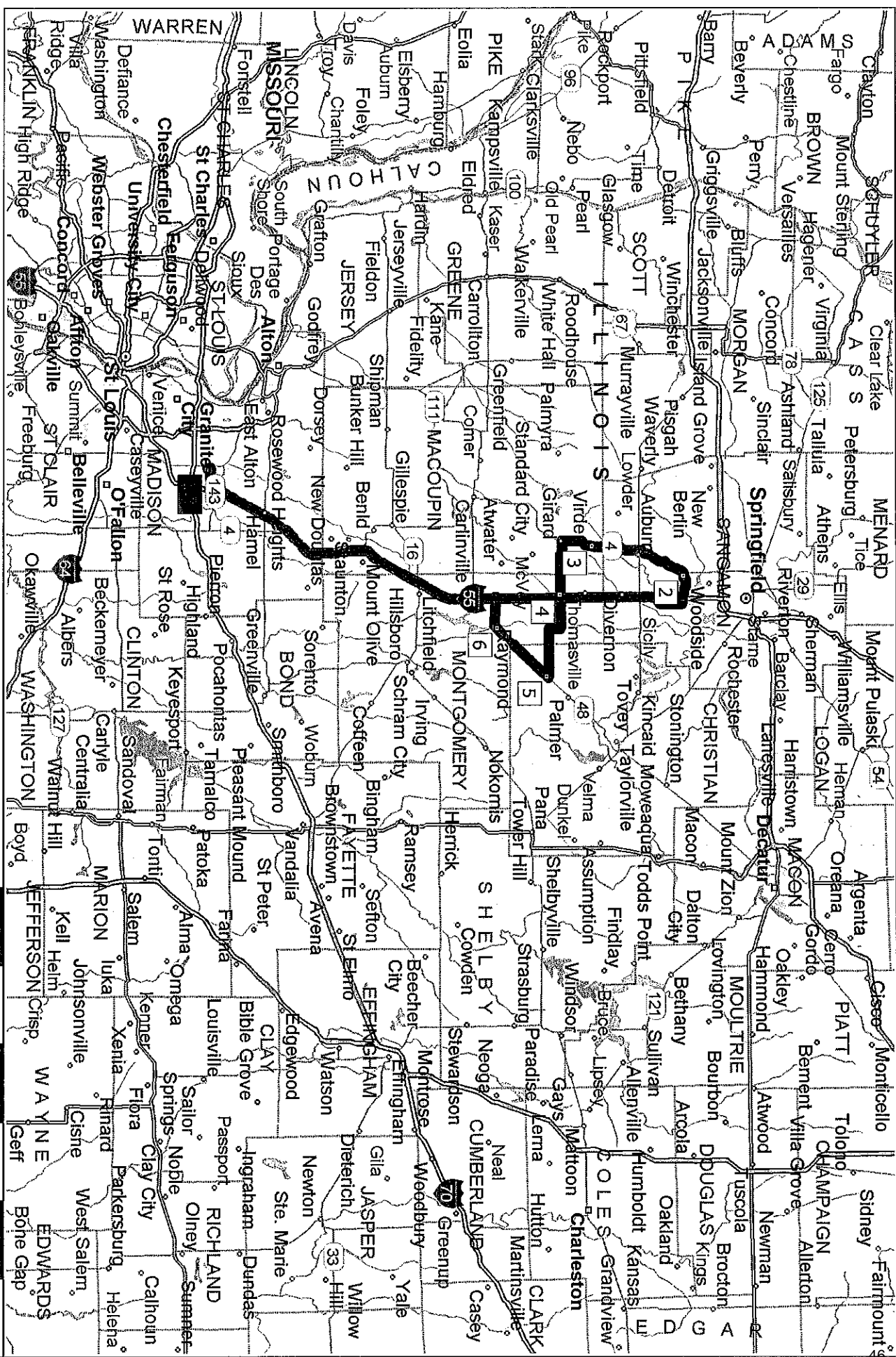
East Thursday & Tuesday



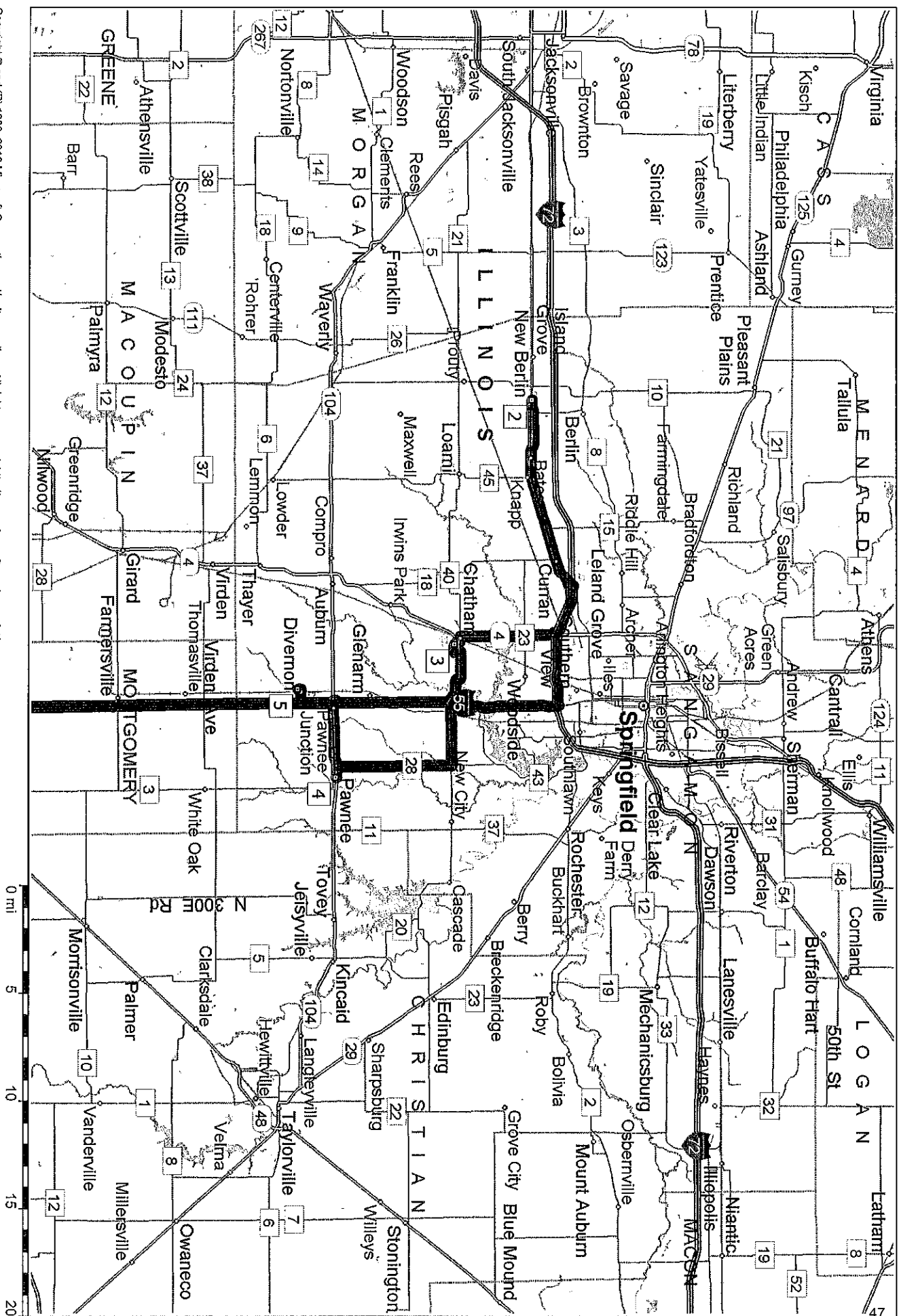
East Friday



North Monday

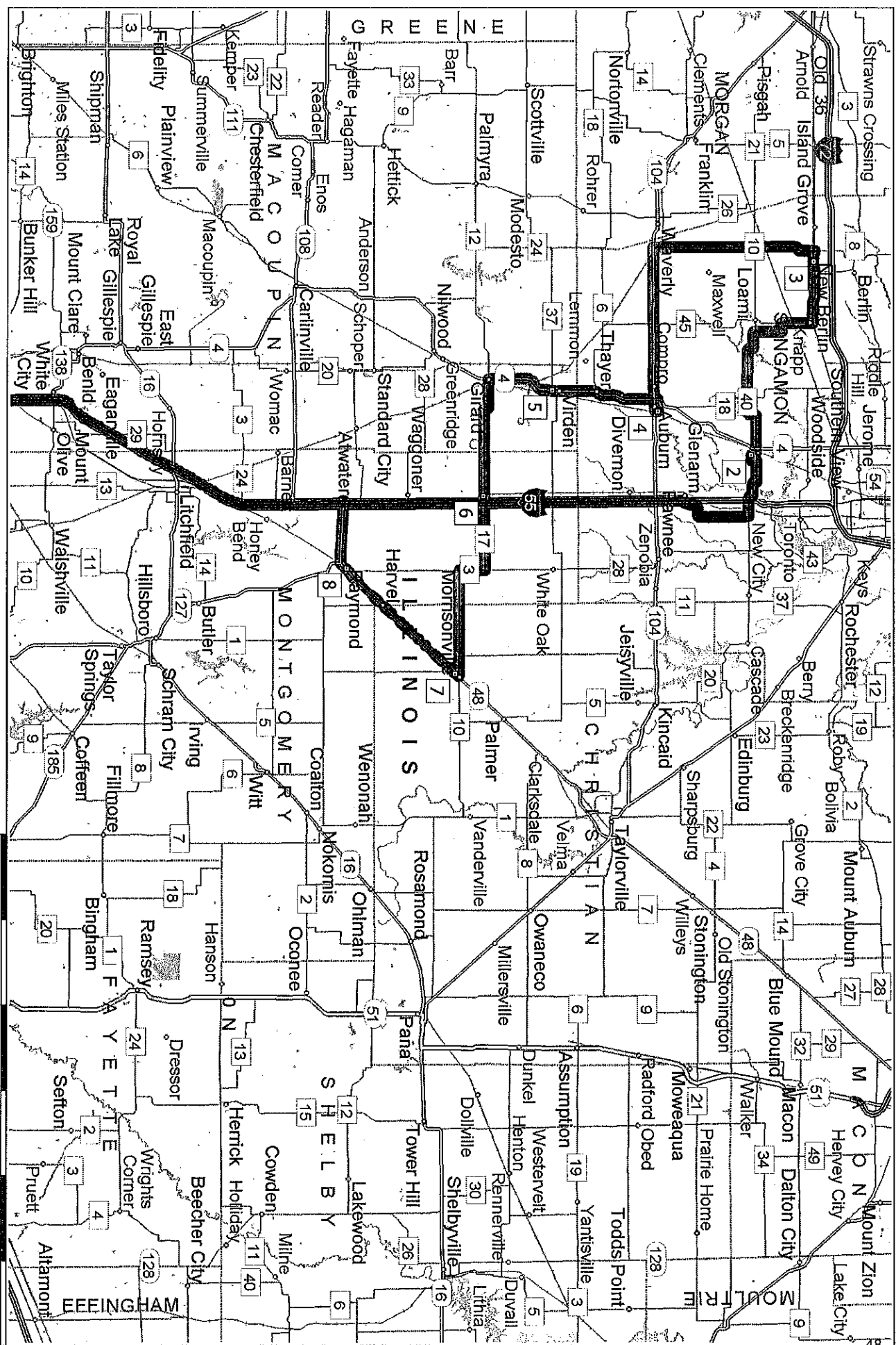


North TU TH



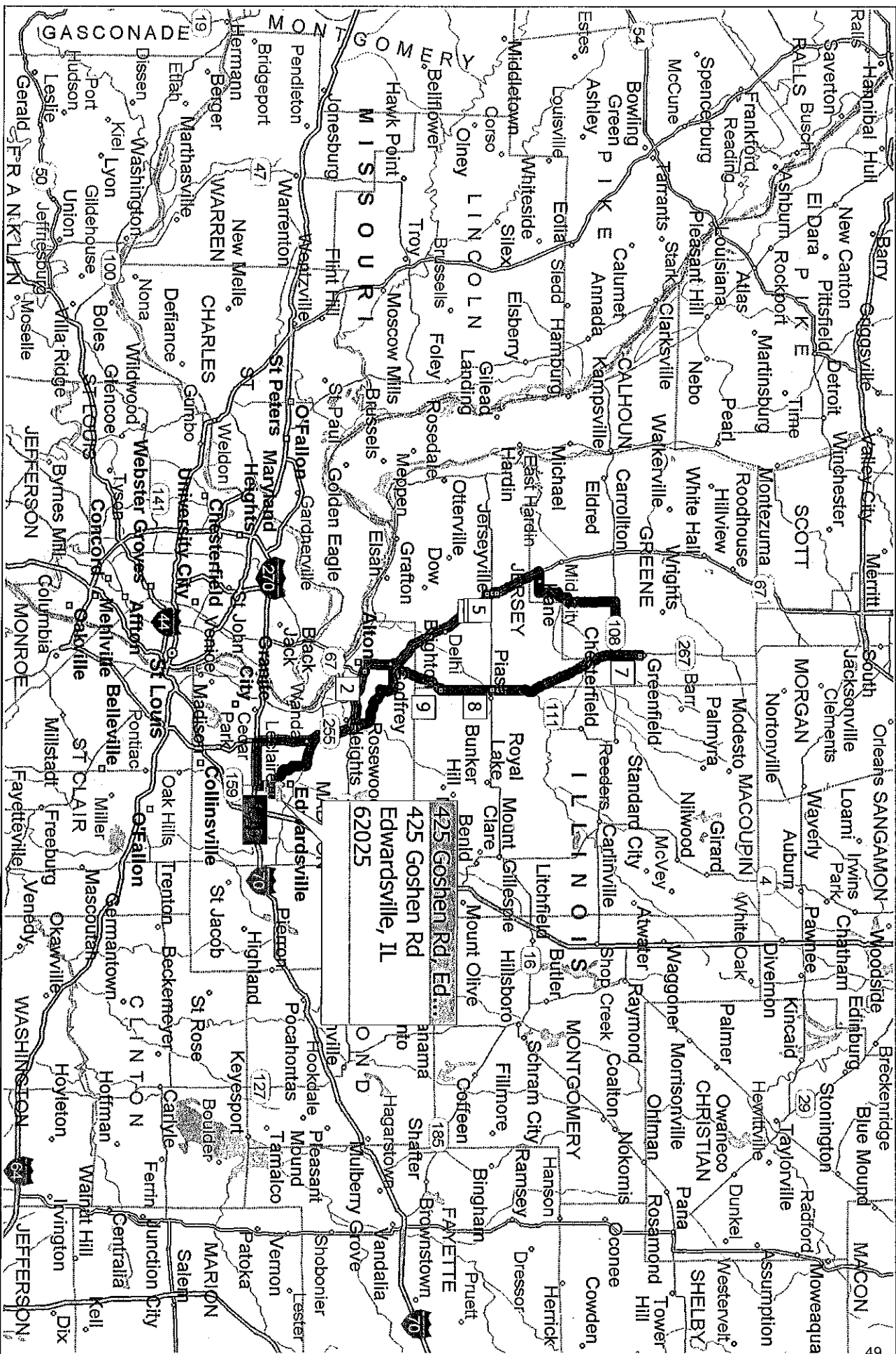
0, F

North Wednesday

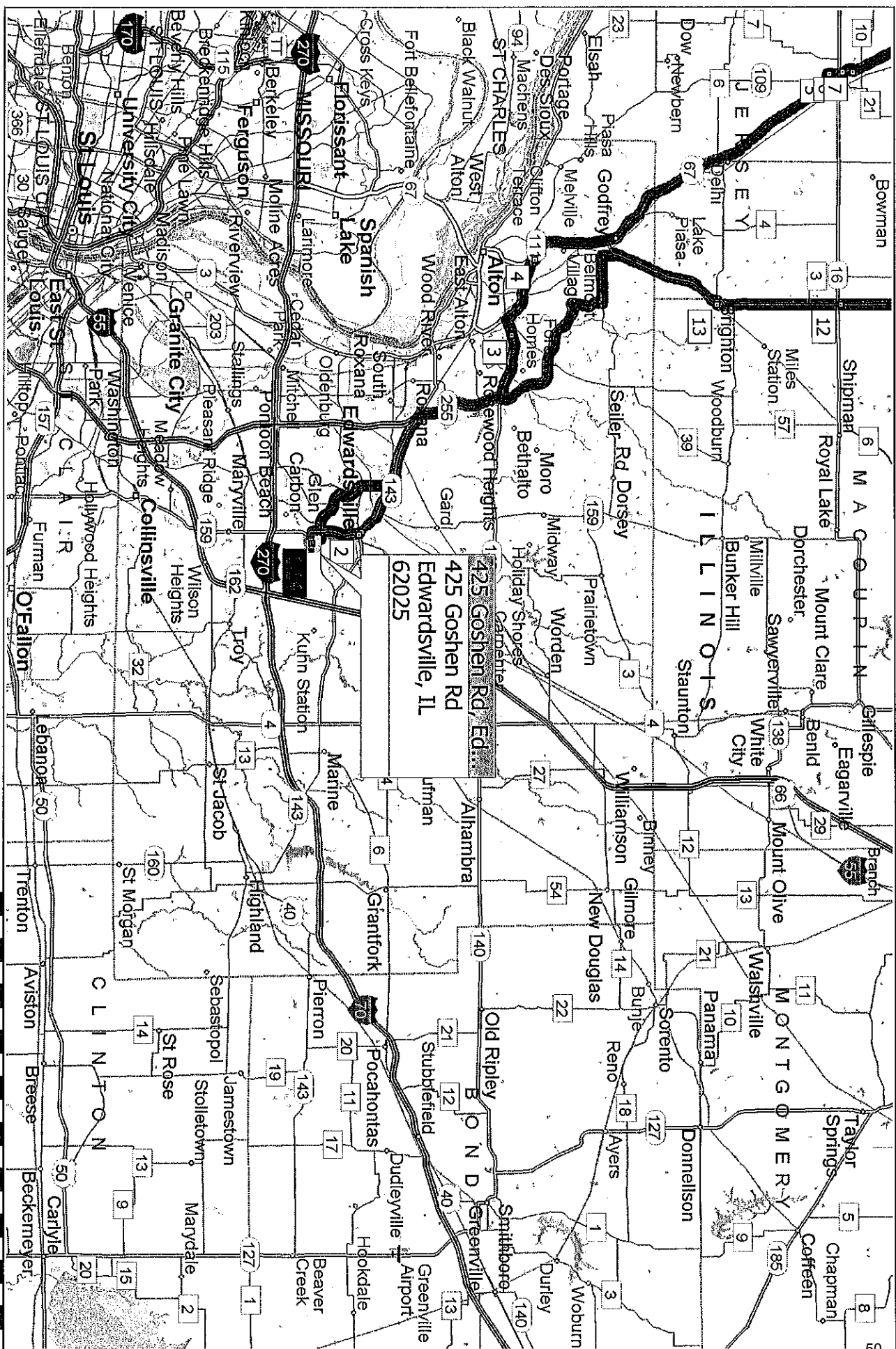


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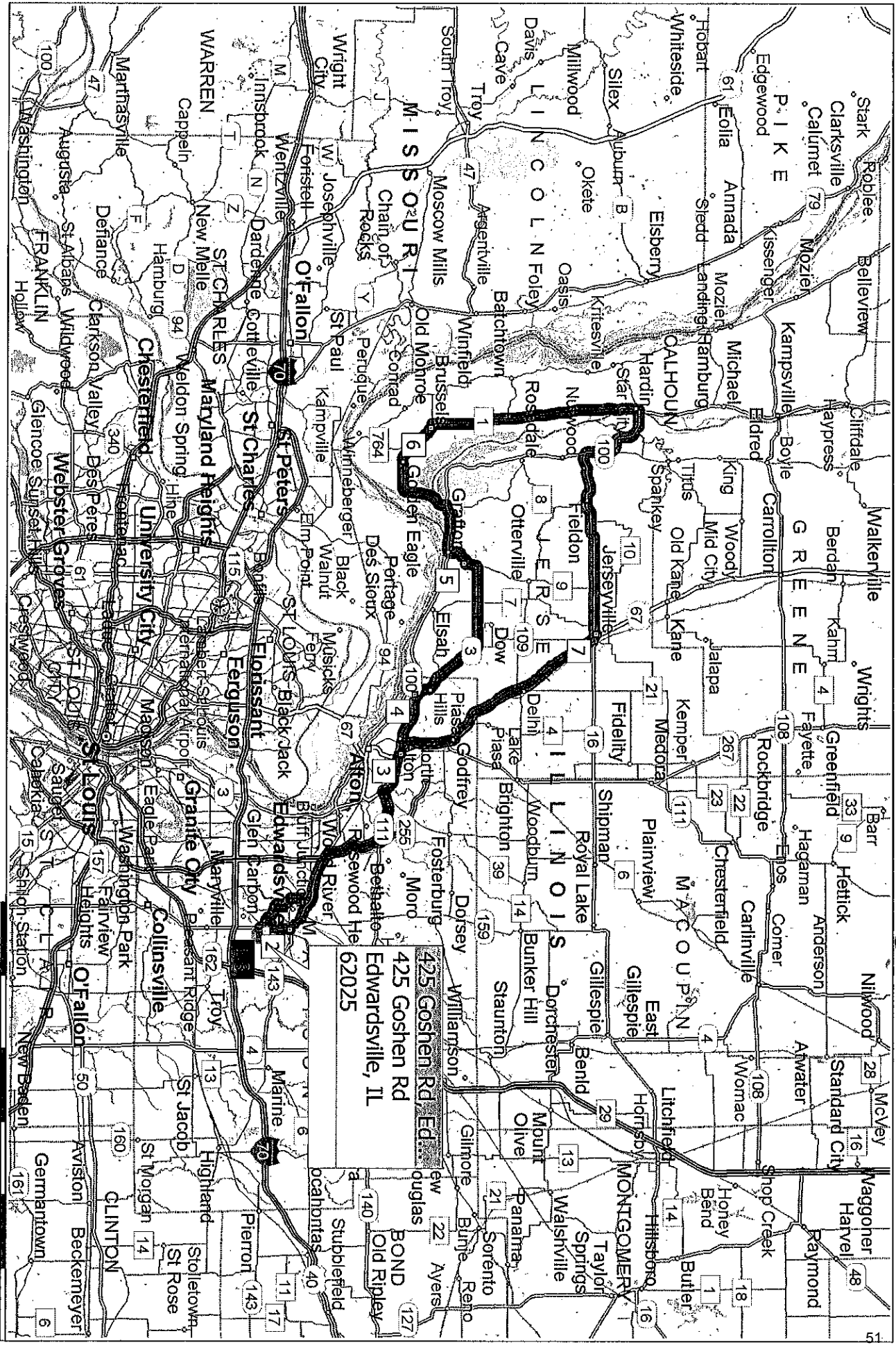
Roodhouse Monday



Roadhouse Wednesday

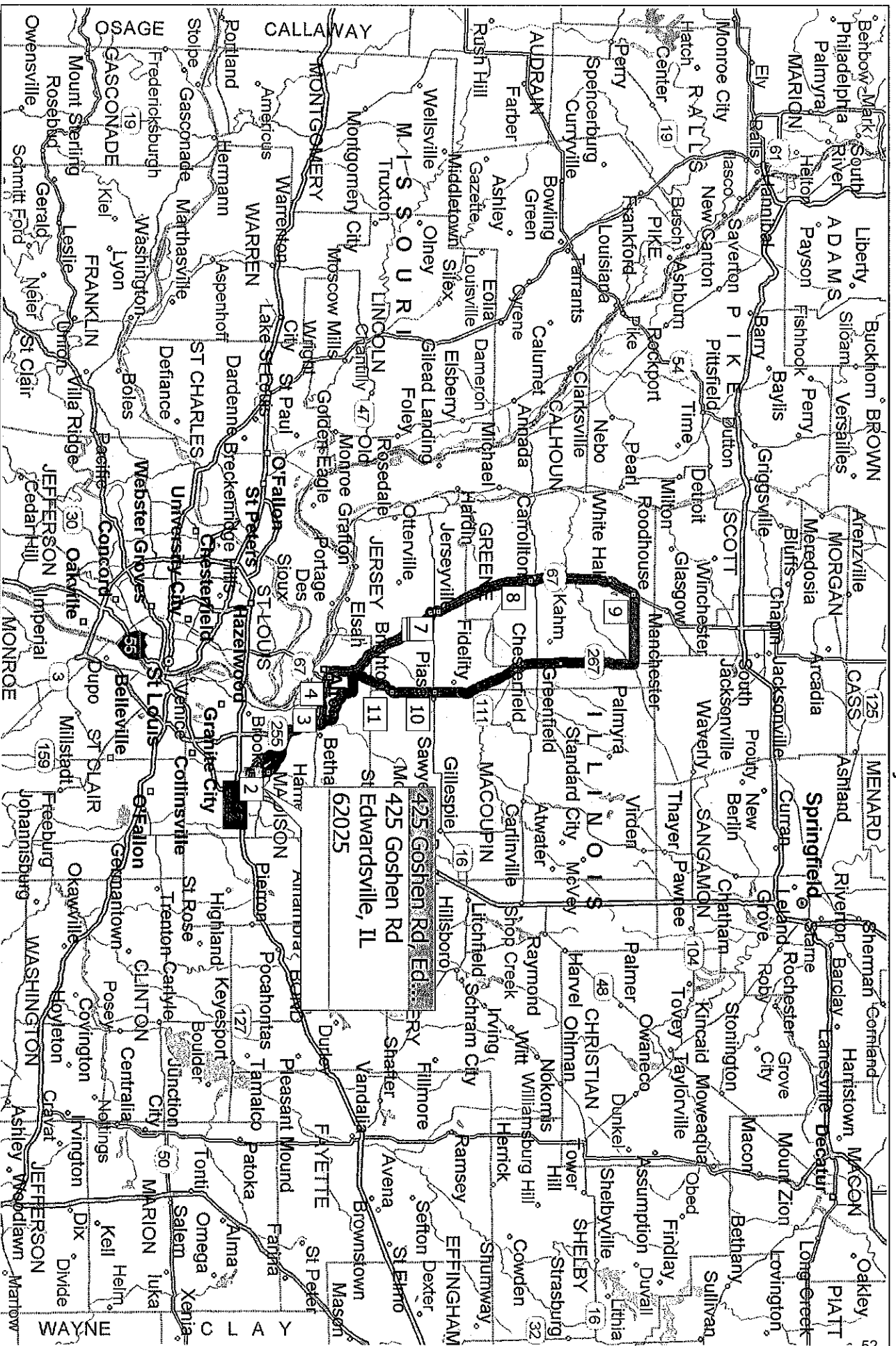


Roodhouse Thursday *8 Tuesday*

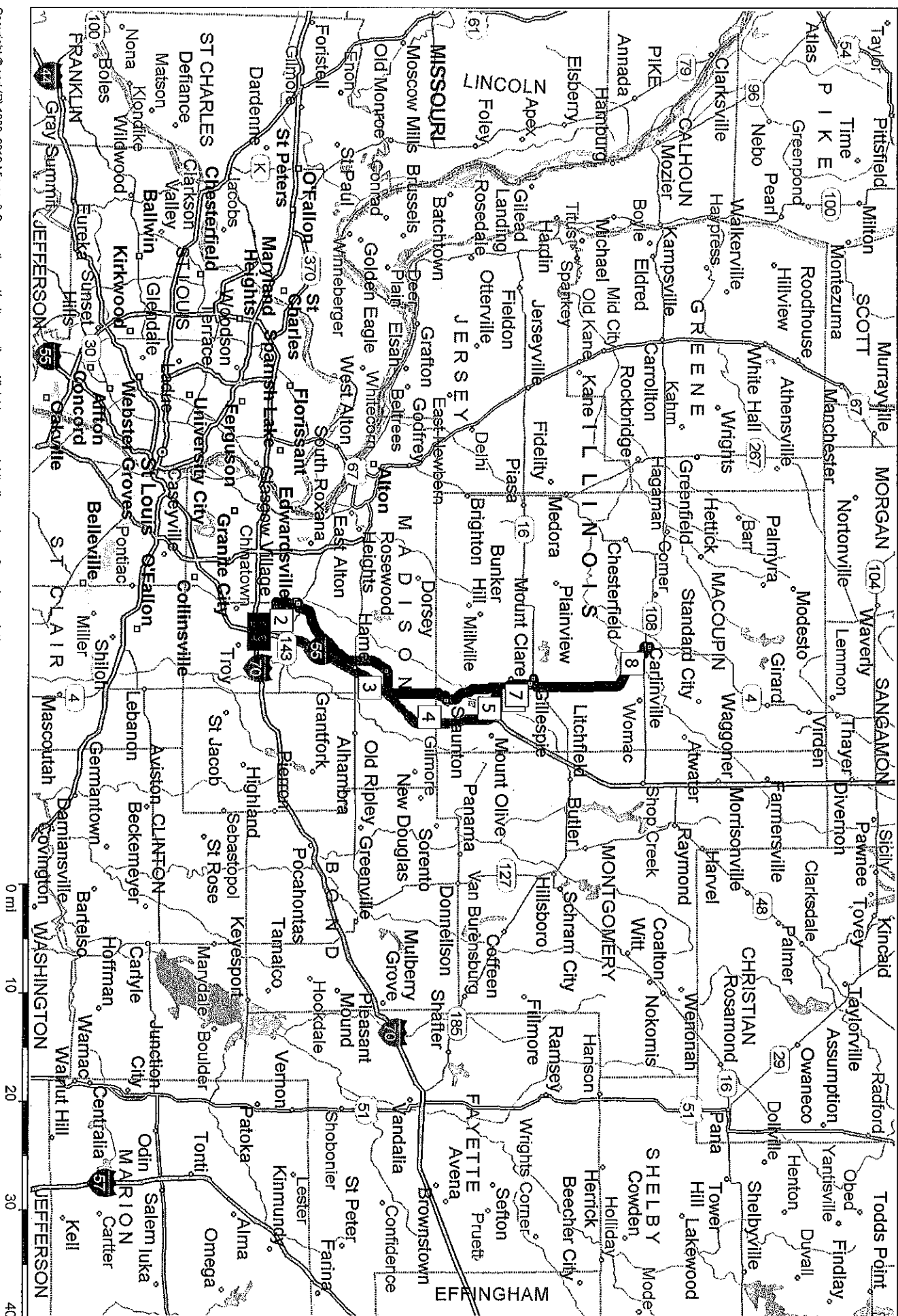


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Roodhouse Friday



Staunton Tuesday

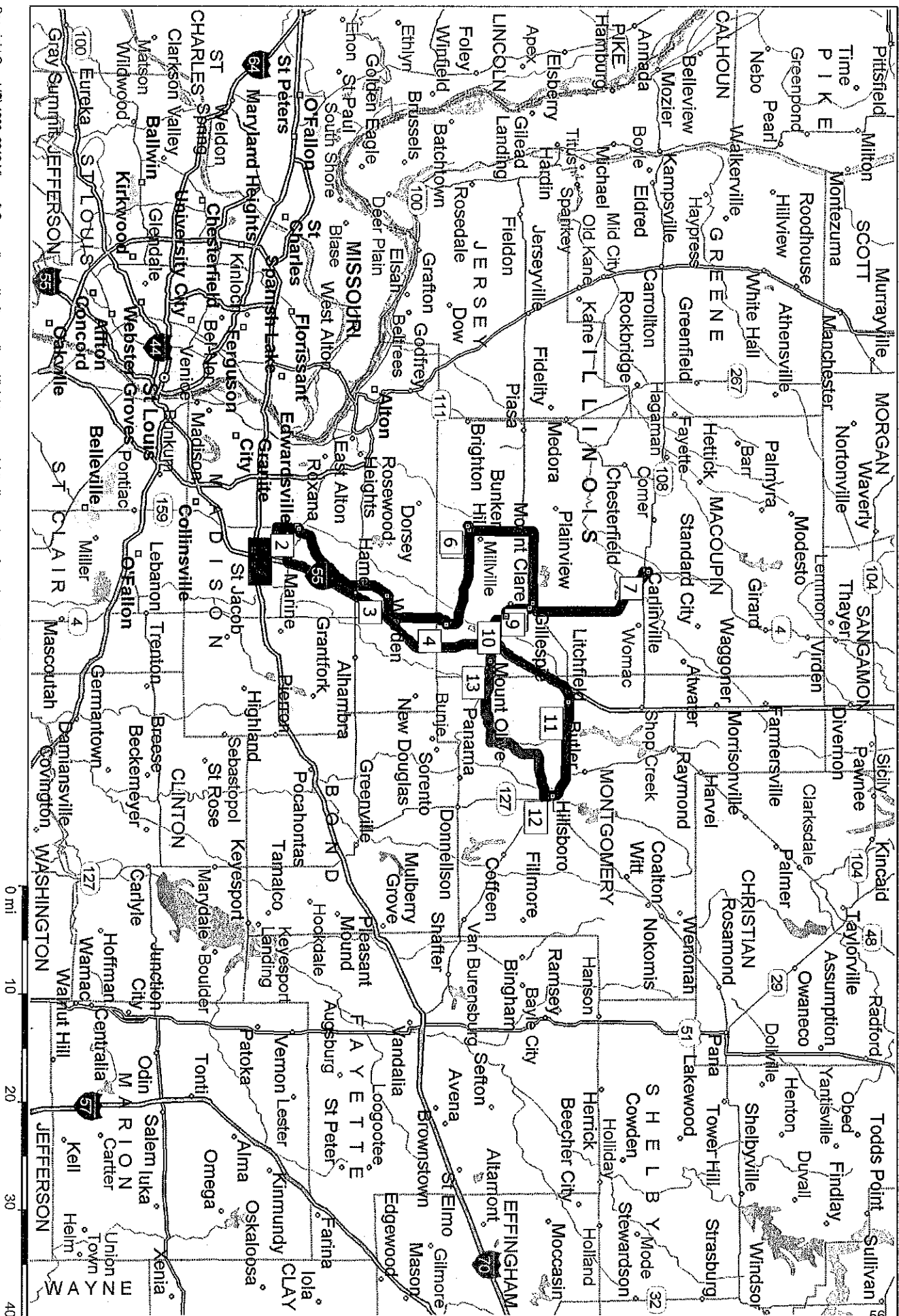


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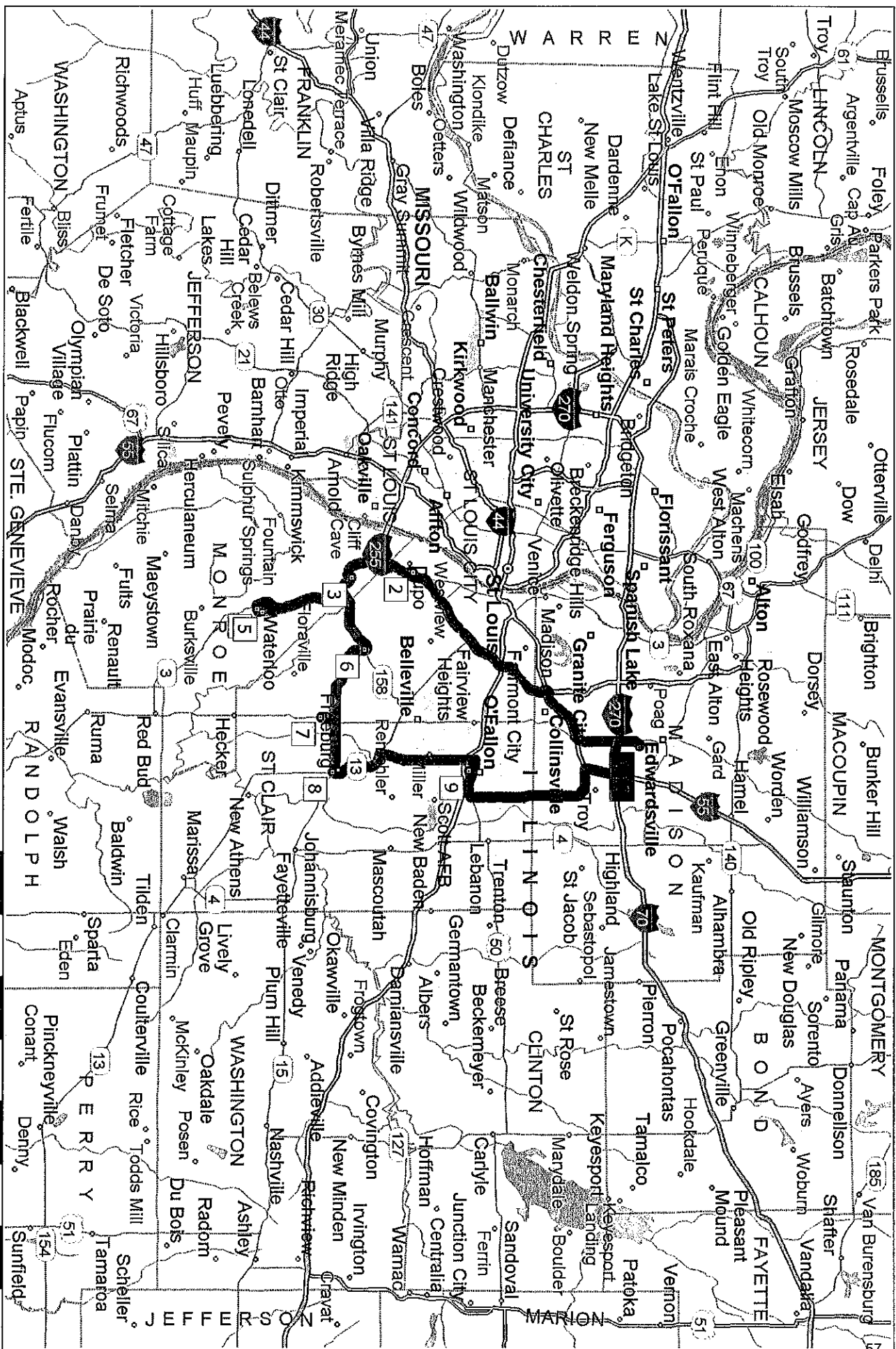
This is a detailed map of Illinois, showing county boundaries and names. The map includes labels for all 102 counties, such as Cook, DuPage, Kane, and Madison. Major cities like Chicago, Springfield, and Peoria are marked. The map also shows major highways and geographical features like Lake Michigan and the Mississippi River.

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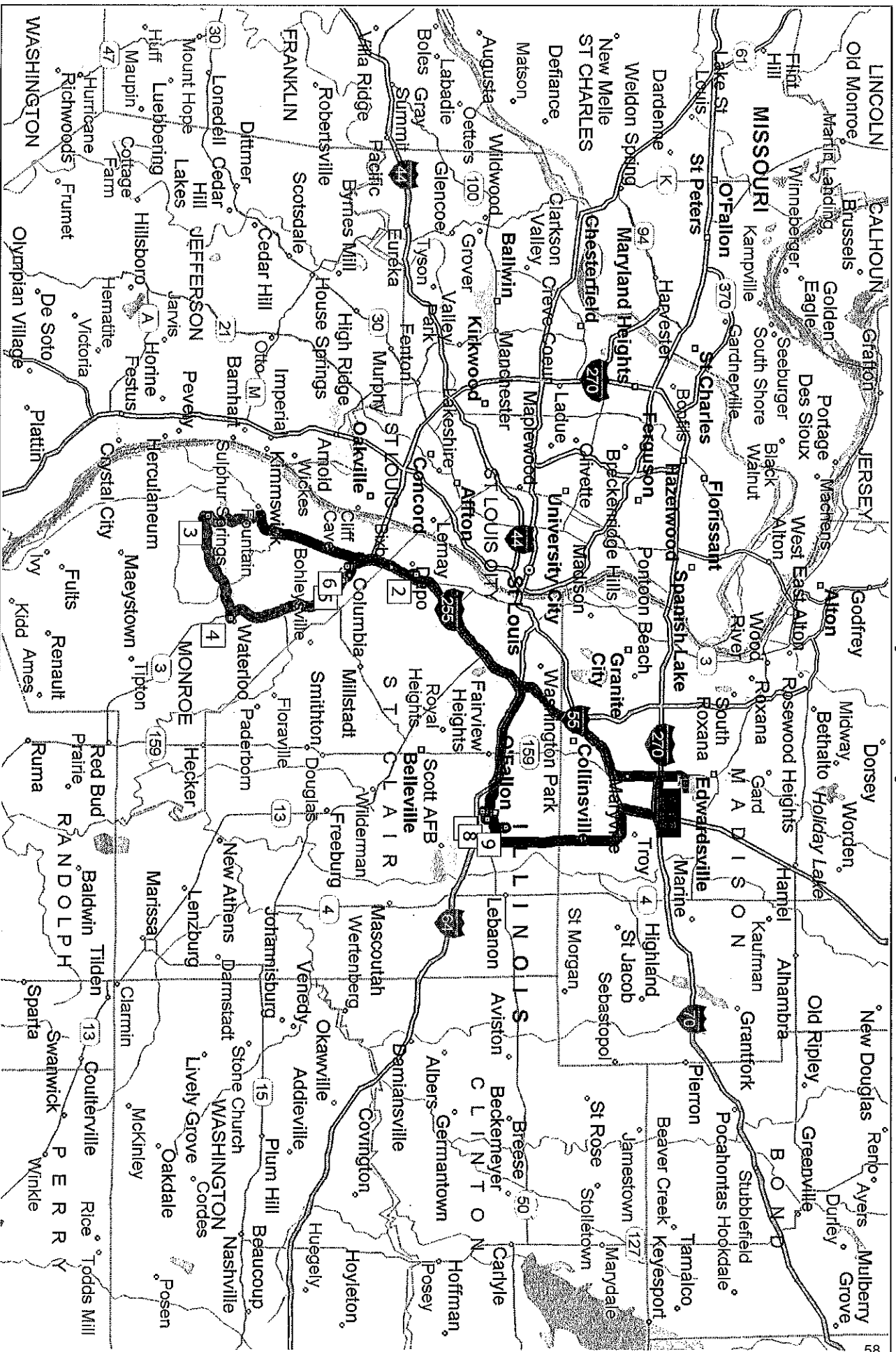
Staunton Friday



Valmeyer Monday optimized



Thur-



This is a detailed black and white map of the St. Louis metropolitan area and surrounding regions. The map shows the Mississippi River flowing from the north to the south, separating Missouri (MO) to the west from Illinois (IL) to the east. Major highways are depicted with their respective route numbers, including I-44, I-270, I-64, and US-40. Numerous cities and towns are labeled, such as St. Louis, St. Charles, Fenton, Belleville, and Edwardsville. A specific location in Illinois is highlighted with a rectangular box and labeled '425 Goshen Rd, Edwardsville, IL 62025'. The map also shows various smaller roads, water bodies, and geographical features like the Mark Twain Expressway and the Gateway Arch area.

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3.1.5 Member Site Visits

Illinois Heartland Library System Staff Site Visits for FY 2013

Total Site Visits	Academic	Public	School	Special	Total
Totals for FY 2013	0	64	9	3	76

3.1.6 Non-Resident Fee Program

The Non-resident fees for IHLS public library members have been updated for FY 14. One library's fee is in red indicating that they have not yet updated their fee. The chart indicates participation in the program and the fee for FY 14 whether the mathematical formula or tax bill (TB) method.

Below is the link to where this information resides on the IHLS webpage:

<http://www.illinoisheartland.org/?q=content/page/worldshare-ill-migration>

Illinois Heartland Library System

3.2.1 Workweek Hours, Salary Schedule, Staffing Summary

Position specific information is available upon request.

3.2.2 Staff Fringe Benefits

Paid Time Off

Voluntary (Available to all employees who work 30 or more hours per week.)

Vacation: Professional staff earns 20 - 25 days depending on years of service. Non-union support staff earns 10 – 25 days depending on years of service.

Holidays: Employees receive twelve holidays annually. These holidays include New Year's Day; Martin Luther King, Jr. Day; President's Day; Memorial Day; Independence Day; Labor day; Veteran's Day; Thanksgiving Day and the day following; Christmas Eve Day, Christmas Day, and New Year's Eve.

Medical Leave: Employees earn medical leave at the rate of 12 days per year.

Personal Leave: Employees earn 3 days per year.

Bereavement Leave: Employees receive up to five days.

Legally Required

Election Day – up to 2 hours when necessary.

Jury Duty

FMLA

VESSA

Family Military Leave

School Visitations

Paid

Voluntary

Retirement: All employees regularly working 1,000 or more hours per year are members of the Illinois Municipal Retirement Fund. Both IHLS and each employee make contributions. Supplemental options are available at the employee's own expense.

Health Insurance: The total premiums for medical, dental, vision, and an employee assistance program (EAP) are paid for all employees working 30 or more hours a week. EAP servicers are available to employees and their dependents. Dependent coverage for all other health insurance is available at each employee's expense. Supplemental

insurance is also available for employees and dependents from AFLAC and/or All State at each employee's own expense.

Life Insurance: \$25,000 of decreasing term life insurance is available to all employees working 30 or more hours a week. Additional decreasing term life insurance may be purchased by employees who participate in IMRF through NCPERS.

Legally Required

Social Security and Medicare
Workers' Compensation
Unemployment
COBRA

Executive Director Benefits

The Executive Director does not have an employment contract and receives no bonuses or benefits different from other IHLS employees.

3.2.3 System Staff Directory

<i>Name</i>	<i>Title</i>	<i>Phone</i>	<i>Ext.</i>	<i>E-mail*</i>	<i>Primary Responsibilities</i>
Leslie Bednar	Executive Director	618-656-3216	420	lbednar	System Administration
Vince Andrzejewski	Cataloger (CMC)	618-656-6216	430	vandrzejewski	Original & Copy Cataloging, Training & Support
Eugene Ard	Custodian	217352-0047	--	--	Custodian
Rose Mary Barczewski	Fiscal Officer	618-656-3216	401	rbarczewski	Financial Operations
Charles Barkman	Driver	618-656-3216	--	cbarkman	Delivery
Joan Bauer	SHARE manager for Bibliographic Services	217-429-2586	721	jbauer	Coordinate Share Cataloging Services & Database Standards
Neal Bauer	Driver	217-352-0047	--	nbauer	Delivery
Steve Behrens	Driver	217-352-0047		sbehrens	Delivery
Nick Bennyhoff	IT Administrator	618-656-3216	406	nbennyhoff	IHLS Technology, Including Webpage Design And Content
John Bode	Driver	217-352-0047	--	jbode	Delivery
Robert Brady	Cataloging Assistant II	217-352-0047	708	rbrady	Original & Copy Cataloging, Database Maintenance, Training, Inventory Support
Loretta Broomfield	IMSA Manager	618-985-3711	627	lbroom@imsa.lib.il.us	IMSA Administration & Implementation
Troy Brown	IT Director	618-985-3711	621	tbrown	Technology, Data Security, Computer Development
Arthur Buckingham	Driver	618-985-3711		abuckingham	Delivery
John Burks	Driver	618-656-3216	--	jburks	Delivery
Stacie Bushong	Operations Assistant	618-656-3216	447	sbushong	Operations Support
Sue Byers	Computer System Coordinator	217-429-2586		Sbyers	Coordination of Daily Operation of ILS Software, Reports, Routine Maintenance, Support & Training

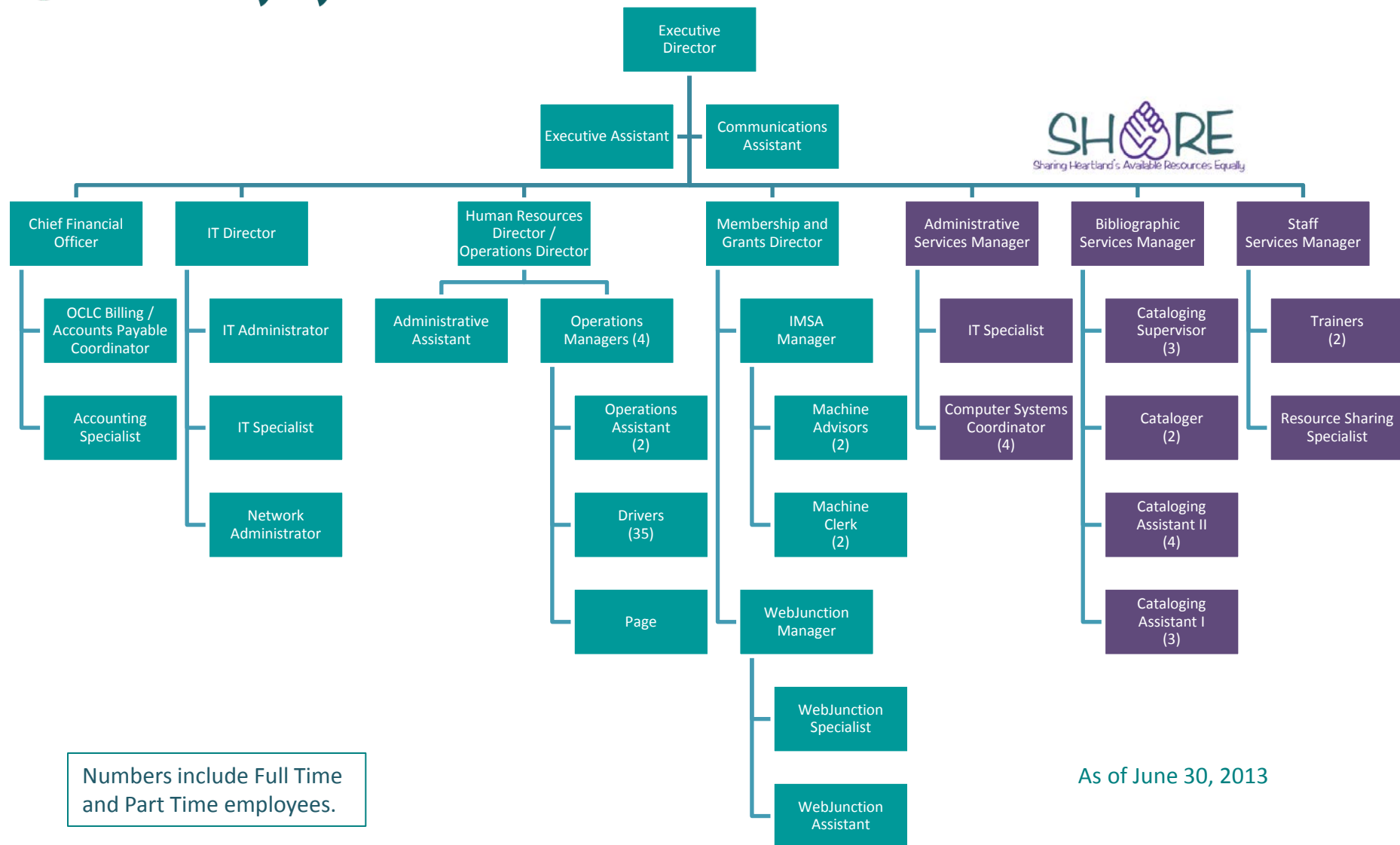
Mark Cavins	Driver	618-985-3711	--	mcavins	Delivery
Samuel Cline	Driver	618-656-3216	--	scline	Delivery
David Coogan	Driver	217-352-0047	--	dcoogan	Delivery
Melissa Crites	IMSA Machine Advisor I	618-985-8375	629	mcrites@imsa.lib.il.us	Machine Maintenance & Inventory
Chris Dawdy	SHARE Manager for Staff Services	618-656-3216	443	cdawdy	Coordinate Share Training & Documentation, Grant Development, Third Party Product Negotiation & Implementation
Joe Davies	Driver	217-429-2586	--	--	Delivery
Joe DeVillez	Driver	618-656-3216		jdevillez	Delivery
Orlanda Dickey	Driver	618-656-3216	--	odickey	Delivery
Juliette Douglas	Operations & Human Resources Director	618-656-3216	408	jdouglas	Operations Staff, Maintenance, Repair Of Buildings, manager Delivery & Vehicles; Human Resources Director
Horst Driesner	Driver	618-656-3216	--	hdriesner	Delivery
Dan Driscoll	Driver	217-352-0047	--	ddriscoll	Delivery
Peggy Durst	Executive Assistant	217 429-2586	706	pdurst	Administrative Support
Traci Edwards	SHARE Manager for Administrative Services	618-985-3711	620	tedwards	Coordinate SHARE Security, Administrative Module, Fee Formula & Budget
J. R. Eilers	Driver	618-656-3216	--	jeilers	Delivery
Edie Elliott	Cataloging Supervisor	618-656-3216	445	eelliott	Supervise and Plan Work For Cataloging Staff, Original & Copy Cataloging
Jerry Gamble	Driver	217-352-0047		jgamble	Delivery
Billie Hill	Driver	618-985-3711		bhill	Delivery
Chris Janvrin	Operations Manager	217-429-2586	708	cjanvrin	Coordinate Delivery, Facilities Maintenance
John Johnson	Driver	618-656-3216	--	jjohnson	Delivery

Ni'Shell Johnson	Page/Sorter	217-352-0047		njohnson	Daily sorting and Delivery Support
Steve Johnson	Cataloging Assistant II	618-985-3711	626	sjohnson	Original & Copy Cataloging, Database Maintenance, Training, Inventory Support
Mary Johnston	Computer System Coordinator	217-352-0047	700	mjohnston	Coordinate Daily Operation Of ILS Software, Reports, Routine Maintenance, Support & Training
Cassie Jones	Driver	618-985-3711	602	cjones	Delivery
Faith Jones	Operations Manager	618-985-3711	603	fjones	Coordinate Delivery, Facilities Maintenance
Larry Jones	Driver	618-656-3216	--	ljones	Delivery
Linda Kates	Accounting Specialist	217-352-0047	705	lkates	Accounts Receivable & Accounts Payable
Dale Landolt	Driver	618-656-3216	--	dlandolt	Delivery
David Lottes	Cataloging Assistant II	217-352-0047	727	dlottes	Original & Copy Cataloging, Database Maintenance, Training, Inventory Support
Ben Maddox	Driver	618-656-3216	--	bmaddox	Delivery
Kathy McGonigle	Driver	217 429-2586	--	kmcgonigle	Delivery
Terry Moreland	Computer System Coordinator	217-352-0047	--	tmoreland	Coordinate Daily Operation Of ILS Software, Reports, Routine Maintenance, Support & Training
Jerry Mortensen	Driver	217-352-0047	--	jmortensen	Delivery
Harry Munson	Driver	618-656-3216	--	hmunson	Delivery
Bev Obert	Resource Sharing Specialist	217-429-2586	713	bobert	Training & Monitoring ILL, Reciprocal Borrowing, OCLC FirstSearch, Plinkit
Rhonda Palmer	Driver	618-656-3216	--	rpalmer	Delivery
Larry Papa	Driver	217-429-2586	--	--	Delivery
Sue Pearson	Circulation Specialist	618-656-3216	421	spearson	Train On All Modules In SHARE,

					Delivery, Windows-Based Skills, IHLS & SHARE Policy.
Liz Perkins	Cataloging Assistant I	217-352-0047	715	lperkins	Copy Cataloging, Database Maintenance, Inventory Support
Julia Pernicka	Communications Assistant WebJunction Assistant	618-656-3216	442	jpernicka	Coordinate Communications With Media, Membership, Staff And Others Webjunction Support
Roger Perry	Driver	217-429-2586	--	rperry	Delivery
Linda Petty	Operations Manager	618-656-3216	412	lpetty	Coordinate Delivery, Facilities Maintenance Carterville
Ellen Popit	Membership & Grants Director	618-985-3711	624	epopit	Membership Contacts, Status, & Data
Michelle Ralston	Circulation Specialist	217-352-0047	717	mralston	Train On All Modules In SHARE, Delivery, Windows-Based Skills, IHLS & SHARE Policy.
Michael Ramey	Driver	618-656-3216	--	mramey	Delivery
Ramona Rollins	OCLC Billing/Accounts Payable Coordinator	--	--	--	ILLINET/OCLC Accounting And IHLS Accounts Payable
Donna Schaal	Circulation Specialist	217-352-0047	704	dschaal	Train On All Modules In SHARE, Delivery, Windows-Based Skills, IHLS & SHARE Policy.
Cheri Schuler-Faust	Cataloging Assistant II	618-656-3216	407	cschulerfaust	Original & Copy Cataloging, Database Maintenance, Training, Inventory Support
P.J. Sjurzen	Page/Sorter	618-656-3216	--	psjurzen	Sorts Library Materials
Kim Sparks	Computer System Coordinator	618-985-3711	601	ksparks	Coordinate Daily Operation Of ILS Software, Reports, Routine Maintenance, Support & Training
Kate Stiles	Machine Advisor II	618-985-8375	628	kstiles@imsa.lib.il.us	Machine Distribution; Patron Support

Alice Stivers	Machine Clerk	618-985-8375	638	astivers@imsa.lib.il.us	Machine Maintenance
Shelley Stone	Cataloging Supervisor	618-985-3711	608	sstone	Supervise Plan Work For Cataloging Staff, Original & Copy Cataloging
Angela Thompson	Administrative Assistant	217-429-2586	720	athompson	Administrative & Delivery Support
Edward Thompson	Driver	618-985-3711		ethompson	Delivery
Bob Towner	Operations Manager	217-352-0047	712	btowner	Coordinates Delivery, Facilities Maintenance
Jack Turman	Driver	618-986-8375	--	Jturman	Delivery
Jeanna Vahling	WebJunction Manager	618-656-3216	418	jvahling	Webjunction Oversight & Coordination
David Voyles	Driver	618-656-3216	--	dvoyles	Delivery
Sandy Waldrop	Cataloging Assistant I	618-985-3711	611	swaldrop	Copy Cataloging, Database Maintenance, Inventory Support
Joan Wang	Cataloger (CMC)	618-656-3216	409	jwang	Original & Copy Cataloging, Training & Support
John Ward	Driver	217-352-0047	--	jward	Delivery
Vanessa Whippo	Cataloging Supervisor	217-352-0047	711	vwhippo	Supervision And Planning Of Work For Cataloging Staff, Original & Copy Cataloging
Mike White	Driver	217-429-2586	--	mwhite	Delivery
Brant Wingerter	Network Administrator	618-985-3711	604	bwingerter	Install & Maintain Computer Information Resources
Gary Wollitz	Driver	217-352-0047		gwollitz	Delivery
Lesley Zavediuk	WebJunction Specialist	618-656-3216	424	lzavediuk	Webjunction Maintenance

*E-mail log in names are given. Unless otherwise specified, log in names are followed by an “at” sign (@) and the domain name, illinoisheartland.org.



3.3.1 FY2013 Board Meetings Held

The regular meetings of the Board of Directors of the Illinois Heartland Library System were held on the following dates at 6:00 p.m. at Helen Matthes Public Library, 100 East market Avenue, Effingham, Illinois, unless otherwise indicated.

July 24, 2012

August 28, 2012

September 25, 2012

October 23, 2012

November 27, 2012

January 22, 2013

February 26, 2013

March 26, 2013

Special Board Meeting April 16, 2013 (Illinois State Library)

April 23, 2013

May 28, 2013

June 25, 2013 (at Decatur Office)

3.3.2a List of System Board Members

ILLINOIS HEARTLAND LIBRARY SYSTEM BOARD OF DIRECTORS FY 2013

Name, Address	Phone, Email	Seat/Library	Term Expires
President			
Karen Bounds 111 Country Club Road Centralia, IL 62801	618-532-5146 (h) 618-532-7391, ext. 3086 (w) 618-267-1776 (c) kbounds@centraliahs.org	School Library Representative Centralia High School	6/30/15
Vice President			
Joan Rhoades 5910 Red Road Kenney, IL 61749-1451	217-447-3461 (h) 217-433-0291 (c) 217-935-5174 (w) rhoades@vwarner.org	Public Library Director Vespasian Warner Public Library (Clinton)	6/30/15
Secretary			
Janet Hasten 25 Timber Ridge Lane Marshall, IL 62441	217-826-2126 (h) 217-251-0522 (c) jahasten@gmail.com or jahasten@marshall.k12.il.us	Public Library Trustee Marshall Public Library	6/30/14*
*Although Ms. Hasten received a 3-year term by lottery at the first IHLS Board meeting on 7/5/11, she was only eligible to serve through 6/30/13, due to her previous library system board service on the LTLS Board. An appointment was made at the 6/25/13 Meeting to complete her term.			
Treasurer			
Nina Wunderlich 729 W. Prairie St. Taylorville, IL 62568	217-824-3272 (h) 217-825-6127 (c) ninawun@consolidated.net	Public Library Trustee Taylorville Public Library	6/30/14
Elizabeth Letterly 204 Pekin Street Lincoln, IL 62656	217-735-3324 (h) 217-737-7826 (c) letterly@wcusd15.org	School Library Representative Williamsville CUSD #15	6/30/14
Betsy Mahoney 231 North Fillmore, Apt 2 Edwardsville IL 62025	618-977-0205 (c) bemahoney@co.madison.il.us	Special Library Representative Madison County Law Library	6/30/14
James Matthews 504 W. Dunbar Mahomet, IL 61853	217-590-4008 (h) 309-555-3571 (w) 217-390-8649 (c) frelnich@gmail.com	Public Library Trustee Mahomet Public Library District	6/30/15
Linda McDonnell 3201 Newell Drive Granite City, IL 62040	618-452-3201 (h) 618-616-1822 (c) llmcdonnell@excite.com	Public Library Trustee Six Mile Regional Library District	6/30/13

Name, Address	Phone, Email	Seat	Term Expires
Susan Mendelsohn 302 Sierra Court Glen Carbon, IL 62034	618-288-5863 (h) 618-920-3641 (c) mendelsohn323@gmail.com	Public Library Trustee Glen Carbon Centennial Library	6/30/15
Joshua Mikeworth 602 E. Maple Street Tolono, IL 61880	217-485-1058 (h) jmikeworth@tolonolibrary.org	Public Library Trustee Tolono PLD	6/30/13
Brock Peoples 521 Mary Dr. Waterloo, IL 62298	618- 939-5936 (h) 618-233-8057 (w) 618-340-6167 (c) Email address not available	Public Library Director Smithton PLD	6/30/13**
**(Resigned 1/22/13)			
Jacob Roskovensky PO Box 104 Newman, IL 61942-9417	217-639-5012 (w) 217-251-5815 (c) roskoihls@gmail.com	School Library Representative Charleston CUSD #1	6/30/15
Anthony Schuering 309 Old Tippecanoe Dr. Springfield IL 62711	217-494-5094 (c) a.schuering@gmail.com	Public Library Trustee Lincoln Library, Springfield	6/30/13
Diane Steele 3302 Morkel Drive Godfrey, IL 62025	618-581-0329 (c) Email address not available	Public Library Director Wood River Public Library	6/30/13***
***Ms. Steele was appointed to complete Mr. People's term and served from 1/23/13-5/16/13, when she became ineligible to serve on the IHLS Board.			
George Trammell 200 Westernaire Drive Marion, IL 62959	618-993-6313 (h) 618-997-6311 (w) 618-925-4057 (c) grtram@gmail.com	Public Library Trustee Marion Carnegie Library	6/30/13
Susan Tulis 109 S. Maple Street Carbondale, IL 62901	618-549-4522 (h) 618-453-1459 (w) 618-201-3631 (c) stulis@lib.siu.edu	Academic Library Representative SIU Carbondale	6/30/14

In FY13, nominations were sought and electronic ballots were distributed in March 2013. Voting ended May 15, 2013. Due to a change in IHLS bylaws effective February 26, 2013, future Board elections will involve an appointment of a committee in November and ballots submitted by April 15.

New Board members are seated at the July meeting of the new fiscal year.

**ILLINOIS HEARTLAND LIBRARY SYSTEM
BOARD OF DIRECTORS
FY 2014**

Name, Address	Phone, Email	Seat/Library	Term Expires
President			
Linda McDonnell 3201 Newell Drive Granite City, IL 62040	618-452-3201 (h) 618-616-1822 (c) llmcdonnell@excite.com	Public Library Trustee Six Mile Regional Library District	6/30/16
Vice President			
Betsy Mahoney 231 North Fillmore, Apt 2 Edwardsville IL 62025	618-977-0205 (c) bemahoney@co.madison.il.us	Special Library Representative Madison County Law Library	6/30/14
Secretary			
James Matthews 504 W. Dunbar Mahomet, IL 61853	309-555-3571 (w) 217-390-8649 (c) frelnich@gmail.com	Public Library Trustee Mahomet Public Library District	6/30/15
Treasurer			
Susan Mendelsohn 302 Sierra Court Glen Carbon, IL 62034	618-288-5863 (h) 618-920-3641 (c) mendelsohn323@gmail.com	Public Library Trustee Glen Carbon Centennial Library	6/30/15
Karen Bounds 111 Country Club Road Centralia, IL 62801	618-532-5146 (h) 618-532-7391, ext. 3086 (w) 618-267-1776 (c) kbounds@centraliahs.org	School Library Representative Centralia High School	6/30/15
Lynda Clemmons 6 Dogwood Place Harrisburg, IL 62946	618-252-3685 lbclemm@gmail.com	Public Library Trustee Harrisburg Public Library District	6/30/16
James Fenton 1102 South Locust Street, Apt. C Carlinville, IL 62626	217-854-4072 fentonj@frontiernet.net	Public Library Trustee Carlinville Public Library	6/30/16
Valerie Green 210 N. Washington Warrensburg, IL 62573	672-3397 csvert@yahoo.com or vgreen@bsamail.org	Public Library Trustee Barclay Public Library District, Warrensburg	6/30/14
Elizabeth Letterly 204 Pekin Street Lincoln, IL 62656	217-735-3324 (h) 217-737-7826 (c) letterly@wcusd15.org	School Library Representative Williamsville CUSD #15	6/30/14

Name, Address	Phone, Email	Seat	Term Expires
Joan Rhoades 5910 Red Road Kenney, IL 61749-1451	217-447-3461 (h) 217-433-0291 (c) 217-935-5174 (w) rhoades@vwarnar.org	Public Library Director Vespasian Warner Public Library (Clinton)	6/30/15
Jacob Roskovensky PO Box 104 Newman, IL 61942-9417	217-639-5012 (w) 217-251-5815 (c) roskoihs@gmail.com	School Library Representative Charleston CUSD #1	6/30/15
Erin Steinsultz 502 S. Main St. Benton, IL 62812	618-438-7511 erins.bpl@gmail.com	Public Library Director Benton Public Library District	6/30/16
George Trammell 200 Westernaire Drive Marion, IL 62959	618-993-6313 (h) 618-925-4057 (c) grtram@gmail.com	Public Library Trustee Marion Carnegie Library	6/30/16
Susan Tulis 109 S. Maple Street Carbondale, IL 62901	618-549-4522 (h) 618-453-1459 (w) 618-201-3631 (c) stulis@lib.siu.edu	Academic Library Representative SIU Carbondale	6/30/14
Nina Wunderlich 729 W. Prairie St. Taylorville, IL 62568	217-824-3272 (h) 217-825-6127 (c) ninawun@consolidated.net	Public Library Trustee Taylorville Public Library	6/30/14

3.3.2b Compliance

Open Meetings Act (OMA)

All Illinois Heartland Library System Board members (both FY13 and FY14 members) have completed Open Meetings Act training.

The following IHLS staff members have completed OMA training: Joan Bauer, Leslie Bednar, Troy Brown, Christine Dawdy, Peggy Durst, Juliette Douglas, Traci Edwards, Edith Elliott, Michelle Ralston, Ellen Popit, Shelley Stone, Vanessa Whippo.

Freedom of Information Act (FOIA)

Brock Peoples was the IHLS FOIA office and when he resigned from the Board in January 2013, Susan Tulis was appointed. Both successfully completed the required FOIA training.

Juliette Douglas, IHLS staff member, has also completed FOIA training.

Statement of Economic Interest

We have received confirmation that all Board members have filed a Statement of Economic Interest for 2013, plus the following staff members: Joan Bauer, Rose Mary Barczewski, Leslie Bednar, Loretta Broomfield, Troy Brown, Chris Dawdy, Juliette Douglas, Traci Edwards, Jeanna Vahling, Vanessa Whippo.

3.3.3 System Ethics Officer

The Ethics Officer for the Illinois Heartland Library System is

Ellen Popit
Membership and Grants Director

3.3.4 System FOIA Officer

The FOIA Officer for the Illinois Heartland Library System is

Susan Tulis
109 S. Maple St.
Carbondale, IL 62901
618-549-4522
stulis@lib.siu.edu

3.4.1 System Attorneys

Legal Counsel for the Illinois Heartland Library System are

Lori Dacosse (Real Estate Law)
Sandberg, Phoenix & VonGontard P.C.
784 Wall Street, Suite 100
O'Fallon, IL 62269
618.397.2721

Phillip B. Lenzini (Library Law)
Kavanagh, Scully, Sudow, White & Frederick, P.C.
301 S.W. Adams
Suite 700
Peoria, IL 61602
309.676.1381

R. Michael Lowenbaum (Labor Law)
The Lowenbaum Partnership, L.L.C.
222 So. Central Avenue, Suite 901
St. Louis, MO 63105
314.863.0092

3.4.2 OCLC Activity FY 13

Illinois Heartland Library System OCLC activities centered on four areas. The first was training in the use of WorldCat Resource Sharing. These sessions were all held in the first five months of the fiscal year. How to search the FirstSearch databases was taught four times in different areas of the System. FirstSearch Administration Basics training was given seven times while how to do FirstSearch Interlibrary Loan was presented eleven times.

Outreach to member libraries that were not part of the new SHARE database was conducted in May 2013. This consisted of seven meetings around the system where the following topics were explained:

- What System membership means and how that is different from SHARE membership
- Options for doing interlibrary loan
- SHARE levels of membership and fees

A brochure was prepared to aid in the explanation of the various options the libraries have for managing interlibrary loan. This is the link to that brochure:

<http://www.illinoisheartland.org/sites/default/files/Resource%20Sharing%20Brochure.pdf>

Several libraries in IHLS use the WorldCat Local interface as their entry point to FirstSearch and linking to the local SHARE catalog. With the migration to the Polaris platform those links were broken. IHLS staff have been working with OCLC and those members that use WorldCat Local. At the end of the fiscal year we have made progress but have not yet resolved all the issues.

The final area of activity was to inform and prepare libraries for the transition from WorldCat Resource Sharing to WorldShare ILL. The IHLS Resource Sharing Specialist participated in frequent conference calls with OCLC staff, Illinois State Library Staff, and RAILS ILL Specialist. During these calls a training schedule for Illinois libraries was developed, marketing messages and methods created, and updates on WorldShare usage distributed.

With the migration to a new automation platform in April, IHLS did not urge libraries to transition their OCLC ILL activity. However, libraries were encouraged to prepare for the change by updating the address fields in their Constant Data Records and to review/update their OCLC Policy Directory information. Weekly "WorldShare Watch" articles were written for the IHLS e-newsletter *Moving Forward Together*. Information about the change, steps to get started, information on training, and more was mounted on the IHLS webpage. This is the link to that information: <http://www.illinoisheartland.org/?q=content/page/worldshare-ill-migration>.

For FY14 IHLS OCLC focus will be the restoration of WorldCat Local to the member libraries that use it and assisting Member libraries in their transition to WorldShare ILL.

3.4.3 System-Owned Interactive Videoconferencing Equipment

FY 2013	Hours Used
July 2012	9
August 2012	6.5
September 2012	16
October 2012	12
November 2012	25.5
December 2012	10
January 2013	13
February 2013	23.5
March 2013	33
April 2013	23
May 2013	19
June 2013	19.5
Total Hours FY2013	226

SUMMARY APPRAISAL REPORT OF:

1704 Interstate Drive
Champaign, Illinois

CLIENT:

Illinois Heartland Library System
6725 Goshen Road
Edwardsville, Illinois 62026

EFFECTIVE DATE OF VALUE: February 14, 2012

DATE OF REPORT: February 17, 2012

PREPARED BY:

Ruth J. Straseske
James H. Webster & Associates, Ltd.
104 West University Avenue, Suite B
Urbana, Illinois 61801
217-344-0973
e-mail: ruth@websterappraisals.com

James H. Webster
& Associates, Ltd.

104 West University Avenue, Suite B
Urbana, Illinois 61801-1723
Phone (217) 344-0973
Fax (217) 344-7506
e-mail: office@websterappraisals.com

February 17, 2012

Juliette Douglas
Illinois Heartland Library System
6725 Goshen Road
Edwardsville, Illinois 62025

RE: Appraisal of 1704 Interstate Drive, Champaign, Illinois

Dear Ms. Douglas:

Per your request Ruth J. Straseske has personally examined the property known as 1704 Interstate Drive, Champaign, Illinois. This report is intended for use only by the Client, Illinois Heartland Library System, for long-term planning due to a merger. Use of this report by others is not intended by the appraiser. The Client has requested an opinion of the Market Value of the subject real property. An exterior and interior examination of the subject was made on February 14, 2012, which is the effective date of the opinion of value.

This transmittal letter is followed by the summary appraisal report further describing the subject property and containing the reasoning and pertinent data leading to the opinion of value. Also attached are the Certification of the appraisal, Limiting Conditions, Photographs and other addenda that are considered relevant to the appraisal. This letter and all attachments are integral parts of the appraisal report, and the entire document must be considered as a whole.

The real property interests being valued are a Fee Simple Interest, subject to the contingent and limiting conditions outlined herein.

Illinois Heartland Library System
February 17, 2012

Appraisal of 1704 Interstate Drive, Champaign, Illinois

It is our opinion that the Market Value of the subject real property, as of February 14, 2012, was:

SIX HUNDRED SEVENTY THOUSAND (\$670,000) DOLLARS.

Respectfully submitted,

Ruth J.
Straseske

Digitally signed by Ruth J. Straseske
DN: cn=Ruth J. Straseske,
email=ruth@websterappraisals.com,
o=Webster and Associates, c=US
Date: 2012.02.17 08:59:42 -0600

Ruth J. Straseske
Illinois Certified General
Real Estate Appraiser #553.001506

Reviewed by,

James H.
Webster, MAI

Digitally signed by James H.
Webster, MAI
DN: cn=James H. Webster, MAI,
email=jhm@websterappraisals.com,
o=Webster and Associates, c=US
Date: 2012.02.17 08:59:55 -0600

James H. Webster, MAI, SRA
Illinois Certified General
Real Estate Appraiser #553.000270
___ Did x Did Not Inspect Property

W:\12-01120

DEFINING THE PROBLEM TO BE SOLVED:

IDENTIFICATION OF THE CLIENT AND OTHER INTENDED USERS:

The Client for this assignment is Illinois Heartland Library System. The appraiser-client relationship is subject to the Confidentiality section of the Ethics Rule of the *Uniform Standards of Professional Appraisal Practice* (USPAP) which states that an appraiser must not disclose confidential information or assignment results prepared for a Client to anyone other than the Client or persons specifically authorized by the Client. The Client has not identified any additional Intended Users, and therefore, the Client is the sole Intended User of the appraisal.

INTENDED USE OF THE APPRAISER'S OPINIONS AND CONCLUSIONS:

The Intended Use of the opinions and conclusions derived from this appraisal assignment is to evaluate the property that is the subject of this appraisal for long-term planning due to a merger, subject to the stated Scope of Work, problem to be solved, reporting requirements of this appraisal report type, and Definition of Value. No additional Intended Uses are identified by the appraiser, and the opinions and conclusions can not be used for any other purpose without prior written authorization from James H. Webster & Associates, Ltd.

TYPE AND DEFINITION OF VALUE TO BE DETERMINED:

The Client has requested an opinion of the current Market Value of the subject real property.

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 knowledgeable, 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 they consider their 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. (Source: 12 C.F.R. Part 34.42(g); 55 *Federal Register* 34696, August 24, 1990, as amended at 57 *Federal Register* 12202, April 9, 1992; 59 *Federal Register* 29499, June 7, 1994]

Real Property is defined as:

All interests, benefits, and rights inherent in the ownership of physical real estate; the bundle of rights with which the ownership of the real estate is endowed.¹

No personal property or intangible assets have been included in the opinion of value.

EFFECTIVE DATE OF THE APPRAISER'S OPINIONS AND CONCLUSIONS:

An exterior and interior examination of the subject property was made on February 14, 2012, which is the effective date of the opinion of value.

IDENTIFICATION OF THE SUBJECT PROPERTY:

Property Type and Location.

The subject is a one-story office building located at 1704 Interstate Drive, Champaign, Illinois.

Ownership History.

The subject property is currently in the name of Illinois Heartland Library. There has been no transfer of ownership on record over the past three years, and the property is not available for sale or lease at this time.

Legal Description.

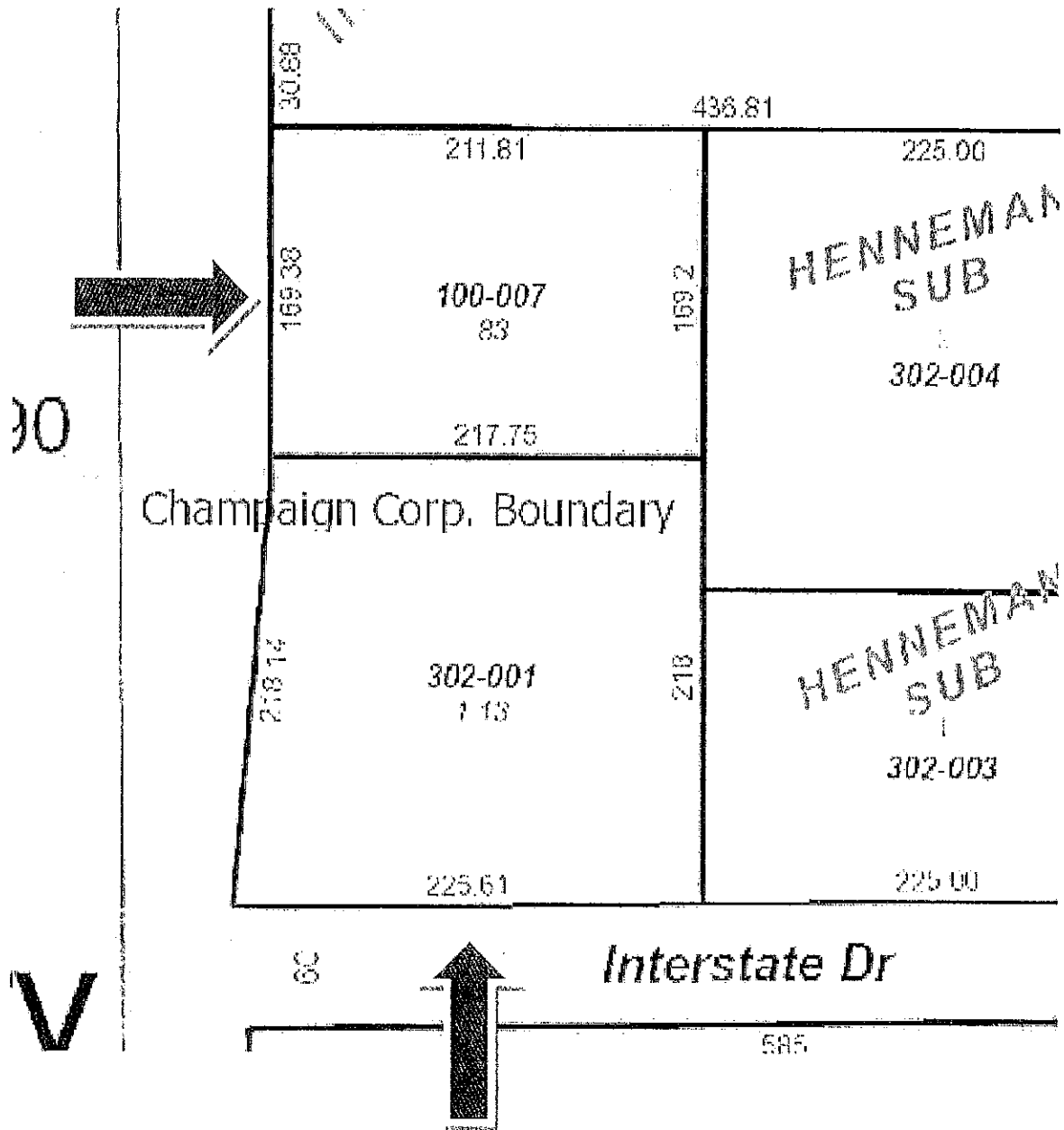
A legal description was not provided. Based on data obtained from the Champaign County Tax Map, the subject can be generally described as:

A TRACT OF LAND CONTAINING 1.96 ACRES IN THE WEST HALF OF
SECTION 35, TOWNSHIP 20 NORTH, RANGE 8 EAST OF THE THIRD
PRINCIPAL MERIDIAN, CHAMPAIGN COUNTY, ILLINOIS

The property can be identified by the Permanent Parcel Numbers on Page 7 of this report.

¹ The Dictionary of Real Estate Appraisal, 4th Edition by The Appraisal Institute, 2002
Illinois Heartland Library System FY2013 Annual Report

PLAT MAP



Tax and Assessment Data.

The subject is currently exempt from real estate taxes but has the following permanent parcel numbers.

South Parcel	41-14-35-302-001
North Parcel	12-14-35-100-007

The tax rates for these jurisdictions were \$7.4449 and \$6.4936 per \$100 of assessed valuation, respectively for fiscal year 2010 payable in 2011. The rates for fiscal year 2011 have not yet been established. Both parcels are subject to a drainage assessment which was reported to be \$40.00 and \$50.00 for fiscal year 2010.

REAL PROPERTY INTERESTS TO BE VALUED:

The real property interests being valued are a *Fee Simple Interest*, which is defined as:

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.²

The subject property is owner occupied and no allocation of partial interests is warranted.

EXTRAORDINARY ASSUMPTIONS:

An *Extraordinary Assumption* is defined 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 the data used in an analysis.³

There were no Extraordinary Assumptions used in the analysis leading to the opinion of value for the subject property.

²Ibid.

³ Uniform Standards of Professional Appraisal Practice, 2012
Illinois Heartland Library System FY2013 Annual Report

HYPOTHETICAL CONDITIONS:

A Hypothetical Condition is defined as:

A condition, directly related to a specific assignment, which is contrary to what is known to the appraiser to exist on the effective date of the assignment results, but is used for purposes 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 the analysis.⁴

There were no Hypothetical Conditions used in the analysis.

EXPOSURE TIME:

Exposure Time may be defined as:

The time a property remains on the market. 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; a retrospective opinion based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions. (Source: Appraisal Standards Board of the Appraisal Foundation, Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions")

The opinion of Market Value derived in this report is based on an Exposure Time estimated to be between 30 and 360 days.

SCOPE OF WORK:

The development and reporting of a real property appraisal must be done in compliance with Standards 1 and 2 of the *Uniform Standards of Professional Appraisal Practice* (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation. Standard 1 contains requirements that deal with the procedures to be followed in developing the appraisal in a manner that will result in a credible assignment result. *Credible* is defined in USPAP as "worthy of belief" and it further states that credible assignment results require support, by relevant evidence and logic, to the degree necessary for the intended use. The scope of work necessary to produce a credible appraisal is determined by the appraiser based on the problem to be solved and the intended use.

⁴ *Uniform Standards of Professional Appraisal Practice, 2012.*
Illinois Heartland Library System FY2013 Annual Report

This appraisal has been developed in conformity with the requirements of Standard 1 of the 2012 Edition of USPAP.

Standard 2 requires that the appraiser's conclusions must be communicated in a manner that is not misleading. It provides three reporting options with varying levels of content and information. The appropriate reporting option is dependent upon the intended user and intended use of the appraisal. The intended user of this report is the owner of the property and the individuals using the report are familiar with the procedures used to develop an opinion of value for a property of this type. Therefore, the results of the analysis have been compiled into a summary appraisal report that is intended to comply with Standard 2-2(b) of the *Uniform Standards of Professional Appraisal Practice*. Additional support is retained in your appraiser's files.

Demographic and economic data have been collected from the Champaign County Regional Planning Commission, Champaign-Urbana Economic Development Corporation, *The News Gazette*, the Illinois Department of Commerce and Economic Opportunity, the Illinois Department of Employment Security, the U. S. Census Bureau, and the Illinois Business Review. Furthermore, reference has been made with the Champaign County Assessor's and Treasurer's Offices, Champaign County Tax Maps and City of Champaign Zoning maps. Data applicable to the appraisal assignment has been gathered, confirmed and analyzed to determine trends in the marketplace that would have an effect on the marketability of the subject and on its Market Value.

Ruth Straseske made an exterior and interior examination of the subject property on February 14, 2012. She was accompanied by Bob Towner who provided information regarding the history of the building, including the dates of upgrades and remodeling. Photographs of the property were also taken on that date.

The Income Capitalization and Sales Comparison Approaches were determined to be applicable in valuing the subject property, and summaries of each approach are included in the report. It is your appraiser's opinion that the Cost Approach is not relevant and it has been omitted from the analysis.

The subjectivity involved in estimating depreciation would limit the reliability of the value derived from the Cost Approach, and the completion of the Cost Approach is not necessary to achieve a credible assignment result. Market data, including land sales, and supply and demand forces in the area are collected, presented and analyzed. The data is used to determine the Highest and Best Use of the subject property. Land sales were examined as part of the Highest and Best Use analysis and are retained in your appraiser's files. Data on comparable rentals and expense ratios were gathered and examined for use in the Income Approach. The Overall Capitalization Rate was derived from the Band of Investment Technique but was also compared to rates extracted from sales and with rates quoted in recent investor surveys. Improved sales were obtained from declarations filed with the Champaign County Recorder's office, internal files and previous appraisals. Additional data regarding the sales was obtained from Realtors, parties to the transaction, loan officers and public records. An exterior examination was made of all the comparables considered. Additional sources of data used in the appraisal process include your appraiser's internal files, Realtors, property managers, professional publications and Internet sites.

The reconciliation is the final step in the appraisal process at which time the relevancy and reliability of the approaches used are considered in determining a final opinion of value.

COMPETENCY STATEMENT:

Ruth J. Straseske is a Certified General real estate appraiser who has worked as a commercial appraiser under the direct supervision and training of James H. Webster for over eleven years. Prior to obtaining her state license she was an assistant to Mr. Webster for six years. Her experience includes a wide range of multi-family, commercial and light industrial properties throughout East Central Illinois. James H. Webster has more than thirty-eight years of appraisal experience with more than twenty-eight of those years involved in the appraisal of single family, multi-family, commercial and industrial properties in East Central Illinois. Both Ms. Straseske and Mr. Webster are in compliance with the Competency Provision of the *Uniform Standards of Professional Appraisal Practice* (USPAP) with respect to this assignment.

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 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 2012 Edition of the Uniform Standards of Professional Appraisal Practice (USPAP) and with our interpretation of the guidelines and recommendations set forth in the Title XI Regulations of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).
9. the appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

10. I have made a personal inspection of the property that is the subject of this report.
11. no one provided significant professional assistance to the person signing this report.

Ruth J.
Straseske

Digitally signed by Ruth J. Straseske
DN: cn=Ruth J. Straseske,
email=ruthjwebsterappraisals.com,
o=Webster and Associates, c=US
Date: 2012.02.17 09:00:25 -06'00'

Ruth J. Straseske
Illinois State Certified General
Real Estate Appraiser #553.001506
Expires 09/30/2013

RESTRICTION UPON DISCLOSURE AND USE

Disclosure of the contents of this appraisal report is governed by the by-laws and regulations of the Appraisal Institute.

Neither all nor any 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) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication, without prior written consent and approval of the undersigned.

12. this appraisal has been developed and the report has been prepared in conformity with, and is subject to the requirements of, the Code of Ethics and Standards of Professional Practice and Conduct of the Appraisal Institute.
13. As of the date of this report, I, James H. Webster, have completed the requirements of the continuing education program of the Appraisal Institute.
14. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its authorized representative.
15. I have not made a personal inspection of the property that is the subject of this report.

James H.
Webster, MAI

Digitally signed by James H. Webster,
MAI
DN: cn=James H. Webster, MAI,
email=jim@websterappraisals.com,
o=Webster and Associates, c=US
Date: 2012.02.17 09:00:12 -06'00'

James H. Webster, MAI, SRA
Illinois State Certified General
Real Estate Appraiser #553.000270
Expires 09/30/2013

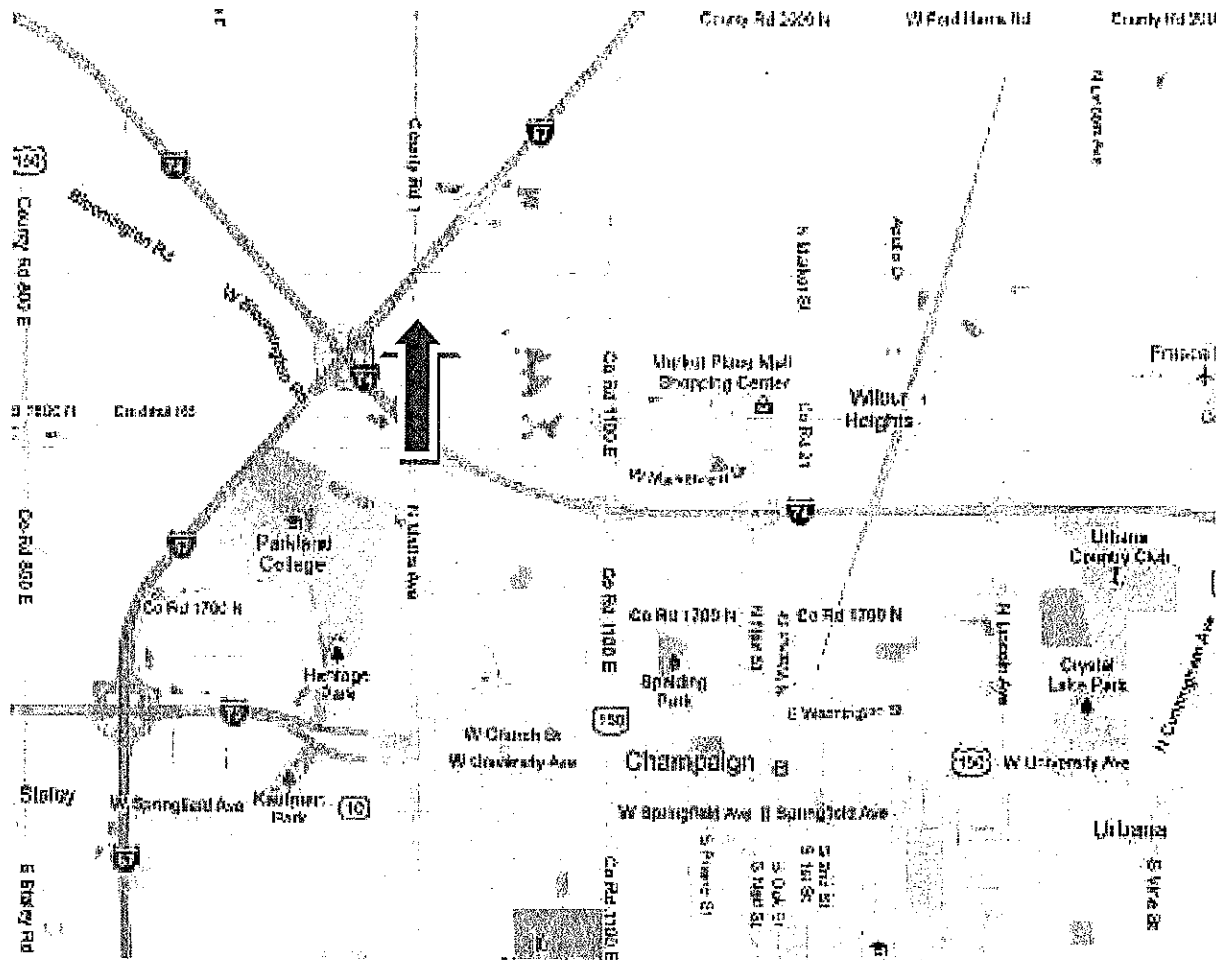
LIMITING CONDITIONS

This appraisal is subject to the following limiting conditions:

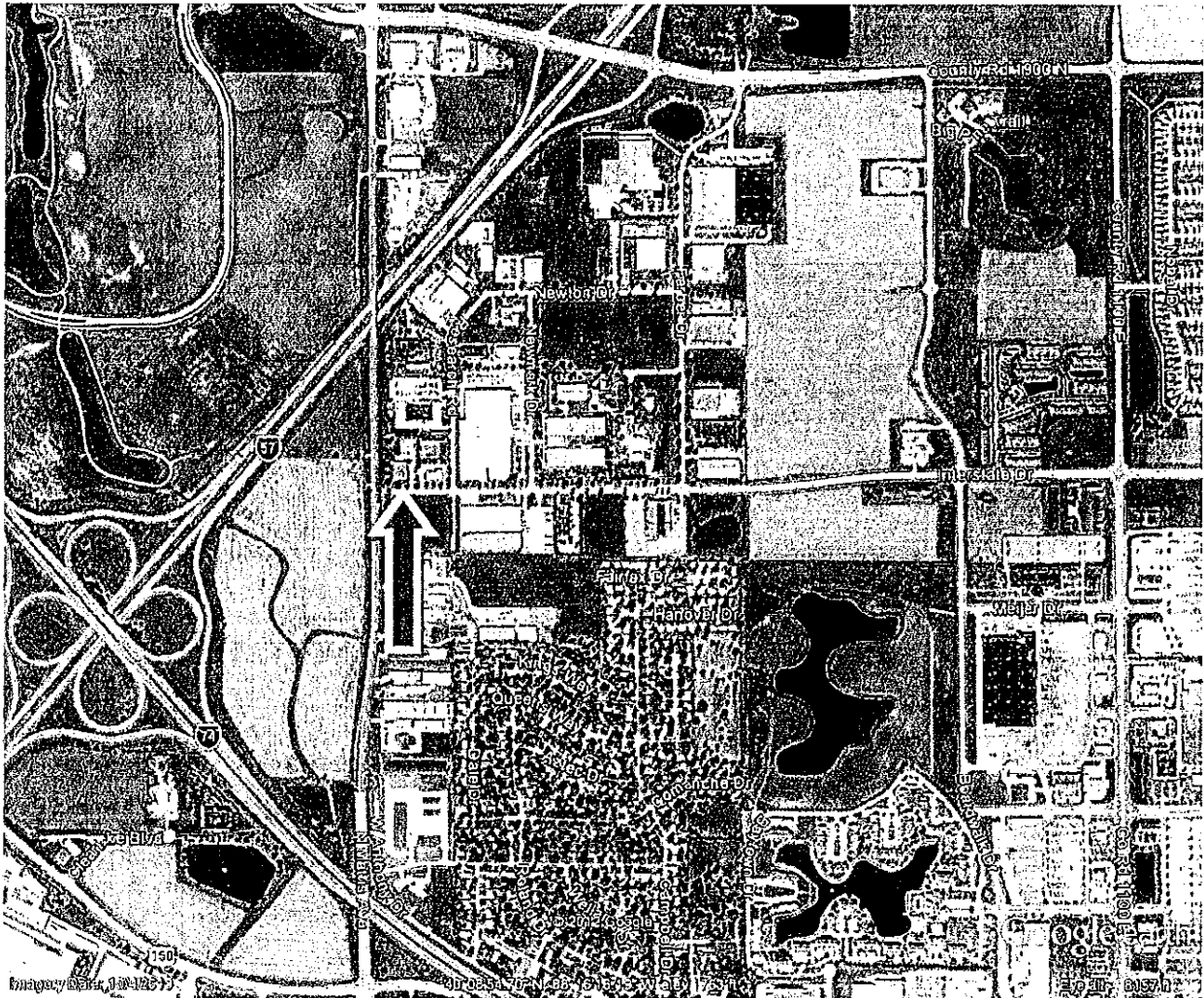
1. The legal description furnished is assumed to be correct.
2. I assume no responsibility for matters in character, nor do I render any opinion as to title, which is assumed to be marketable. All existing liens and encumbrances have been disregarded, and the property is appraised as though free and clear under responsible ownership and competent management.
3. Unless otherwise noted herein, it is assumed that there are no encroachments, zoning violations or restrictions existing in the subject property.
4. 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.
5. 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.
6. I am 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.
7. It is assumed that improvements contain no hazardous materials, such as urea-formaldehyde insulation, asbestos, or lead-based paint. Furthermore, it is assumed that there are no hidden soil or sub-soil conditions that have been determined to be hazardous, such as an underground gasoline storage tank, radon, or toxic or hazardous wastes.
8. The distribution of land and improvements is applicable only as a part of the whole property. The land or improvement values must not be used in conjunction with any other appraisal, and are invalid if so used.
9. I have made no compliance survey or analysis to determine if the property is in compliance with the American's with Disabilities Act (ADA). It is possible that a survey could reveal the property is not in compliance with ADA, which might have a negative effect on value.
10. This appraisal is intended solely for use by the client and for the purpose stated in the report. Use of this report by others or for any other purpose is not intended by the appraiser.

11. This appraisal assignment was developed in a manner consistent with the requirements of Standards Rule 1 of the 2012 Edition of the *Uniform Standards of Professional Appraisal Practice*.
12. This is a Summary Report designed to comply with Standards Rule 2-2(b) of the *Uniform Standards of Professional Appraisal Practice*.

LOCATION MAP



AERIAL MAP



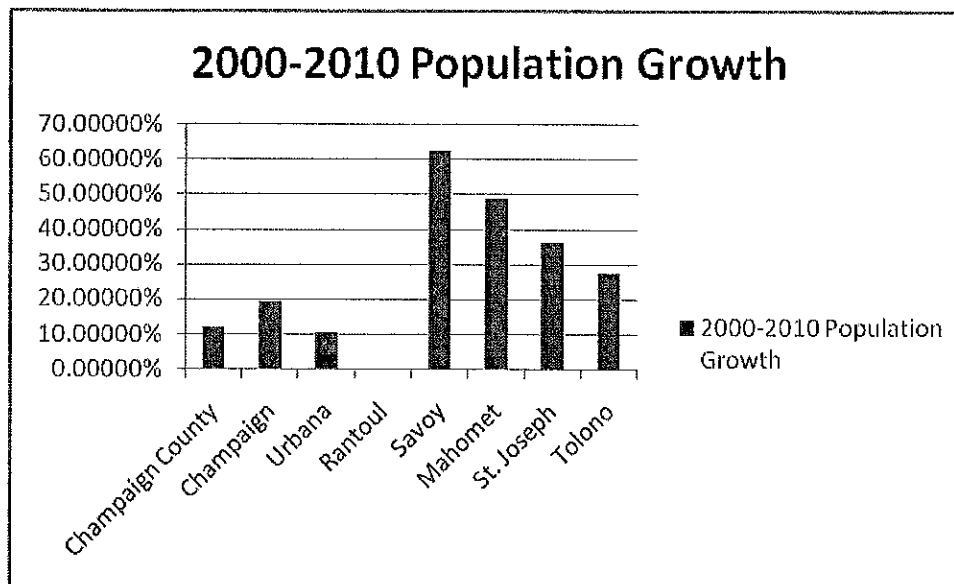
DESCRIPTION OF REAL ESTATE APPRAISED:**Area Data.**

Champaign County is located in East Central Illinois. Logistically, the community is 136 miles south of Chicago, 120 miles west of Indianapolis, and 165 miles northeast of St. Louis. Further, the county is located between 35 and 50 miles from three other mid-sized Central Illinois communities, which include Decatur, Bloomington-Normal, and Danville. The county lies in the heart of some of the world's richest agricultural regions, which is the area's key economic resource. This factor has had an effect on the land use patterns of the county, with an average population density of 186 people per square mile, which compares to the 223 people per square mile for the State of Illinois as a whole. Champaign County encompasses 996 square miles.

The most recent estimate for Champaign County's population is 201,081 residents. Shown below is data regarding the population trends for Champaign County, as well as some of the largest communities in the county.

1990 – 2010 population

Year	<u>1990</u>	<u>2000</u>	<u>2010</u>
Champaign County	173,025	179,669	201,081
Champaign	63,502	67,959	81,055
Urbana	36,344	37,362	41,250
Rantoul	17,212	12,918	12,941
Savoy	2,674	4,476	7,280
Mahomet	3,103	4,877	7,258
St. Joseph	2,052	2,912	3,967
Tolono	2,605	2,700	3,447



As shown by this data, Champaign County, along with six of its seven largest communities, have experienced population growth between 2000 and 2010. Much of this growth has been in spite of an "out-migration" from the Midwest to other regions, in particular, the South and West. Savoy, Mahomet, St. Joseph, and Tolono have experienced the strongest growth between 2000 and 2010, with each of these communities also experiencing population increases between 1990 and 2000. The substantial decrease in Rantoul's population from 1990 to 2000 is primarily attributable to the closure of the Chanute Air Force Base, which took place in the early 1990's. Initial attempts at redevelopment were successful in Rantoul, although conditions have deteriorated in the past few years, particularly due to nearby plant closures, including Rantoul Products and Vesuvius. However, population losses appear to have moderated, as evidenced by the increase of 23 residents between 2000 and 2010. Populations of smaller communities in Champaign County were mostly stable or increasing in population between 2000 and 2010, although a five communities experienced slight or moderate decreases in population.

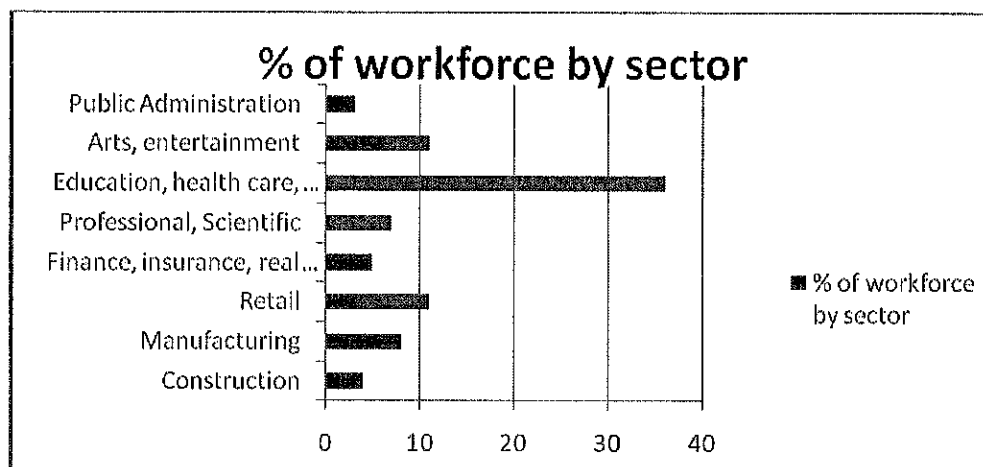
The University of Illinois, located in Champaign-Urbana, is the largest employer in the County. The presence of the university has had an effect on the demographics, with 43% of the county's residents over 25 years of age having a bachelor's degree or greater, which compares to the national average of 27%. Further, the median age of Champaign County residents is 28 years, which compares to the national median age of 36.7 years. Residents between 20 and 24 years of age make up the largest portion of the county, comprising 15.56% of the population. Shown below is the enrollment for the fall of each year since 2004.

Year	2005	2006	2007	2008	2009	2010
Number of students	40,670	41,342	41,135	41,495	41,918	41,949

Although enrollment has increased moderately in the past few years, a more significant increase has taken place since 2000, when enrollment was 36,936 students. There have been numerous construction projects taking place on the University of Illinois campus in the past few years, which may be primarily attributable to this increase in enrollment. The University of Illinois research park has also expanded, with occupants including Yahoo, Qualcomm, Abbott Laboratories, and iCyt, which was recently acquired by Sony. However, there has been a financial shortfall in the University during the past couple of years, due to the current fiscal deficit of the State of Illinois, which has led to a hiring freeze and furloughs for a substantial number of employees.

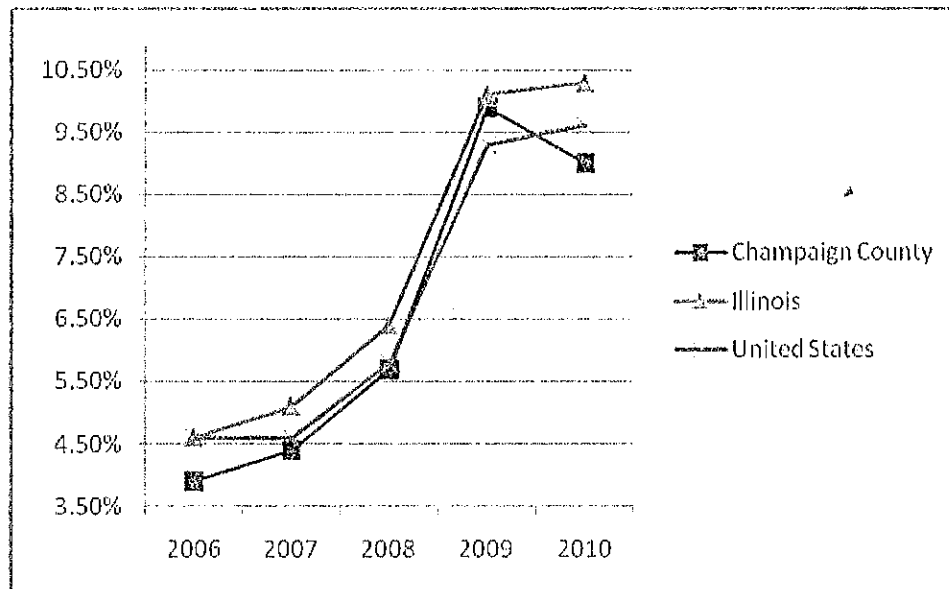
As of 2009, the labor force in Champaign County comprised 103,463 workers. This number steadily increased between 2004 and 2007 which was primarily attributable to the population growth in the county. However, the labor force was 105,053 in Champaign County in 2007, with the current number a decrease of 1.5% which reflects the increase in unemployment over the past three years. A summary of largest employers in the county, followed by a breakdown of the employment by sector has been shown below.

<u>Employer</u>	<u>Industry</u>	<u># of workers</u>
University of Illinois	Education	10,500
Carle Foundation Hospital	Health Care	5,669
Champaign Unit 4 Schools	Education	1,370
Kraft Foods, Inc.	Manufacturing	1,325
Provena Covenant	Health Care	1,200
Parkland Community College	Education	1,200
Wal-Mart Super Center	Retail	1,050
Champaign County	Government	887
Plastipak	Manufacturing	800
Christie Clinic Association	Health Care	740
Urbana Unit 116 Schools	Education	730
Hobbico	Manufacturing	700
Jeld-Wen	Manufacturing	675
Amdocs	Business technology	620



The prominence of the education and health care in the workforce is illustrated by both charts shown above, with six of the seven largest employers in the county being in one of the two aforementioned sectors. Champaign County's 2009 per capita income was \$23,495, which compares to \$28,469 for the State of Illinois and \$27,041 for the nation. Additionally, Champaign County's median household income is \$42,561, which compares to \$51,425 for the nation. However, much of the discrepancy in both the per capita and household incomes relative to the State of Illinois and the nation is due to the presence of the University of Illinois. A summary of Champaign County's unemployment rate relative to that of the State of Illinois and the nation has been shown below.

2006 – 2010 Unemployment rate



As shown by this data, there has been an increase in the unemployment rate since 2006, due to the aforementioned plant closures, along with a hiring freeze at the University of Illinois and a decrease in construction activity. However, it should be noted that unemployment levels have begun to decrease in the past few months, which is consistent with regional and national trends. The October 2011 unemployment rate for the Champaign-Urbana MSA was 8.5%, which is consistent with the rate in September 2011 as well as a year earlier in October 2010. The current rate for the Champaign-Urbana MSA is lower than that of the State of Illinois (9.5%) and the same as the October 2011 rate for the United States as a whole.

The transportation infrastructure is a key factor for the area's economy. There are two federal highways, Routes 150 and 45, and two state highways, Routes 130 and 10 located in Champaign-Urbana. Additionally, there are interchanges for Interstates 72, 57, and 74 throughout the county, as well. This factor has allowed for the relocation of several distribution companies, particularly food-related, in the area. The number of interchanges in Champaign-Urbana is a particularly positive factor, with four interchanges from Interstate 57 and five interchanges from Interstate 74. There is also commercial rail service available via seven rail companies. Passenger service is available through Amtrak, with ridership increasing moderately in the past few years. Intra-city bus service is through Greyhound and Illini Swallow, while inter-city bus service is available through the Champaign-Urbana Mass Transit District. Ridership has been relatively stable on the MTD lines, and was most recently 9,365,436 passengers per year. Willard Airport is located in the south section of Savoy, with American Airlines and Delta Connection operating out of this facility. This airport provides direct service to Chicago, Detroit, and Dallas. Enplanements at this airport have decreased to some extent over the past few years. There is a smaller, private airport known as Frasca Field located in north Urbana.

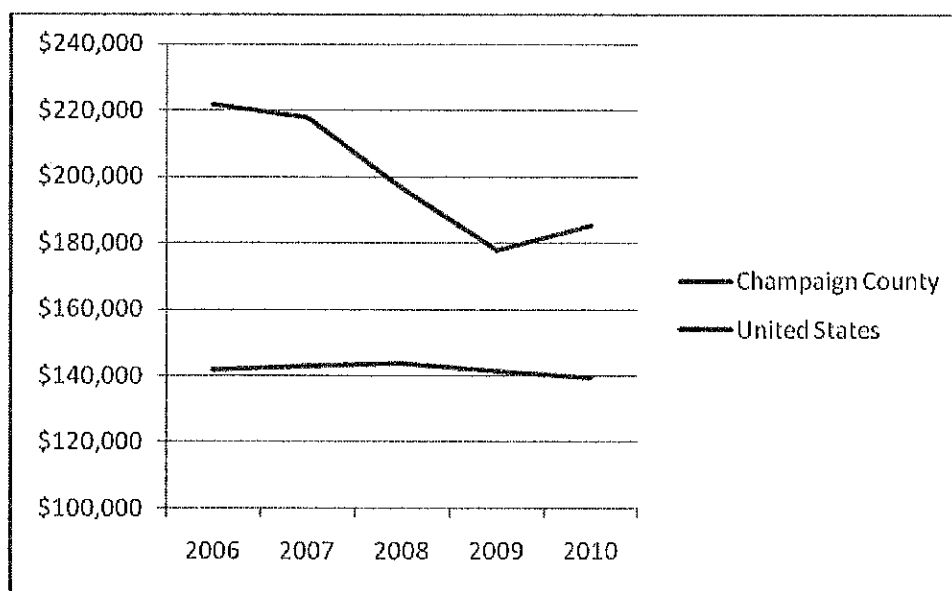
There were 83,655 housing units in Champaign County in 2009, which is a 10% increase from 75,280 housing units in 2000. The presence of the University of Illinois has had an effect on owner occupancy rates in Champaign County, which comprises 55.2% of the housing units. This compares to 69.3% of housing units being owner occupied in the State of Illinois and 66.9% in the United States. Vacancy rates for housing units in Champaign County are 8.7%, which compares to a 11.8% national average. The average household size in Champaign County is 2.26 persons, which compares to a national average of 2.6 persons.

Shown below is the number of residential sales in Champaign County for each year, followed by a graph illustrating the median selling price for each year for the County and the United States.

NUMBER OF HOME SALES IN EACH YEAR

Year	2006	2007	2008	2009	2010
Sales	2,569	2,409	1,848	1,927	2,207

MEDIAN HOME PRICE IN EACH YEAR



As shown by this data, Champaign County has experienced lower activity in 2008, 2009 and 2010, relative to that of 2006 and 2007, while property valuations have also decreased. The median price of homes nationally increased in 2010 for the first time since 2006. The number of sales has increased in 2009 and 2010 but has not yet reached 2007 sales levels. Although the local decline in values is less than the national average, construction activity has declined significantly, as illustrated by the building permits and respective costs shown below. It should be noted that the total building permits and costs also include single-family residential permits and costs. However, the single-family residential permits and costs were listed separately to illustrate trends in multi-family and

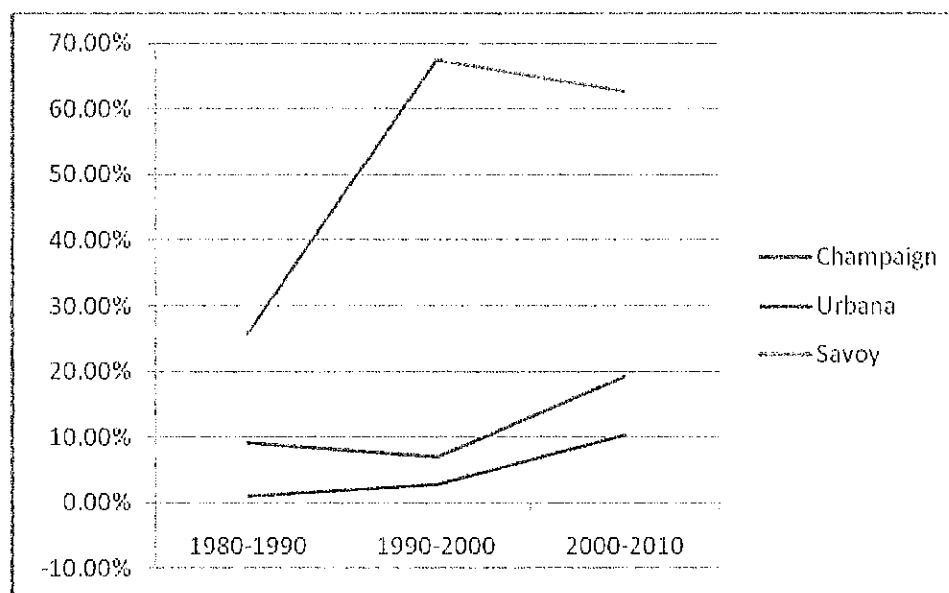
commercial activity.

Year	2006	2007	2008	2009	2010
Total Building Permits	692	387	219	202	131
Total Costs	\$126,036,766	\$167,624,695	\$84,961,113	\$46,519,231	\$47,317,774
Single Family Permits	654	345	188	182	116
Single Family Costs	\$99,216,223	\$69,589,813	\$39,225,540	\$32,278,859	\$26,700,493

The employment base for the County is highly concentrated in the education and health care sectors. In the past, this has allowed for greater resilience and stability towards economic fluctuations. However, the State of Illinois' current budget deficit has caused a hiring freeze, furloughs, and some layoffs at the University of Illinois. Social service agencies, municipalities, and public schools have experienced layoffs. Additionally, there has been a delay in state payments towards medical plans, which has strained the financial reserves of multiple health care institutions. Therefore, the future economic recovery of the County is highly dependent upon the fiscal condition of the State of Illinois.

The subject is located in Champaign, Illinois. Champaign, Urbana, and Savoy are adjoining communities which share an array of supporting facilities, including employment, schools, and shopping. These three communities had a 2010 population of 129,585 residents, which represents 64.4% of the Champaign County population of 201,081 residents for the same time period. The size of the incorporated limits of these three communities is 30.3 miles, indicating the relatively high density levels, relative to that of the County. Shown below is the percentage growth in population that has taken place since 1980.

POPULATION GROWTH SINCE 1980



As shown above, the population growth in Savoy has significantly outpaced that of Champaign and Urbana.

Urbana, which is consistent with trends in nearby communities, including Mahomet and St. Joseph. Much of the population growth in Champaign and Urbana may be attributable to the increase in enrollment at the University of Illinois, which has campus facilities in both communities.

The presence of the University of Illinois has had a substantial impact on the demographics of each of the three communities. The median age in Champaign and Urbana is 23.6 years and 22.9 years, respectively, which compares to a national average of 36.5 years. Further, 48.1% and 55.4% of the residents over 25 years of age have a bachelors degree or greater in Champaign and Urbana, as compared to a national average of 27.5%. Savoy has a median age of 32.3 years, while 64.2% of its residents over 25 years of age have a bachelors degree or greater. The average household size is 2.21 persons in Champaign, along with 2.02 persons in Urbana and 2.31 persons in Savoy. Shown below is a breakdown of household and per capita income for Champaign, Urbana, and Savoy.

Area	Household Income	Per Capita Income
Champaign	\$36,498	\$22,321
Urbana	\$33,302	\$18,533
Savoy	\$60,074	\$29,111

Household and per capita incomes have decreases slightly for Champaign and Urbana over the past few years, with a significant increase in Savoy due to a number of young professionals moving to new subdivisions in the community.

Similar to that of Champaign County, Champaign and Urbana have a lower than typical level of owner occupancy. Champaign has 32,974 housing units, of which 46.5% are owner occupied. Urbana has 17,205 housing units and an owner occupancy rate of 38.1%. There are 2,324 housing units in Savoy, with an owner occupancy rate of 47.5%. Urbana has a high level of multi-family housing targeted towards University of Illinois students, which accounts for their lower rate as compared to Champaign and Savoy. The most recent vacancy rates for housing units in Champaign was 7.4%, along with 12.6% of housing units being vacant in Urbana and 3.2% in Savoy. The median house price for each of the three communities has been shown below:

<u>City</u>	<u>Median House Price</u>
Champaign	\$145,500
Urbana	\$141,500
Savoy	\$195,200

The greatest level of residential growth has occurred in southwest Champaign during the past +/- 20 years. A few subdivisions have reached nearly full development during this time frame, with multiple subdivisions also being recently developed. The majority of the subdivisions in southwest Champaign which have been developed in the past five years have targeted higher priced housing, and have experienced relatively low levels of activity to date. The northwest section of Champaign has also experienced substantial residential growth, with the development of the Sawgrass and Boulder Ridge subdivisions. These subdivisions are typically median priced, and have a mix of condominium, zero-lot line, and detached single-family residences. There is also a newer residential development known as Ashland Park in the north section of Champaign.

Residential growth in Savoy has been most significant to the south, with Prairie Fields and Prairie Meadows generally containing residences between \$175,000 and \$275,000. Lake Falls and Fieldstone are two newer subdivisions located near Airport Road, and consist of higher priced residences. Urbana has not experienced the residential development of Champaign or Savoy, although two subdivisions known as Landis Farms and Somerset have been developed in the past ten years. These subdivisions are located in northeast Urbana and consist of median priced residences. There has also been some activity in southeast Urbana, with the Savannah Green subdivision and the continued development of Stone Creek. Shown below are the housing starts and respective costs for Champaign and Urbana since 2006.

Champaign Housing Starts and Costs

Year	2006	2007	2008	2009	2010
Single Family Units	475	206	97	09	63
Single Family Costs	\$71,698,504	\$42,312,563	\$20,999,022	\$20,657,463	\$15,243,193
Multi-Family Units	256	593	327	45	266
Multi-Family Costs	\$20,508,743	\$83,749,181	\$37,985,533	\$10,304,220	\$20,504,961

Urbana Housing Starts and Costs

Year	2006	2007	2008	2009	2010
Single Family Units	120	83	50	57	28
Single Family Costs	\$15,786,129	\$10,436,984	\$7,403,175	\$5,505,316	\$4,973,800
Multi-Family Units	203	328	176	102	2
Single Family Costs	\$6,310,800	\$14,285,700	\$7,750,040	\$3,936,152	\$112,320

No data is available regarding building costs in Savoy. However, Savoy has had 2,716 housing starts in 2006, 2,764 housing starts in 2007, and 2,818 housing starts in 2008.

There has been some commercial development in the past ten years in southwest Champaign, which is primarily related to the population growth in these areas. The greatest level of development in this section of the community has been in the office sector, although there has also been some retail development. The North Prospect corridor, west of Market Place Mall, experienced a substantial level of commercial growth between 1995 and 2005, with the development of multiple big-box retail, restaurants, and strip centers. However, construction activity has moderated in this area over the past five years. Downtown Champaign has been in a stage of re-development over the past decade, with multiple large-scale projects including One Main and Two Main, as well as the recent construction of a multi-story parking garage, M2, which is located immediately west of One Main, is oriented towards retail and office on the lower levels and condominium units above. However, initial leasing and sales activity for this project has been modest.

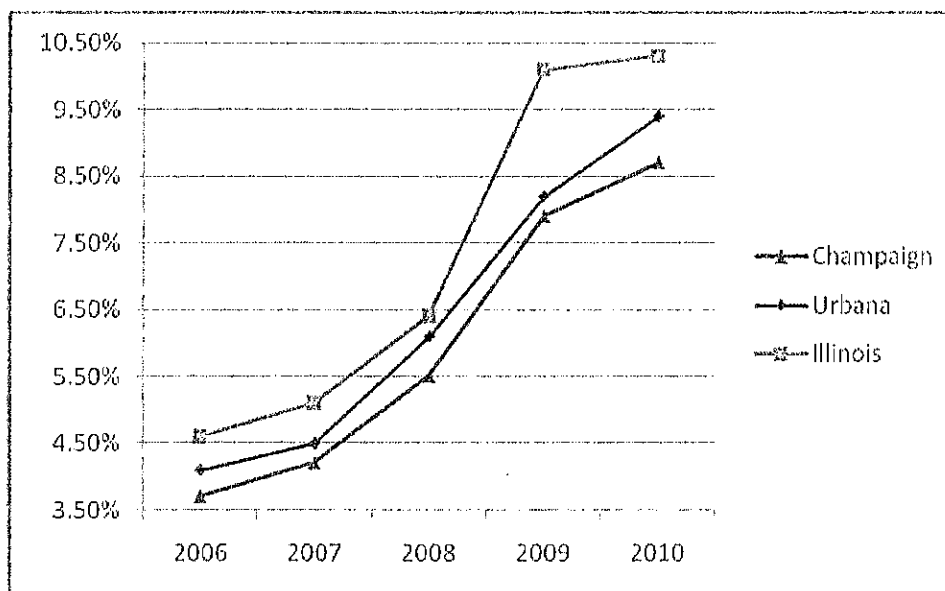
Southeast Urbana has experienced some development activity during the past decade, with a Wal-Mart Supercenter at the corner of University and Route 130, along with an Aldi's and office/industrial park. A development known as The Pines is located at the corner of Philo and Windsor, which has a mix of office and retail occupants. A Meijer was also recently constructed near this intersection. Facilities for Blain's Farm n Fleet and O'Brien Auto Park were constructed immediately north of Interstate 74 on Cunningham in the past ten years, with the former O'Brien automotive dealership located at Cunningham and University subsequently razed. This area has been targeted for re-development, although activity has been slow to date.

The primary area of commercial growth in Savoy has been near the intersection of Dunlap and Curtis Road, which was recently widened. There has been a grocery store and two restaurants constructed near this intersection in the past three years. There has also been some construction activity along Dunlap to the south, including a multi-family project and offices.

The neighborhoods near the University of Illinois campus have experienced some of the most significant levels of development. There have been numerous multi-family projects constructed in the past few years to accommodate the increase in enrollment, including an 18-story building at the site of the former Burnham Hospital, which has 259 apartment units and a grocery store on the first floor. A 25-story building was constructed at the corner of Green and Fourth Street which has 110 apartment units. There has also been some commercial re-development, particularly along Green Street. Additionally, the University of Illinois Research Park, a 139-acre development near the south end of campus, has multiple research and development laboratories, which has boosted the technological sector of this economy. The I Hotel and Convention Center was also recently constructed in this park.

Similar to that of Champaign County, there is a diverse employment base in Champaign County, with a high concentration in education and health care. In 2008, Champaign's labor force was 42,024 workers, while Urbana had a labor force of 21,070 workers. There has been a moderate increase in unemployment, which may be partially attributable to a hiring freeze at the University of Illinois, as well as a regional economic downturn having an adverse effect on the manufacturing sector. No unemployment data is available for Savoy. Shown below are the unemployment rates for Urbana and Champaign since 2006, as compared to the State of Illinois.

UNEMPLOYMENT RATES



Urbana has six public elementary schools, one middle school, and one senior high school, with a total enrollment of 4,054 students. Champaign has eleven elementary schools, three middle schools, and two high schools, with an enrollment of 8,772 students. There are presently no public schools in Savoy, with students attending facilities in Champaign. There are also numerous private schools for all grades in both Champaign and Urbana. Parkland College, which is located in Champaign, has an enrollment of 10,200 students, and offers an array of associate degree and certificate programs.

The employment base for each of the three communities is highly concentrated in the education and health care sectors. In the past, this has allowed for greater resilience and stability towards economic fluctuations. However, the State of Illinois' current budget deficit has caused a hiring freeze, furloughs, and some layoffs at the University of Illinois. Social service agencies, municipalities, and public schools have experienced layoffs. Additionally, there has been a delay in state payments towards medical plans, which has strained the financial reserves of multiple health care institutions. Therefore, the future economic recovery is highly dependent upon the fiscal condition of the State of Illinois.

Neighborhood Description.

The subject is situated in the Interstate Research Park in northwest Champaign. The park is approximately four miles northwest of Downtown Champaign and five miles northwest of the University of Illinois campus. The neighborhood may be defined as Olympian Drive to the north, Mattis Avenue and Interstate 57 to the west, light industrial uses to the south, and to the east by agricultural land that is currently being developed with a mix of office, multi-family, and retail uses along North Prospect.

The Interstate Research Park contains a mix of office, warehouse, and manufacturing facilities. The Park was developed approximately 30 years ago and is approximately 95% built up, with three lots currently vacant and available for sale. The neighborhood is adjacent to Interstate 57 and close to Interstate 74. Recent improvements to Olympian Drive will facilitate access to Market Street to the east, while Interstate Drive has been extended from Mattis to east of Neil Street on the south edge of the neighborhood..

The majority of the buildings in the neighborhood are single-user, owner occupied facilities, although there are a few single and multiple user properties which are leased. Occupants of some of the smaller buildings include the Boy Scouts of America, Crouse Printing, and Deans Graphics, with larger facilities including Hobbico, Vesuvius, Silgan White Cap, Advanced Filtration, and the U.S. Army Construction Engineering Research Lab. The Champaign Park District's Tennis Center is also located in the Interstate Research Park, while a newer office building is further east. Additional users include ISS Biomedical, Illinois Heartland Library System, and Fire Sprinkler Technology. Rents are typically in the \$3.50 to \$5.50 per square foot range for warehouse space and \$7.00 to \$10.00 for offices. The majority of the properties are well constructed and generally appear to be well maintained. Overall, the neighborhood is considered to be stable and anticipated to reach full development. Several properties in the neighborhood have been available for sale or lease over the past few years, although vacancy levels are not excessive at this time. Given the proximity to the Interstate, it is anticipated that demand for this location will continue.

Site Description.

The subject consists of two contiguous tax parcels situated at the northeast corner of Interstate Drive and Mattis Avenue. Interstate Drive is a two-lane, two-way, concrete street with concrete curbs and gutters but lacking sidewalks. There is a third left turn lane at the intersection with Mattis. Mattis Avenue is a two-lane, two-way asphalt street with a third right turn lane onto Interstate Drive. The intersection is controlled by a traffic signal. Vehicular access to the subject is from Interstate Drive with one curb cut. There is no direct access to the north parcel other from the primary site. The site is nearly level in topography and at street grade. Drainage appears to be adequate, and the site is not located in a FEMA Special Flood Hazard Area according to Map No. 170026 0004 B, dated January 16, 1981. Natural gas, electricity, water and sanitary sewer service are all available to the site.

The south parcel, which contains the building improvements, is nearly rectangular in shape with a slight angle from west to east on the west side adjoining Mattis. It has measurements of 225.16 x 218 x 217.75 x 218.14 feet, containing a site area of 47,690 square feet or 1.1 acres. Site improvements on this parcel include concrete sidewalks adjoining the building improvement, asphalt parking, and landscaping.

The north parcel is rectangular in shape with measurements of 217.75 x 169.2 x 211.81 x 169.38 feet, containing 36,360 square feet or .83 acres. The southeast section of this tract is paved with asphalt for additional parking, with green space to the west and a line of trees along the north property line. The total site area is 84,050 square feet or 1.93 acres.

Improvement Description.

The site is improved with a one-story office building that was constructed in 1971 for its current use. It is concrete block construction with a brick veneer exterior and a rubber roof. It has casement windows and is heated and cooled with three roof-top HVAC units. The building measures 100 x 130 feet, containing a gross building area of 13,000 square feet. The majority is open office space with cubicle work stations. There is a private office and a conference room along the south edge of the building, with two multi-stall restrooms in the southwest corner. There is a break room and a computer room along the west wall, with the floor of the computer room raised to accommodate a prior HVAC system. There is a storage room in the northwest corner that formerly housed a printing press. The central section of the north portion of the building is utilized for delivery services and it is adjoined by a garage in the northeast corner. The subject was reportedly remodeled in 1983 with the HVAC systems replaced in 1994 and the lighting system upgraded four years ago. The office areas have carpeted flooring and acoustic tile ceilings with fluorescent lighting, along with some recessed lighting as well. There are drywall and panel walls with metal door trim and wood window trim. There is vinyl tile flooring in the break room and baths, as well as in the storage room and delivery area. The garage has a concrete floor and has a suspended gas furnace and one overhead door. The north portion of the garage is lower due to a former loading well, and it is currently used for storage with a second mezzanine level. The garage encompasses approximately 1,550 square feet of the building area with the storage room and delivery/distribution area containing approximately 2,200 square feet. This results in a total of 3,750 square feet or 30% of the building area lacking professional office finish. The subject is in average condition overall, with some staining and separation of the carpeting. There were no significant items of deferred maintenance noted, although the property lacks significant upgrades.

The subject is functional for its current use and would accommodate a number of other office, office/warehouse or office/production facilities. The land to building ratio of 6.47:1 is adequate for this use and would allow for expansion to the north.

HIGHEST AND BEST USE:

The current zoning classification for the subject property is I-1, Light Industrial. The south parcel that includes the building improvements is located within the corporate limits of the City of Champaign. The north parcel is in unincorporated Champaign County, although the City of Champaign would control and development of the site due to the proximity to the City's boundary.

The I-1 zoning would allow district is intended to provide for the development of uses such as wholesale, distribution, research and development, and storage. It may also include some manufacturing processes, such as assembly, which does not produce noxious by-products. Limited retail sales and services related to the industrial uses may also be permitted as accessory uses. Allowable uses include but are not limited to animal clinic, auto repair, contractor shop, greenhouse/nursery, indoor recreation, laboratory, mini-warehouse, office building, school and warehouse, along with other similar uses.

Highest and best use as vacant.

A review of the neighborhood indicates a wide variety of uses close to the subject including office, office/production, manufacturing, research and development, recreation, and contractor shop. All of these uses are considered to be financially feasible and would produce similar returns to the site.

Highest and best use as improved. The subject is an office building with a garage and storage component that is in average condition. The use is consistent with the highest and best use of the site, as vacant, and it produces a return in excess of that from the site alone. Therefore, the highest and best use, as improved, is the present use.

INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach is based on the understanding that there is present worth to future rights of income. Operating expenses are deducted from the Gross Operating Income to determine a Net Operating Income which is capitalized into value. The capitalization rate is market oriented, and it takes into consideration the return on and return of the capital expenditure.

Shown below are summaries of rentals used to arrive at an estimate of market rent for the subject property. Single user offices in the area market typically have triple net lease terms, with the tenant responsible for real estate taxes, insurance and repairs and maintenance in addition to the base rent. Although the property is currently tax exempt, a typical tenant would be responsible for payment of real estate taxes. In most cases these costs are paid directly by the tenant, although they are sometimes paid on a monthly basis to the landlord based on a cost per square foot with an annual adjustment to reconcile with actual expenses. A typical NNN charge for a property of this type would be approximately \$3.50 per square foot, which will be used to compare the comparables with gross rent terms.

Rental	Rent/SF	Size (SF)	Age/Cond	Terms
1 -Office	\$14.25 / \$10.75	12,701	1989/Good	Gross
2 -Office/Production	\$9.00/\$5.50	14,224	1977/Avg	Gross
3 -Office	\$11.00	13,000	1977/Avg	NNN
4 -Office/WH	\$ 7.00	16,500	1986/Avg	NNN
5 -Office/WH	\$ 7.50	10,337	1975/Avg	NNN
6 -Office/WH	\$11.15	10,000	1994/Good	NNN

COMPARISON TO SUBJECT

Rental	1	2	3	4	5	6
Rent/SF	\$10.75	\$5.50	\$11.00	\$7.00	\$7.50	\$11.15
Location	Similar	Similar	Superior -20%	Similar	Superior -20%	Superior -20%
Size	Similar	Similar	Similar	Similar	Similar	Similar
Age/Cond	Superior -20%	Similar	Similar	Superior -10%	Similar	Superior -25%
Finish	Superior -25%	Inferior +10%	Superior -25%	Similar	Similar	Similar
Net Adj	-45%	+10%	-45%	-10%	-20%	-45%
Adj Rent/SF	\$5.91	\$6.05	\$6.05	\$6.30	\$6.00	\$6.13

The rentals shown result in a range of rents varying between \$5.50 and \$11.38 per square foot after adjusting for lease terms. Rentals #1 and #4 have all office finish and required downward adjustments. Rentals #2, #4, #5 and #6 have unfinished production, warehouse and/or garage areas similar to that of the subject. It should be noted that the low end of the range reflects the most recent rental rates. After making the adjustments, the rentals indicate market rent of \$6.00 per square foot.

foot on a triple net basis would be appropriate for the subject. This rate is consistent with an approximate rent of \$7.00 for the finished office areas and \$3.00 for the remainder, which is also considered to be reasonable.

The subject is owner occupied and market rent will be used in the analysis. There is currently an oversupply of office space in the area market and a vacancy/collection loss of 20% is reasonable for the subject. Management fees range from 5% to 8% for properties of this type, with the low end of the range appropriate for a single user property with net lease terms. Professional fees would include legal and accounting. Miscellaneous expenses would include but not be limited to taxes, insurance and utilities during vacancies and any other costs incurred by the owner. Reserves for replacement were based on \$.20 per square foot of building area. Expenses totaled \$9,920, which is 16% of Effective Gross Income which is a typical expense ratio for a triple net leased property.

RECONSTRUCTED INCOME STATEMENT

Potential Gross Operating Income		\$78,000
Less: Vacancy and Collection Losses 20%		<u>\$15,600</u>
Effective Gross Income		\$62,400
Less Expenses:		
Management (5%)	\$3,120	
Professional	\$1,200	
Miscellaneous	\$3,000	
Reserves for Replacement	\$2,600	
Total Expenses		\$ 9,920
Net Operating Income		\$52,480

Capitalization Process:

Based upon the property's location and age as well as prevailing market conditions, typical mortgage terms would be as follows:

Ym (Mortgage Interest Rate)	=	5%
M (Loan-Value Ratio)	=	75%
Amortization Period	=	25 years
(Balloon)	=	5 years
Rm (Mortgage Constant)	=	.07

An Equity Dividend Rate of 10% is considered to be appropriate for the subject based upon rate expectations for a property of this type. This results in an Overall Rate of 7.75%, which is consistent with rates taken directly from the marketplace and with rates quoted in investor surveys.

Capitalization Rate Calculation Using the Band of Investment Technique:

Loan & Equity			Rm		
M		X	Re	=	Weighted Rate
Mortgage	.75	X	.07	=	.0525
Equity	.25	X	.10	=	.025
			Ro	=	.0775

Capitalization Process and Value by the Income Capitalization Approach:

$$V_o = \frac{NOI}{R_o} = \frac{\$52,480}{.0825} = \$677,290$$

Rounded \$675,000

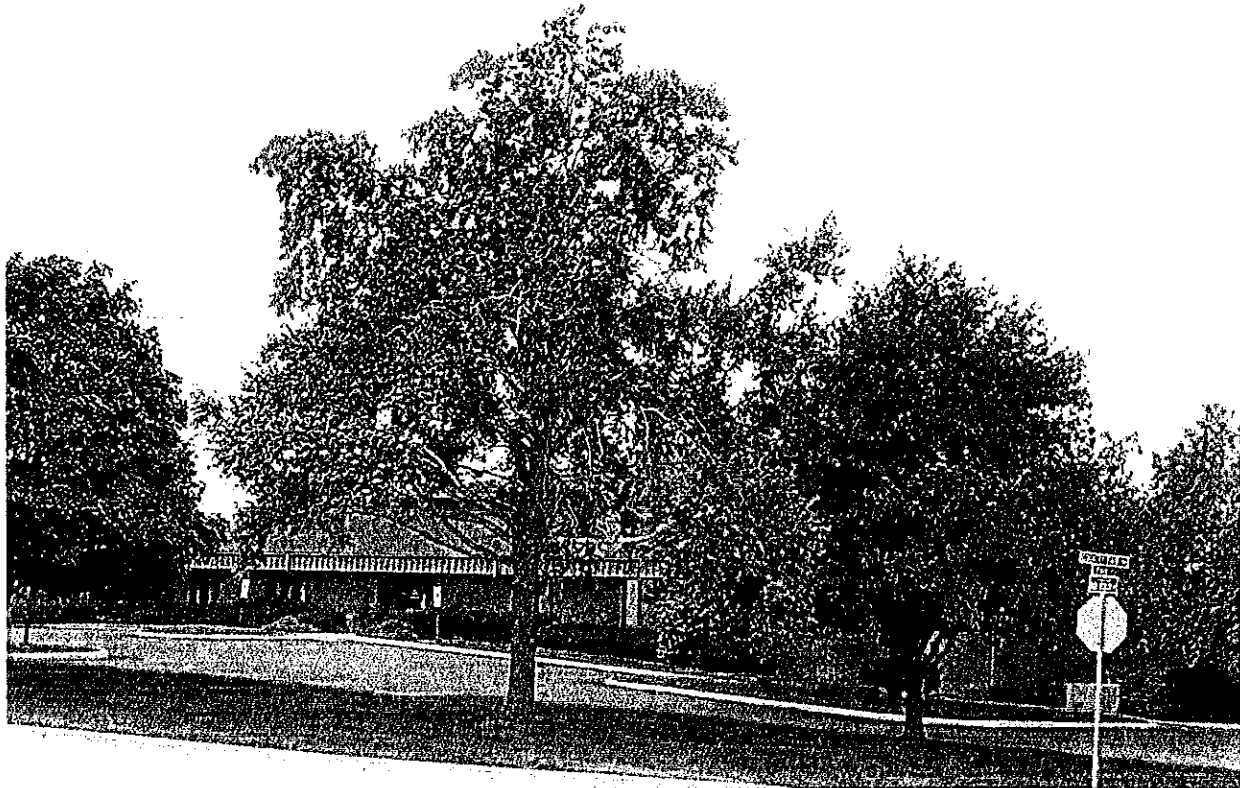
VALUE BY THE INCOME CAPITALIZATION APPROACH \$675,000

SALES COMPARISON APPROACH

The Sales Comparison Approach, or Market Data Approach, is based on the principle of substitution, which states that a typical buyer or investor would pay no more for a property than what he or she could purchase a similar property for. This approach is most effective in an active market.

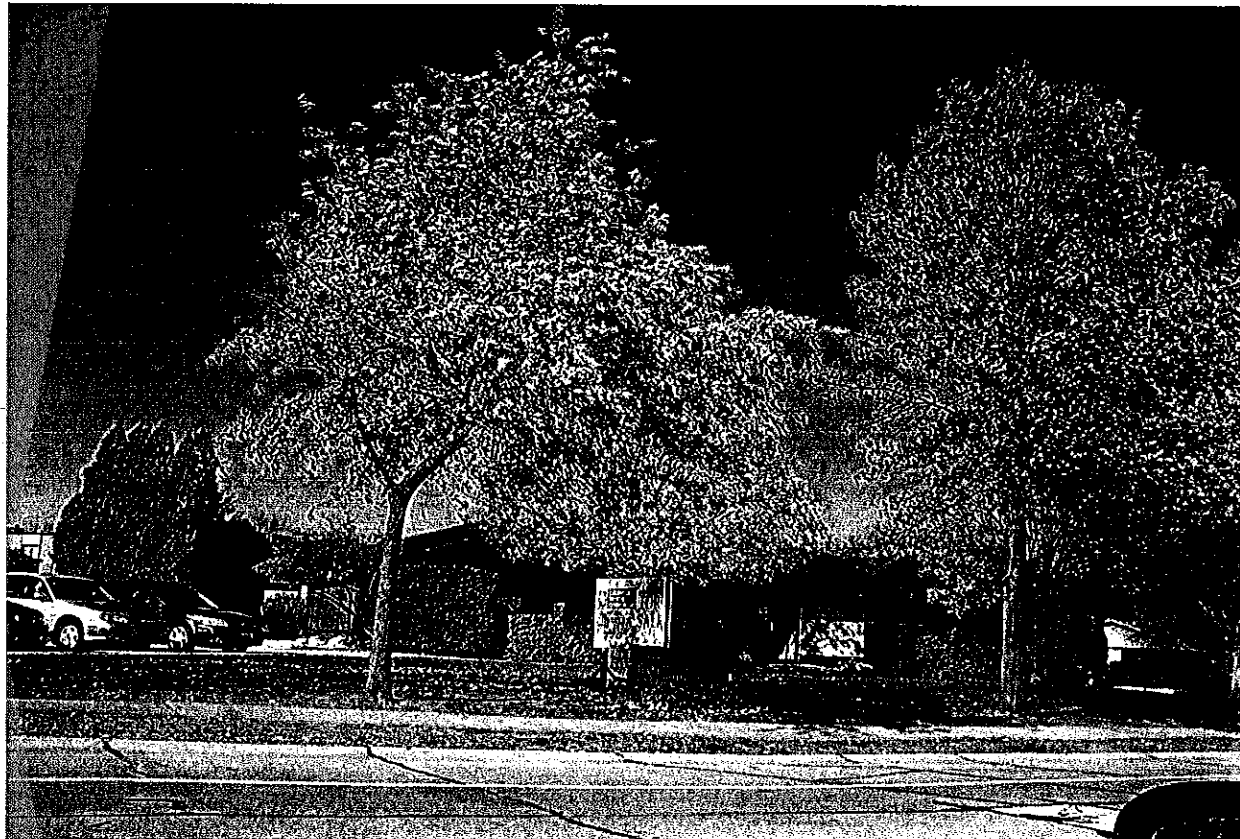
Sales of properties that contain the same salient features as the subject property have been collected. The comparable sales have been analyzed and market extracted adjustments can be made for those significant differences that exist between the subject and the comparable. The sales are adjusted for property rights conveyed, conditions in the market, terms of financing, unusual conditions of sale, physical characteristics, and location. The adjusted price represents what the property would have sold for if it contained the same characteristics as the subject.

The data shown on the following pages represent the most comparable sales available in the market.

IMPROVED PROPERTY SALE #1

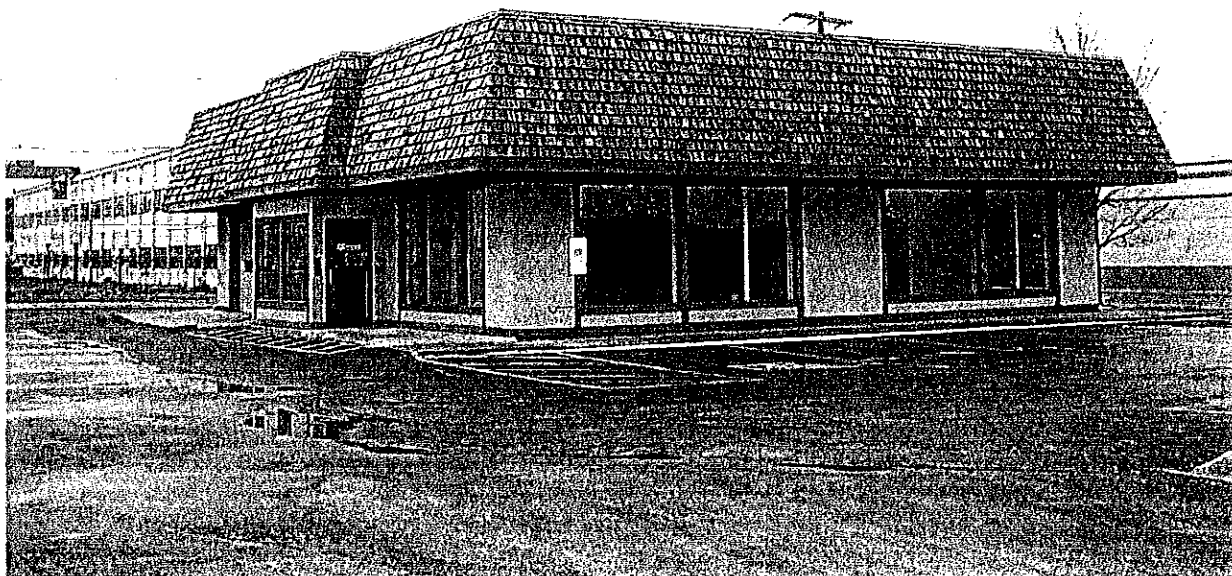
LOCATION	2101 West Park Court Champaign, IL
GRANTOR	Farm Credit Services of Illinois FLCA & PCA
GRANTEE	International Society of Arboriculture
DATE OF SALE	June 2008
RECORDING	Document 2008R17358/17359
SALE PRICE	\$1,500,000
BUILDING SIZE	12,472 SF
LOT SIZE	92,655 SF
LAND:BLDG RATIO	7.43:1
SALE PRICE/SF	\$120.27

COMMENTS This is a frame office building with a brick veneer exterior. It was constructed in 1982 for the Grantor. It is a one-story building with a full basement that is mostly finished. The site slopes from south to north and east to west and portions of the lower level are only partially subgrade. There were two transfers, each conveying an undivided 50% interest.

IMPROVED PROPERTY SALE #2

LOCATION	208 Burwash Savoy, IL
GRANTOR	Board of Certified Safety Professionals
GRANTEE	AMS Holdings, LLC
DATE OF SALE	April 2011
RECORDING	Document 2011R07452
SALE PRICE	\$407,500
BUILDING SIZE	5,688 SF
LOT SIZE	25,865 SF
LAND:BLDG RATIO	4.55:1
SALE PRICE/SF	\$71.64

COMMENTS This is a one-story frame office building with a brick veneer exterior. The original 3,544 square feet was constructed in 1982 but was renovated in 1994 when the addition was made. It has a mix of private and bullpen office space along with a reception area and conference room. It was in average condition at the time of sale.

IMPROVED PROPERTY SALE #3

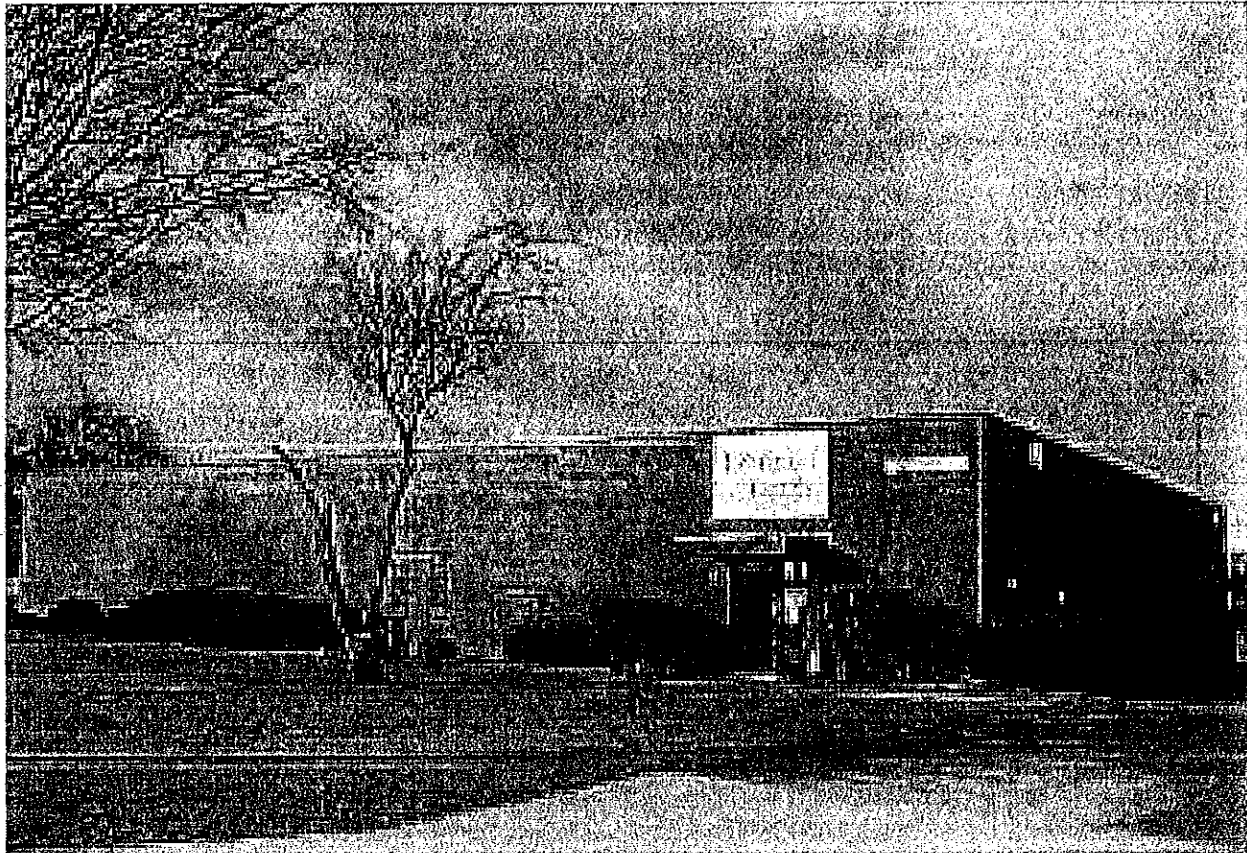
LOCATION	2107 West Springfield Champaign, IL
GRANTOR	Delbert Angelo
GRANTEE	Sarus Developers, LLC
DATE OF SALE	April 2011
RECORDING	Document 2011R08512
SALE PRICE	\$315,000
BUILDING SIZE	2,932 SF
LOT SIZE	25,662 SF
LAND:BLDG RATIO	8.75:1
SALE PRICE/SF	\$107.44

COMMENTS This is the sale of a one-story masonry building constructed in 1976. It has had a variety of uses including retail, restaurant and used car sales. It was remodeled in 2003 for use as an office with the rear 1/3 garage space with an overhead door and a utilitarian break room and bath. There was a prior sale in September 2003 for \$390,000 prior to the remodeling with an additional 19,389 square feet of land to the rear that was subsequently sold. However, the property was vacant at the time of the more recent sale and the price reflects changing economic conditions and a distressed sale.

IMPROVED PROPERTY SALE #4

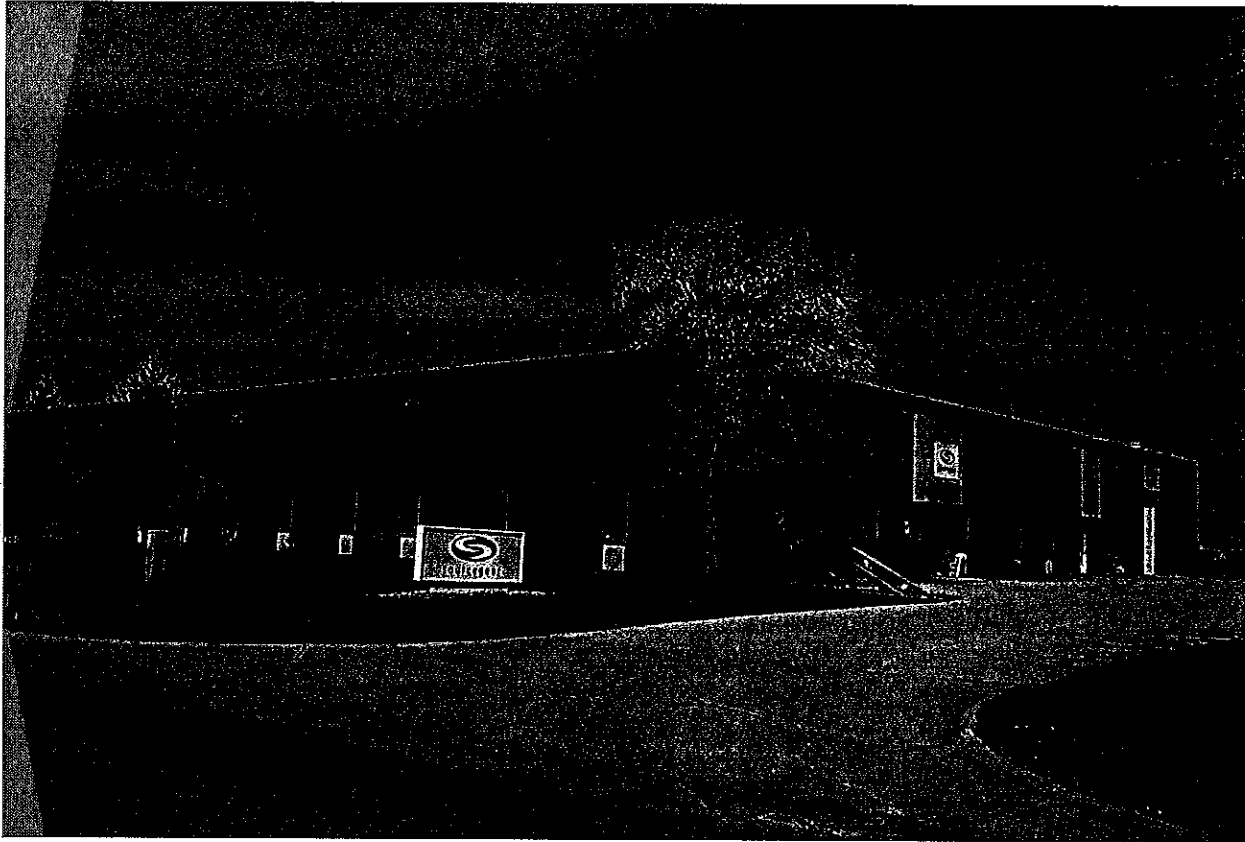
LOCATION	1704 South Neil Champaign, IL
GRANTOR	1800 South Neil Street Partnership
GRANTEE	Champaign Village 2, LLC
DATE OF SALE	December 2011
RECORDING	Document 2011R26979
SALE PRICE	\$685,000
BUILDING SIZE	9,555 SF
LAND AREA	15,304 SF
LAND:BLDG RATIO	2.2:1
SALE PRICE/SF	\$71.69

COMMENTS This is the sale of a one, and two-story office building that was constructed in 1981. It was previously a single user owner occupied building, but has been remodeled for multiple tenant use. The property adjoins the ICG railroad to the east and has only minimal depth, with parking located to the north and south of the building improvements. It was in average condition at the time of sale. There was a prior sale in December 2005 in the amount of \$740,000.

IMPROVED PROPERTY SALE #5

LOCATION	1702 Interstate Drive Champaign, Illinois
GRANTOR	Life Quest Center, Inc.
GRANTEE	Loophole Investments, LLC
DATE OF SALE	March 2010
RECORDING	Document 2010R05042
SALE PRICE	\$260,000
BUILDING SIZE	5,480 SF
LAND AREA	34,875 SF
LAND: BLDG RATIO	6.36: 1
SALE PRICE/ SF	\$47.45

COMMENTS This is a concrete block office building with a brick veneer exterior located in the Interstate Research Park. The building was constructed in 1964 and in fair condition at the time of sale, with no recent upgrades. The property was occupied by a tax-exempt social service agency and was handicapped accessible. There is electric forced air heat and central air conditioning. It should be noted that the final listing price was \$399,900, with the grantors being atypically motivated.

IMPROVED PROPERTY SALE #5

LOCATION	3200 Farber Drive Champaign, IL
GRANTOR	Regency Commercial Associates, LLC
GRANTEE	Werner G. and Elaine R. Wagner
DATE OF SALE	January 2006
RECORDING	Document 2006R02863
SALE PRICE	\$828,000
BUILDING SIZE	22,500 SF
LAND AREA	3 Acres
LAND:BLDG RATIO	5.8:1
SALE PRICE/SF	\$36.80

COMMENTS This one-story masonry building was constructed in 1981 as an office and manufacturing facility. It originally had 9,600 square feet of office and 12,900 square feet of shop. It had subsequently been remodeled and the office encompassed 18,000 square feet at the time of sale. However, the layout was somewhat dysfunctional with a number of small offices lacking windows and the level of finish was utilitarian. It is block construction with a brick veneer on the south and west sides. It was in average to fair condition at the time of sale.

SUMMARY OF IMPROVED SALES

Sale	SP/SF	Date of Sale	Size (SF)	Age/Condition
1	\$120.27	06/2008	12,472	1982/Avg
2	\$ 71.64	04/2011	5,688	1982-94/Avg
3	\$107.44	04/2011	2,932	1976/Avg-Good
4	\$ 71.69	12/2011	9,555	1981/Avg
5	\$ 47.45	03/2010	5,480	1964/Fair
6	\$ 36.80	01/2006	22,500	1981/Avg-Fair

ADJUSTMENT GRID

Sale	1	2	3	4	5	6
SP/SF	\$120.27	\$71.64	\$107.44	\$71.69	\$47.45	\$36.80
Conditions	Similar	Similar	Similar	Similar	Inferior +20%	Similar
Adj SP/SF	\$120.17	\$71.64	\$107.44	\$71.69	\$56.94	\$36.80
Date of Sale	Superior -10%	Similar	Similar	Similar	Similar	Similar
Adj SP/SF	\$108.15	\$71.64	\$107.44	\$71.69	\$56.94	\$36.80
Location	Superior -10%	Inferior +20%	Superior -10%	Superior -10%	Similar	Similar
Size	Similar	Superior -10%	Superior -20%	Similar	Superior -10%	Inferior +20%
Age/Cond	Superior -10%	Superior -10%	Superior -20%	Superior -10%	Inferior +20%	Inferior +10%
Finish	Superior -20%	Superior -25%	Similar	Superior -25%	Superior -25%	Inferior +10%
Basement	Superior -10%	Superior -5%	Similar	Similar	Similar	Similar
L:B Ratio	Similar	Similar	Similar	Inferior +10%	Similar	Similar
Net Adj	-50%	-30%	-50%	-35%	-10%	+40%
Adj SP/SF	\$54.07	\$50.15	\$53.72	\$46.60	\$51.25	\$51.52

The comparable sales shown above result in a range of sale prices per square foot varying between \$36.80 and \$120.27 prior to adjustment. An initial adjustment was made to Sale #5 for Conditions of Sale. The sale was reported to be distressed and the price is below the market. It was included due to its physical proximity to the subject and the lack of recent arm's length sales from the subject's neighborhood. An initial adjustment was made to Sale #1 for changes in market conditions since the date of sale. Sales #1 and #6 both occurred prior to the economic downturn, which has resulted in lower rents and values for office properties in the area market. However, Sale #6 would have experienced an increase in value between the date of sale and the downturn, with no adjustment

necessary. The other adjustments, namely location, size, age/condition, finish, basement and land to building ratio, were made on a cumulative basis. A brief description of the adjustment process is as follows.

Location. Sales #1, #3 and #4 are located in more central locations within Champaign that are closer to supporting facilities and residential neighborhoods. Sale #2 is in Savoy which is slightly inferior to the subject's location. Sales #5 and #6 are within the subject's defined neighborhood.

Size. The size adjustment reflects an inverse relationship between size and price, with smaller properties selling at a higher unit price.

Age/Condition. All of the sales except #5 are newer than the subject and Sale #3 is also superior in condition. Sale #5 is older and inferior in condition as compared to the subject. Sale #6 is newer but inferior in condition.

Finish. Sales #1, #2, #4 and #5 are superior to the subject in finished due to the 30% of the subject's building area being storage, distribution and garage areas. However, Sale #1 also has some unfinished storage space. Sale #3 has a similar percentage of unfinished area. Sale #6 also has a higher percentage of office area, although it has a lower quality of finish and is somewhat dysfunctional.

Basement. Sale #1 has a finished basement and Sale #2 has a basement suitable for storage and mechanicals, both of which are superior to the subject. The other sales lack basements and are similar to the subject in this respect.

Land to Building Ratio. Sale #4 has a lower land to building ratio and inferior parking. The other sales are similar to the subject.

After making the adjustments, the range of sale prices per square foot has been narrowed to between \$46.60 and \$54.07. Sale #4 has set the low end to the range, although a portion of this building is two stories in height which has inferior utility. Sales #5 and #6 offer the best locational comparisons although Sale #6 is somewhat dated. The more recent sales result in a similar range. All of the sales are considered to be reliable indicators of value despite the large number of gross and net adjustments necessary. The resulting range of adjusted sale prices per square foot is narrow, which enhances the reliability of the results of this approach. A unit value of \$51.50 per square foot is considered to be reasonable. Therefore,

13,000 Square Feet @ \$51.50/SF	=	\$669,500
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VALUE BY THE SALES COMPARISON APPROACH		\$670,000
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RECONCILIATION

Income Capitalization Approach	\$675,000
Sales Comparison Approach	\$670,000

The Income Approach is generally considered the most reliable method of valuing income producing properties. However, the subject is owner occupied and Market Rent was used in the analysis. Nominal expenses were deducted and the Net Operating Income was capitalized by an Overall Rate that was derived from the Band of Investment Technique. The rate is also consistent with rates taken directly from the marketplace, and the value is considered to be reliable despite the required estimates.

The Sales Comparison Approach is the more straightforward of the approaches to value. Six sales were gathered and analyzed with adjustments made for significant differences between the subject and the comparables. The primary limitation of this approach is the subjectivity involved in the adjustment process. All of the sales required a large number of gross and/or net adjustments, although the resulting range of adjusted sale prices per square foot was reasonably narrow.

The two approaches result in a reasonably narrow range of values. Both approaches are considered to be reliable indicators of value for the subject with the Sales Comparison Approach more applicable for this owner occupied property. Therefore, it is our opinion that the Market Value of the subject property, as of February 14, 2012, was SIX HUNDRED SEVENTY THOUSAND (\$670,000) DOLLARS.

QUALIFICATIONS OF THE APPRAISER

Ruth J. Straseske

Education:

1979	University of Illinois, A.B. in Liberal Arts and Sciences
1999	Residential Appraisal Procedures Uniform Standards of Professional Appraisal Practice
2000	Principles of Real Estate Appraisal
2002	2.1 Introduction to Income Property Appraising
2003	1.4B Report Writing – Non-Residential 2.2 Techniques of Income Property Appraising 2.0 Financial Analysis of Income Properties 5.0 National Uniform Standards of Professional Appraisal Practice (USPAP) 9.0A Concepts, Terminology & Techniques
2004	2.9 Capitalization Rates, Discount Rates & Ratios 16.2 Appraisal of Foreclosure Properties
2005	1.5B Small Income Property Appraising 400 2005 National USPAP Update
2006	5.0A 2006 National USPAP Update
2007	FH 355 – At Home with Diversity ICAP Illinois Appraisers Update Seminar Understanding Cap Rates
2008	5.0A 2008 National USPAP Update ICAP Illinois Appraisers Update Seminar
2009	Cool Tools: New Technology for Real Estate Appraisers Appraising Convenience Stores
2011	2010 National USPAP Update ICAP Illinois Appraisers Update Seminar Eminent Domain and Condemnation Scope of Work

Experience:

1979-1983	Realtor, Century 21 Heartland Real Estate
1984-1991	Realtor's Licensed Assistant, Century 21 Heartland RE
1992	Realtor's Licensed Assistant, RE/Max
1994-1999	Appraisal Assistant, James H. Webster & Associates, Ltd.
2000-	Staff Appraiser, James H. Webster & Associates, Ltd.

Certification:

Illinois Certified General Real Estate Appraiser #553.001506
Expires 09/30/2013

QUALIFICATIONS OF THE APPRAISER

James H. Webster, MAI, SRA

Education

1973 Ohio State University, B.S. in Real Estate and Urban Economics
1973 SREA 101, Introduction to Real Estate Appraising
1973 SREA 201, Principles of Income Property Appraising
1974 AIREA 202, Urban Properties
1999 Appraisal Institute 600, Income Valuation of Small, Mixed-Use Properties
2006 2006 National USPAP Update
1973-2011 Attended Various Seminars Sponsored by the Appraisal Institute

Experience

1973-1975 Commerce Investment Corporation, Staff Appraiser
1975-1983 First Federal Savings, Appraiser and Loan Officer
1983-1986 American Savings, Staff Appraiser
1986-present James H. Webster & Associates, Ltd., President

Review Appraiser

HUD
FNMA
Institutions

Certification

Illinois State Certified General Real Estate Appraiser
#553.000270
Expires 09/30/2013

Expert Witness

Douglas, Piatt, Macon, Crawford and Champaign counties

Teaching

Parkland College, Champaign, Illinois

1997 Principles of Real Estate Appraisal
2000 Uniform Standards of Professional Appraisal Practice

Professional Service

1976-1979 SREA, Treasurer, Chapter #166
1979 SREA, Young Advisory Committee
1980-1981 SREA, Vice President, Chapter #166
1982-1983 SREA, President, Chapter #166
1989-1990 SREA, Vice President, Chapter #166
1991 Appraisal Institute, President, Central Illinois Chapter

Professional Designations

1981-present SRA, Senior Residential Appraiser
1986-present Realtor, Champaign County Association of Realtors
1990-1994 SRPA, Senior Real Property Appraiser
1994-present MAI

CLIENTS

BANKS

Bank of America
Bank of Illinois in Normal
BankChampaign
Busey Bank
Central Illinois Bank
Centrue Bank
Citibank
Citizen's National Bank – Paris
Effingham State Bank
First Bank & Trust – Paris
First Bank of Savoy
First Federal of Champaign-Urbana
First Mid-Illinois Bank
First Midwest Bank
First National Bank – Ogden
First State Bank – Monticello
First State Bank – Tuscola
Heartland Bank
JP Morgan Chase
LaSalle Bank
Longview State Bank
Marine Bank
National City Bank
Tuscola National Bank
Villa Grove State Bank
Wells Fargo

INSURANCE

Indiana Insurance
State Farm

GOVERNMENTAL AGENCIES

Champaign County
Champaign County Board of Review
Champaign Park District
Champaign-Urbana Mass Transit District
City of Champaign
City of Champaign Township
City of Mattoon
City of Monticello
City of Rantoul
City of Urbana
Coles County Assessor
Cunningham Township Assessor
Housing Authority of Champaign County
Mental Health Center of Champaign County
Piatt County Board
United States Postal Service
Urbana Park District

INSTITUTIONAL

University of Illinois
University of Illinois Foundation

INVESTMENT

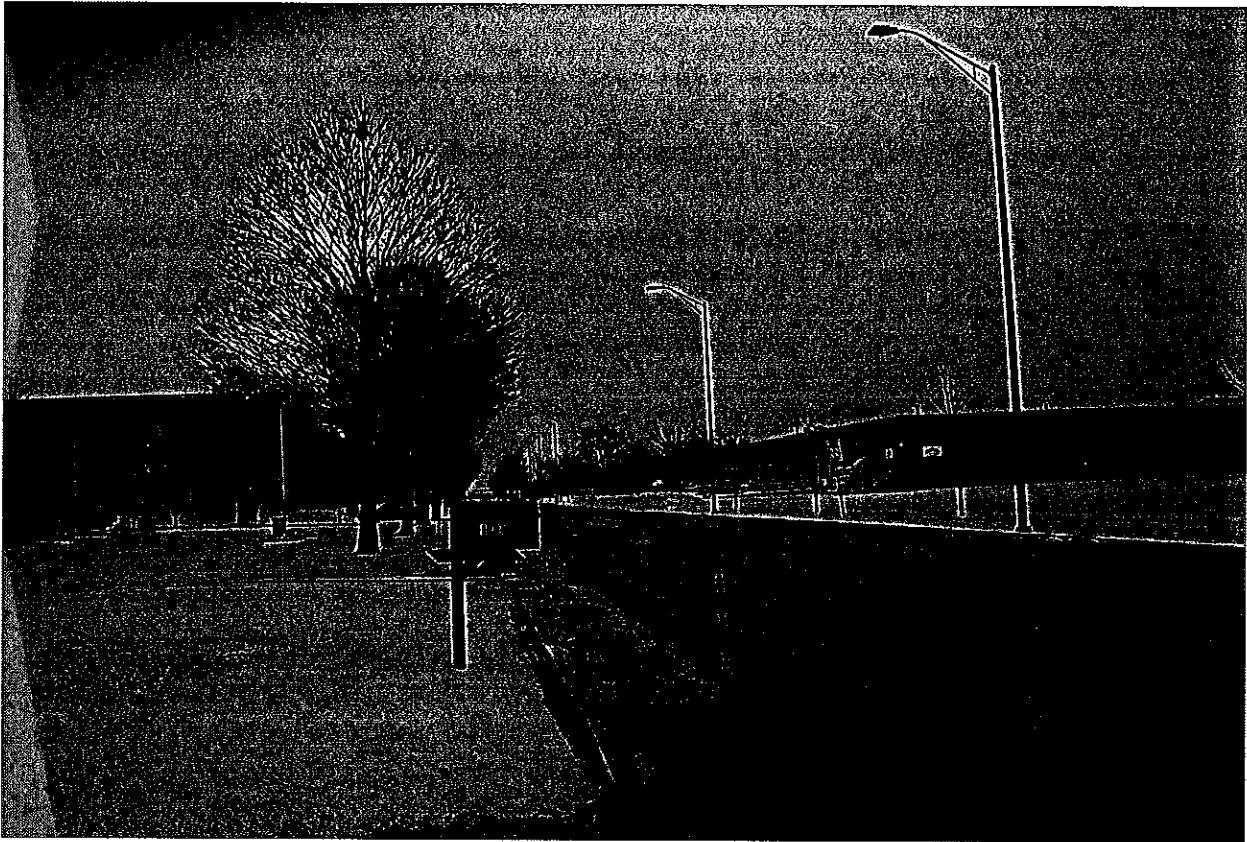
DLJ Real Estate Investment Partners
GE Capital
GMAC Commercial
JP Melody
Merrill Lynch



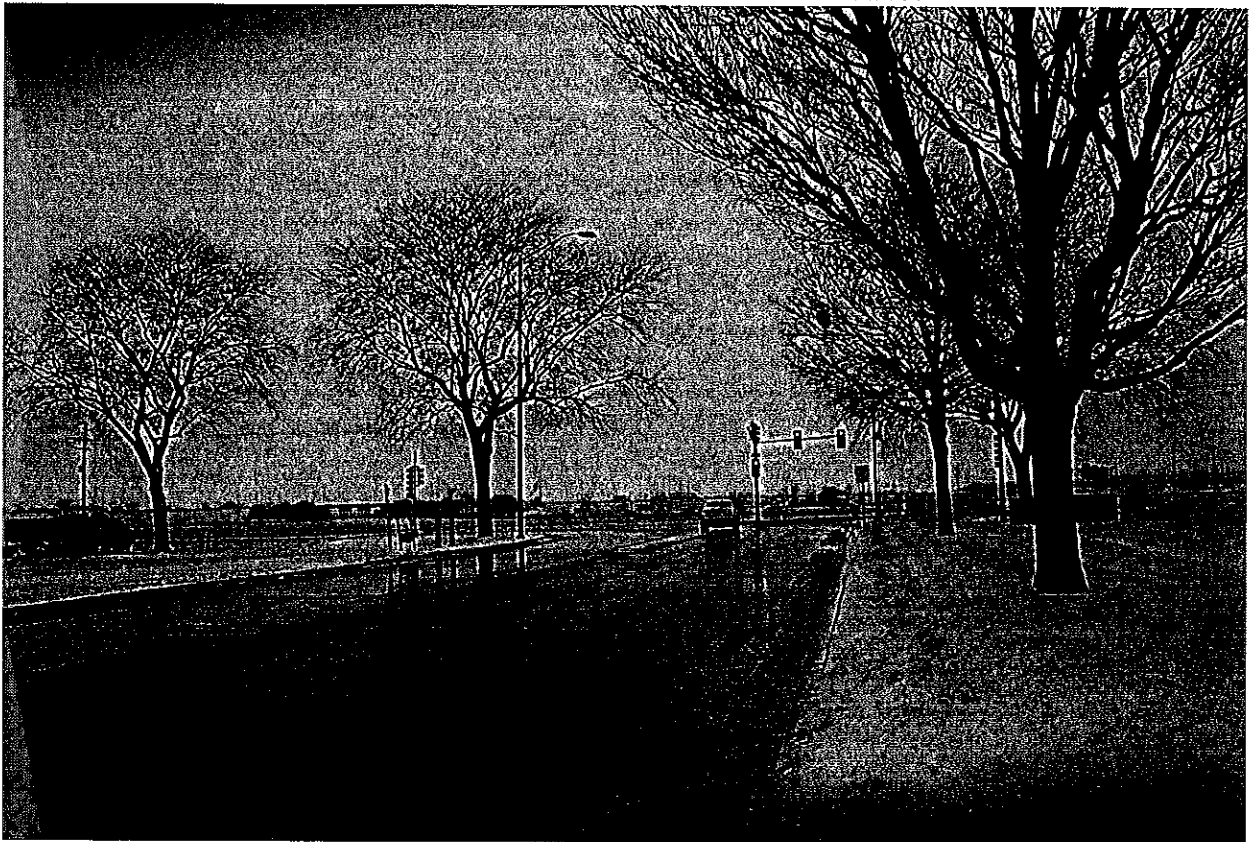
FRONT VIEW OF SUBJECT



REAR VIEW OF SUBJECT



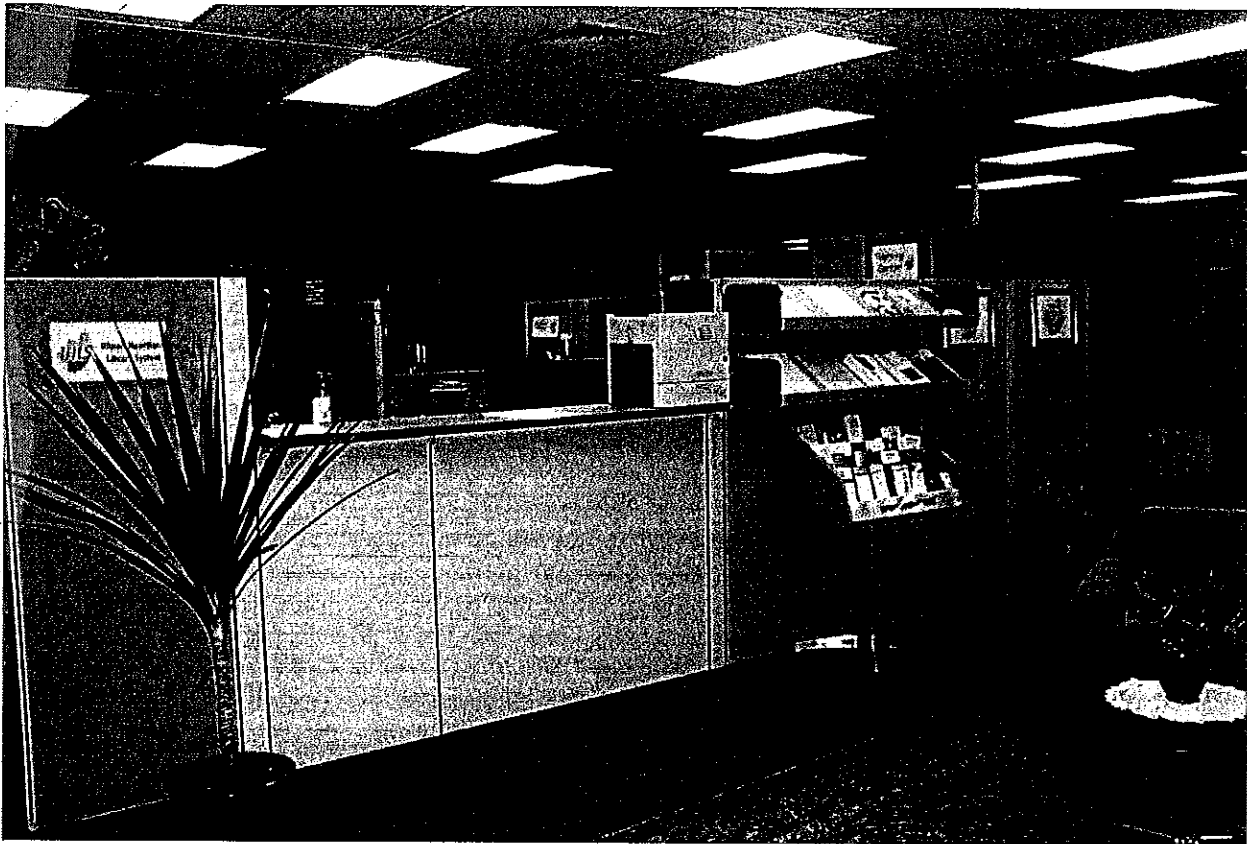
LOOKING EAST ON INTERSTATE DRIVE



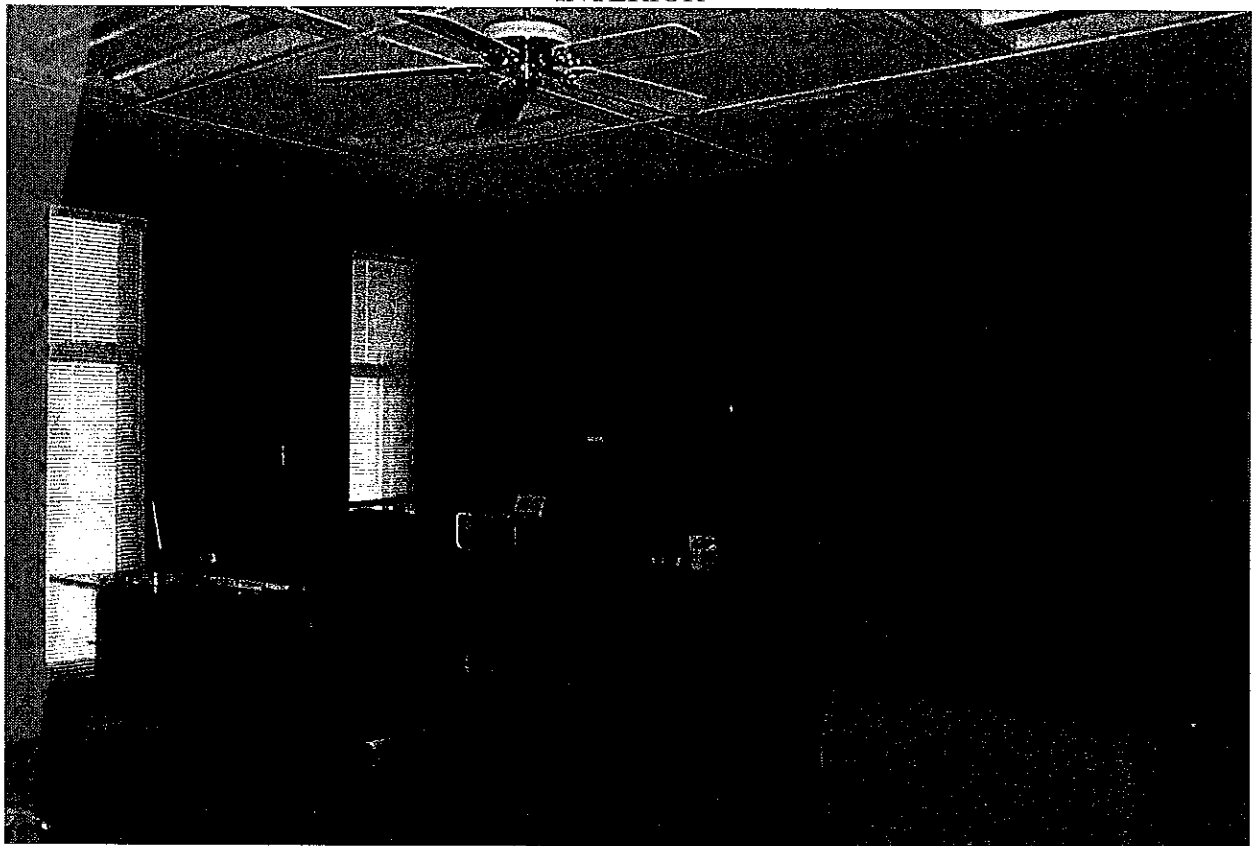
LOOKING WEST ON INTERSTATE DRIVE



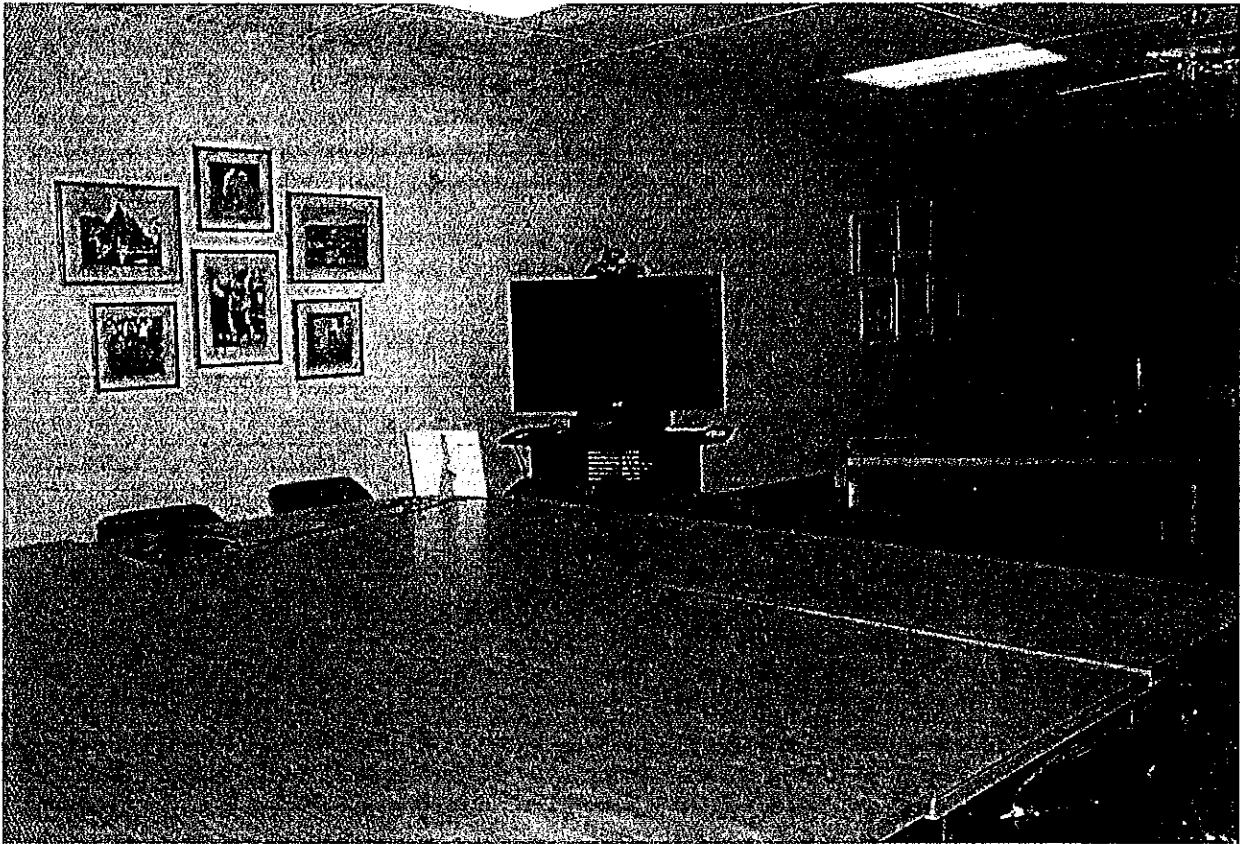
NORTH PARCEL PARKING LOT



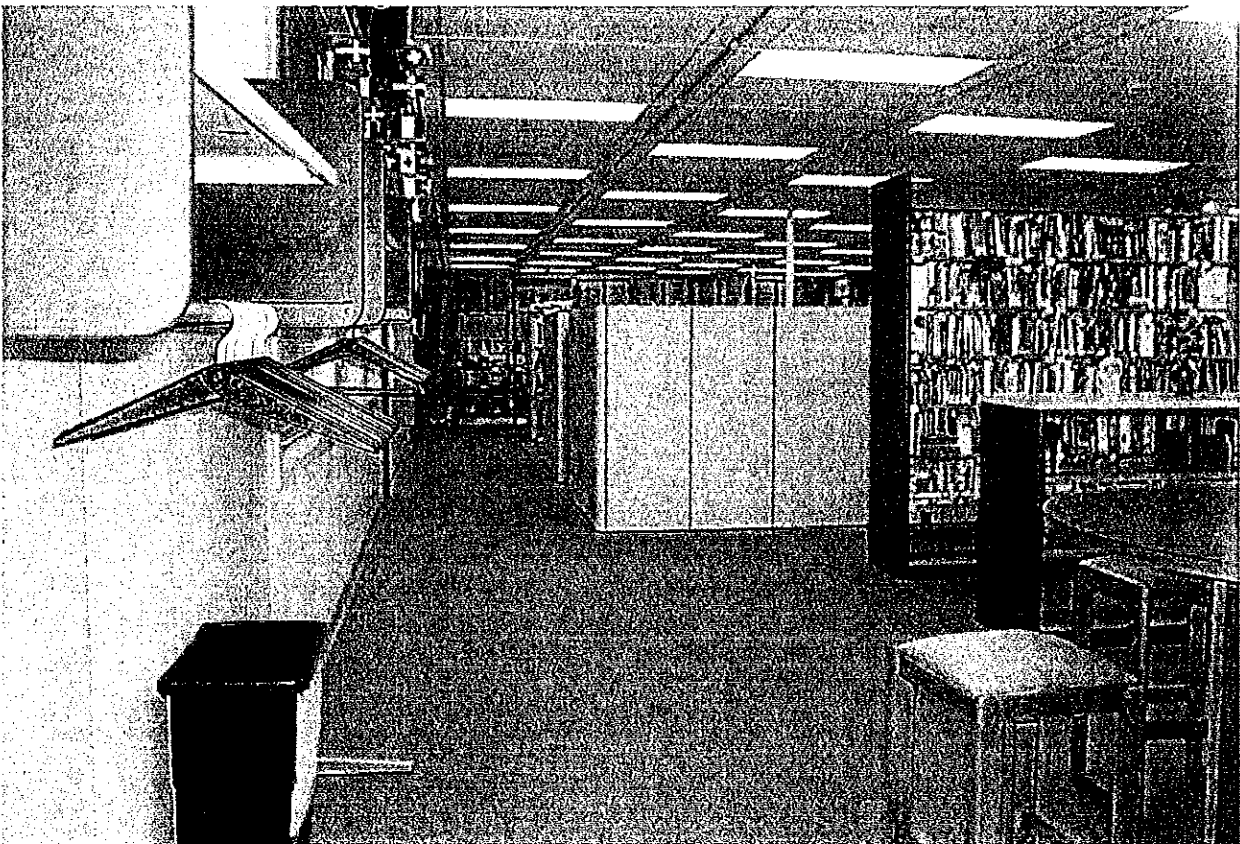
INTERIOR



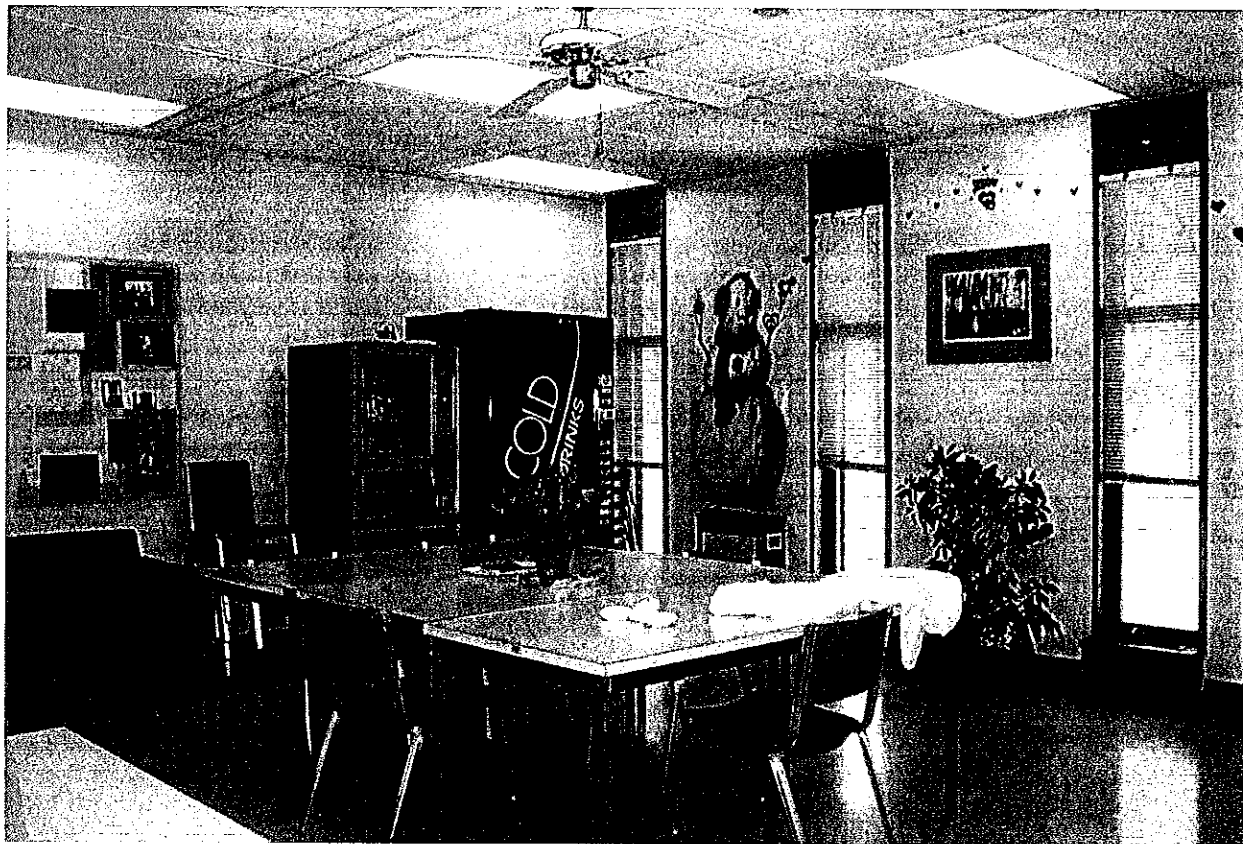
INTERIOR



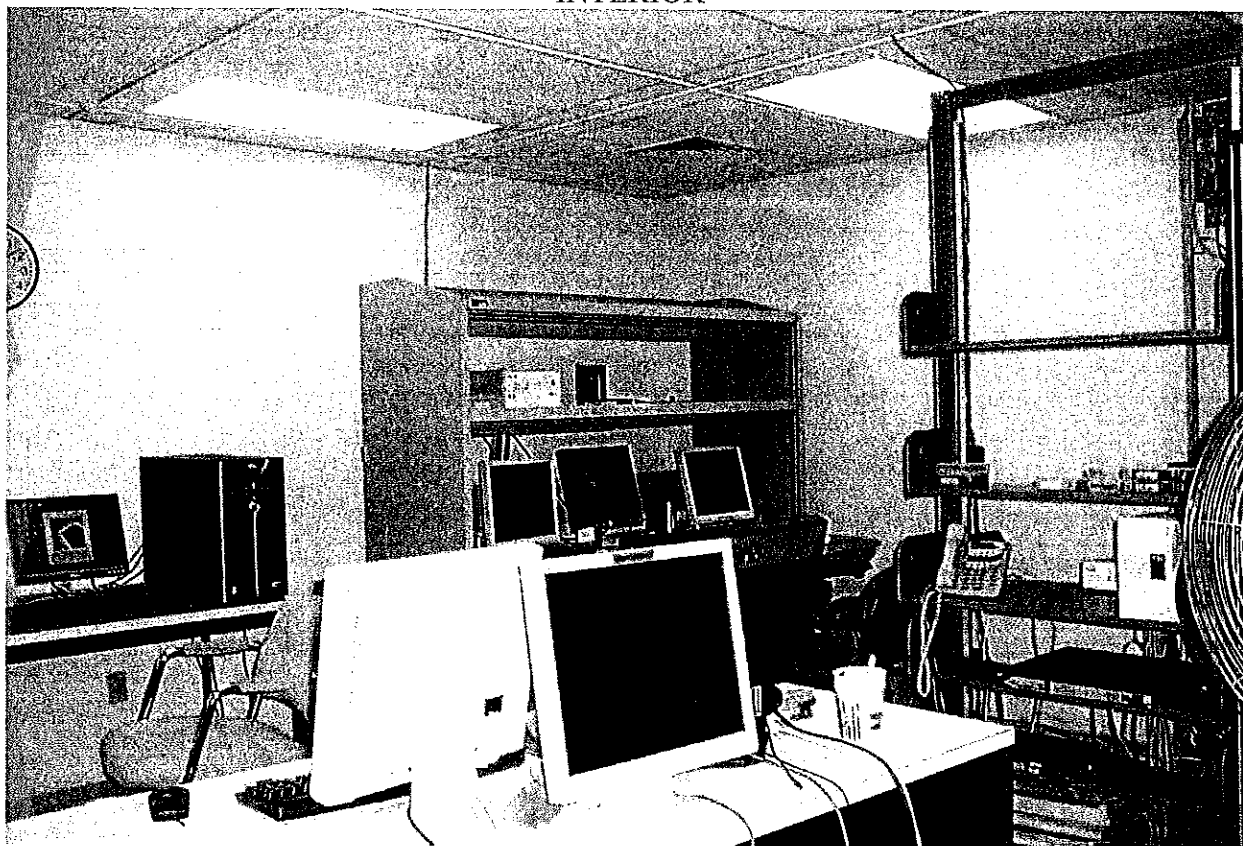
INTERIOR



INTERIOR



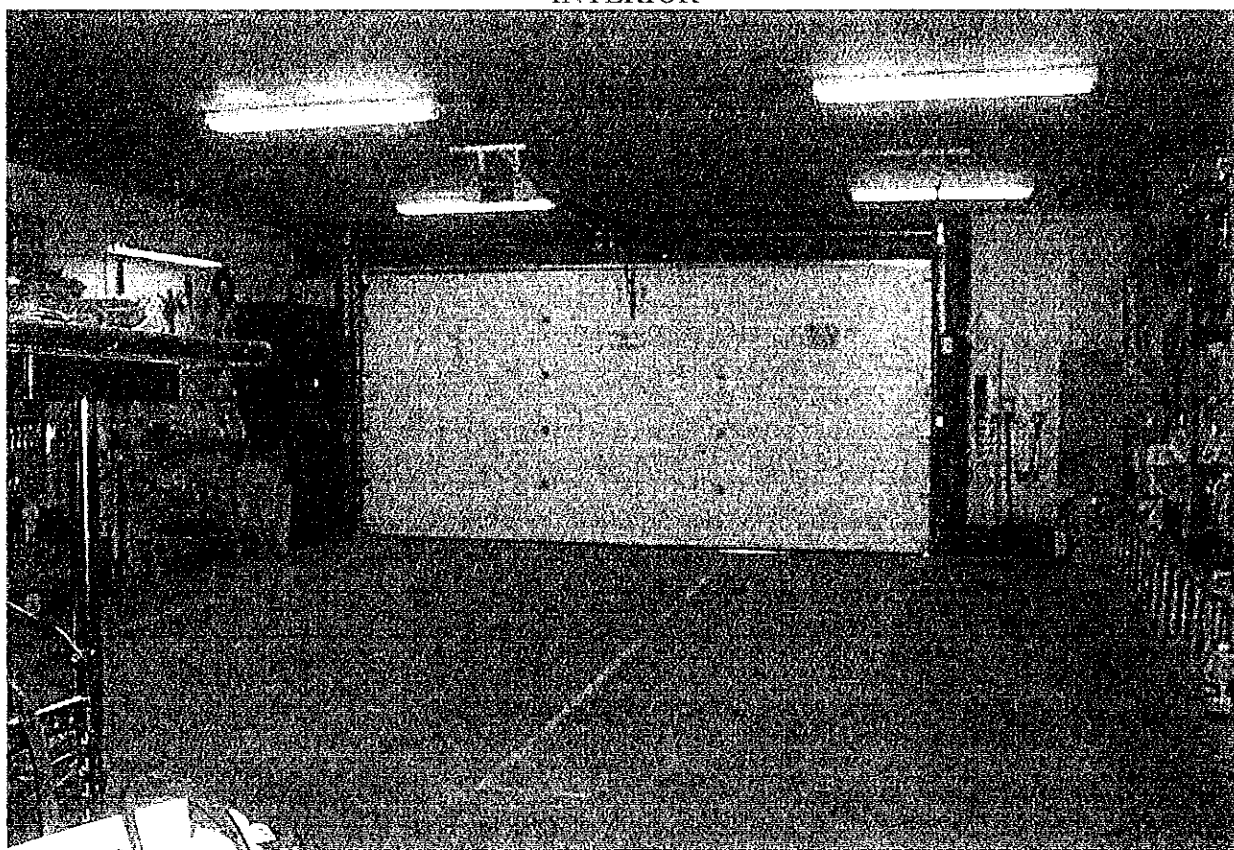
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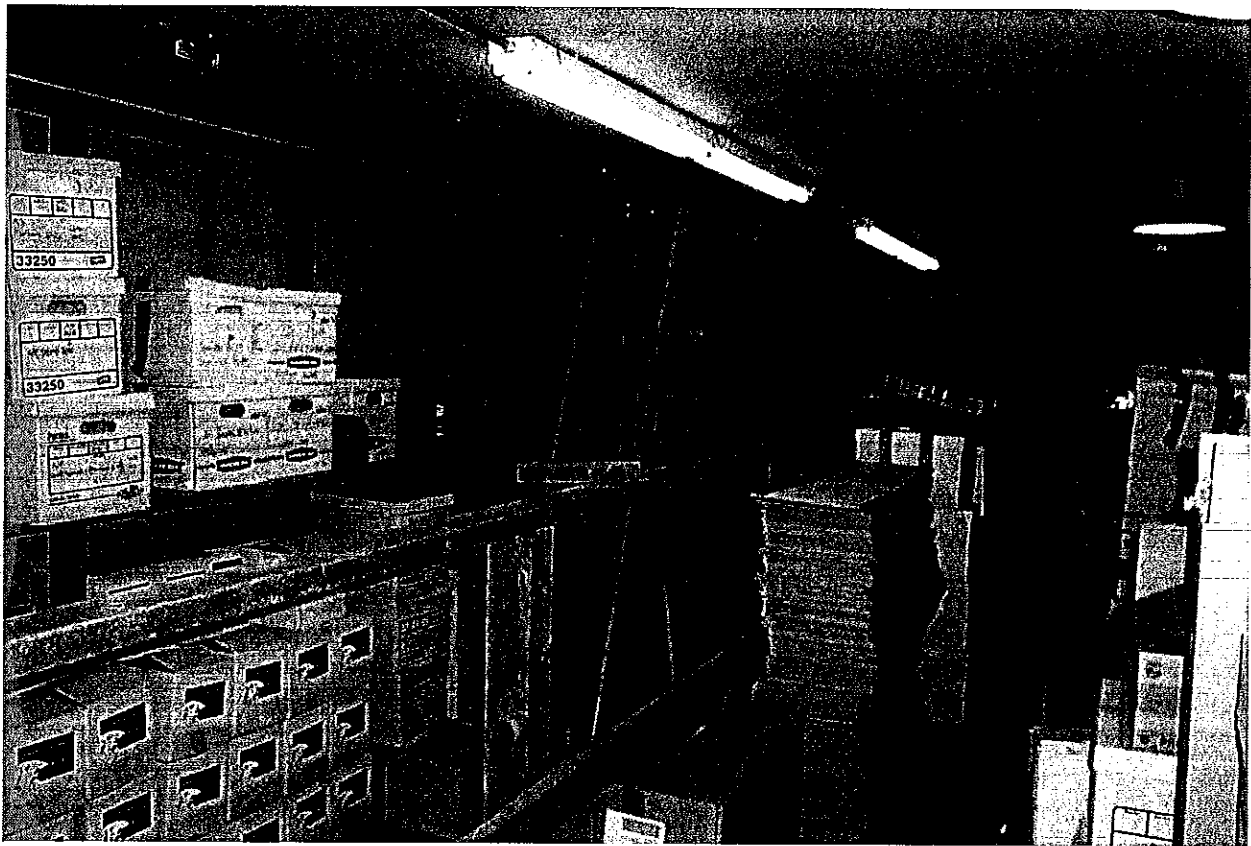
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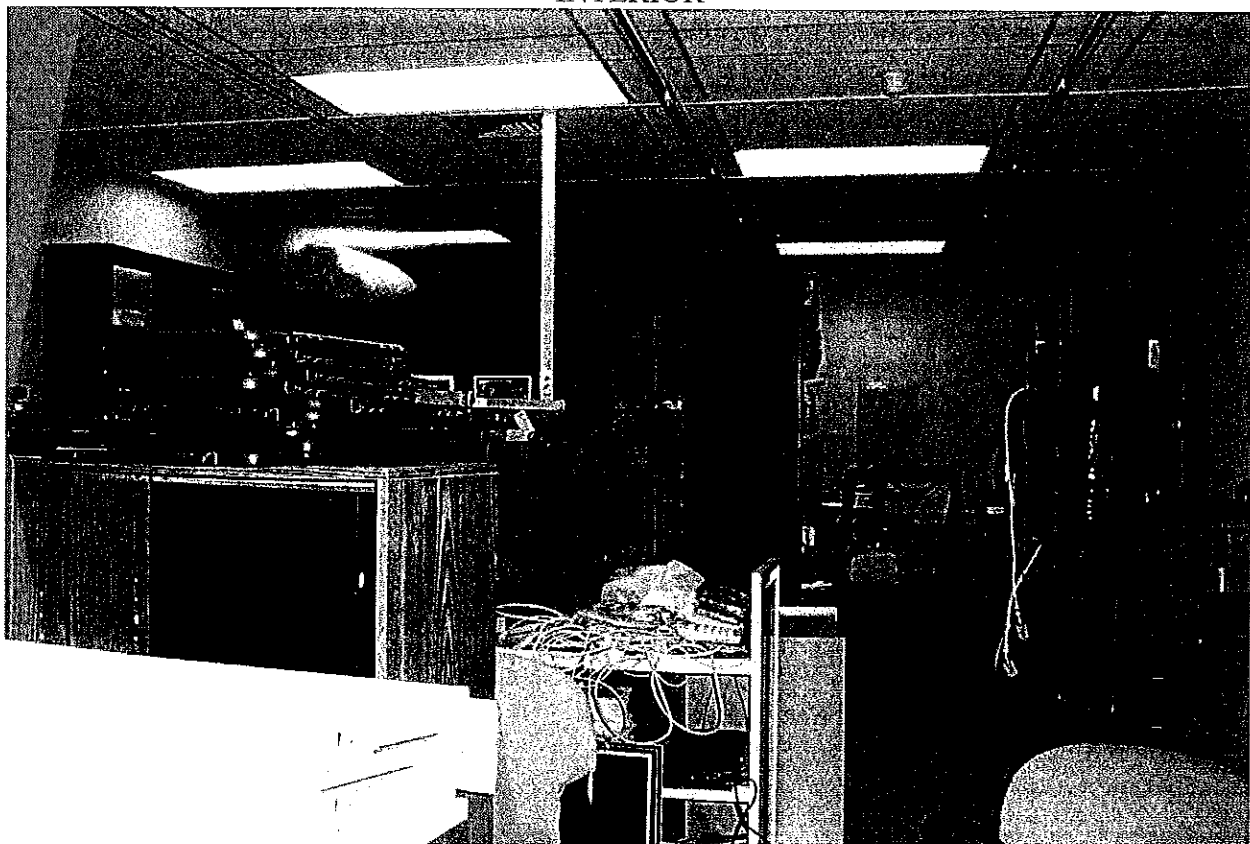
INTERIOR



INTERIOR



INTERIOR



INTERIOR

SUMMARY APPRAISAL REPORT OF:

345 W. Eldorado Street
Decatur, Illinois 62522

CLIENT:

Ms. Juliette E. Douglas
Illinois Heartland Library System
6725 Goshen Road
Edwardsville, Illinois 62025

EFFECTIVE DATE OF VALUE:

April 8, 2013

DATE OF REPORT:

April 10, 2013

PREPARED BY:

Joseph M. Webster
James H. Webster & Associates, Ltd.
104 West University Avenue, Suite B
Urbana, Illinois 61801
(217) 344-0973
E-mail: joe@websterappraisals.com

**James H. Webster
& Associates, Ltd.**

104 West University Avenue, Suite B
Urbana, Illinois 61801-1723
Phone (217) 344-0973
Fax (217) 344-7506
E-mail: office@websterappraisals.com

April 10, 2013

Ms. Juliette E. Douglas
Illinois Heartland Library System
6725 Goshen Road
Edwardsville, Illinois 62025

RE: Appraisal of 345 W. Eldorado Street, Decatur, Illinois.

Dear Ms. Douglas:

Per your request, I have personally inspected the property located at 345 W. Eldorado Street, Decatur, Illinois. This report is intended for use only by the Client, Illinois Heartland Library System, for planning and marketing purposes. Use of this report by others is not intended by the appraiser. The Client has requested an opinion of the Market Value of the Fee Simple Estate of the subject real property. An exterior and interior examination of the subject was made on April 8, 2013, which is the effective date of the opinion of value.

This transmittal letter is followed by the summary appraisal report further describing the subject property and containing the reasoning and pertinent data leading to the opinion of value. Also attached are the Certification of the appraisal, Limiting Conditions, Photographs, and other addenda that are considered relevant to the appraisal. This letter and all attachments are integral parts of the appraisal report, and the entire document must be considered as a whole.

The property was appraised based on fee simple ownership and unencumbered, subject to the contingent and limiting conditions outlined herein.

Illinois Heartland Library System
April 10, 2013

Appraisal of 345 W. Eldorado Street, Decatur, Illinois.

It is our opinion that the Market Value of the Fee Simple Estate of the subject real property, as of April 8, 2013, was:

TWO HUNDRED SEVENTY-FIVE THOUSAND (\$275,000) DOLLARS.

Respectfully submitted,

Joseph M.
Webster

Digitally signed by Joseph M. Webster
DN: cn=Joseph M. Webster, o=Webster
and Associates, email=jm@websterappraisals.com, c=US
Date: 2013.04.12 13:39:42 -0500

Joseph M. Webster
Illinois Certified General
Real Estate Appraiser # 553.002003

F:\13-02311

James
Webster

Digitally signed by James
Webster
DN: cn=James Webster, o=Webster,
ou=Webster, email=office@websterappraisals.com, c=US
Date: 2013.04.12 13:39:42 -0500

James H. Webster, MAI, SRA
Illinois Certified General
Real Estate Appraiser # 553.000270

DEFINING THE PROBLEM TO BE SOLVED:

IDENTIFICATION OF THE CLIENT AND OTHER INTENDED USERS:

The appraisal was ordered by Juliette Douglas of Illinois Heartland Library System, which is the Client for this assignment. The appraiser-client relationship is subject to the Confidentiality section of the Ethics Rule of the *Uniform Standards of Professional Appraisal Practice* (USPAP), which states that an appraiser must not disclose confidential information, or assignment results prepared for a Client to anyone other than the Client, or persons specifically authorized by the Client. The Client has not identified any additional Intended Users, and therefore, the Client is the sole Intended User of the appraisal.

INTENDED USE OF THE APPRAISER'S OPINIONS AND CONCLUSIONS:

The Intended Use of the opinions and conclusions derived from this appraisal assignment is to evaluate the property that is the subject of this appraisal for marketing purposes, subject to the stated Scope of Work, problem to be solved, reporting requirements of this appraisal report type, and Definition of Value. No additional Intended Uses are identified by the appraiser, and the opinions and conclusions can not be used for any other purpose without prior written authorization from James H. Webster & Associates, Ltd.

TYPE AND DEFINITION OF VALUE TO BE DETERMINED:

The Client has requested an opinion of the current Market Value of the subject real property.

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 they consider their 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. (Source: 12 C.F.R. Part 34.42(g); 55 *Federal Register* 34696, August 24, 1990, as amended at 57 *Federal Register* 12202, April 9, 1992; 59 *Federal Register* 29499, June 7, 1994]

Real Property is defined as:

All interests, benefits, and rights inherent in the ownership of physical real estate; the bundle of rights with which the ownership of the real estate is endowed.¹

No personal property or intangible assets have been included in the opinion of value.

EFFECTIVE DATE OF THE APPRAISER'S OPINIONS AND CONCLUSIONS:

An exterior and interior examination of the subject property was made on April 8, 2013, which is the effective date of the opinion of value.

¹ The Dictionary of Real Estate Appraisal, 4th Edition, by the Appraisal Institute, 2002.

IDENTIFICATION OF THE SUBJECT PROPERTY:

Property Type and Location.

The subject represents a one and two-story, masonry building that is utilized as an office. The property is located at 345 W. Eldorado Street, Decatur, Illinois.

Ownership History.

The subject property is currently in the name of Rolling Prairie Libraries. There has been no transfer of ownership on record over the past three years, and the property is not formally available for sale at this time.

Legal Description.

According to the Macon County Assessor, the subject property may be legally described as:

All of Lots 8, 9, and 12, along with the west 11.5-feet of Lot 5, in Block 15 of C.H. Moore's Addition to the City of Decatur, Macon County, Illinois.

Tax and Assessment Data.

The subject's tax and assessment information is as follows:

<u>Permanent Parcel Number</u>	<u>Land</u>	<u>Building</u>	<u>Total</u>	<u>Tax</u>
04-12-15-206-001	\$0	\$0	\$0	\$0

The subject is owned by a non-for-profit entity, and therefore, lacks an assessed value or tax amount.

PROPERTY RIGHTS TO BE VALUED:

The property rights being valued are a *Fee Simple Estate*, which is defined as:

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.²

The subject property is owner occupied, and therefore, the use of fee simple property rights is most appropriate, with no allocation of partial interests warranted.

EXTRAORDINARY ASSUMPTIONS:

An *Extraordinary Assumption* is defined 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.³

There were no Extraordinary Assumptions used in the analysis leading to the opinion of value for the subject property.

HYPOTHETICAL CONDITIONS:

A *Hypothetical Condition* is defined 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.⁴

There were no Hypothetical Conditions used in the analysis.

²Ibid.

³2012 – 2013 Uniform Standards of Professional Appraisal Practice.

⁴2012 – 2013 Uniform Standards of Professional Appraisal Practice.

EXPOSURE TIME:

Exposure Time may be defined 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. (Source: 2012-2013 Uniform Standards of Professional Appraisal Practice).

The exposure time analysis considers the liquidity characteristics of the subject property. It is based on data retained in file, along with external sources, such as brokers and MLS. Based on the characteristics of the subject property, the opinion of Market Value derived in this report is based on an Exposure Time estimated to be between 0 and 24 months, with 6 months considered typical. This represents the average time on the market for recent sales of properties of this type actively listed for sale at a reasonable price. The typical purchaser is owner occupant.

SCOPE OF WORK:

The development and reporting of a real property appraisal must be done in compliance with Standards 1 and 2 of the *Uniform Standards of Professional Appraisal Practice (USPAP)* as promulgated by the Appraisal Standards Board of the Appraisal Foundation. Standard 1 contains requirements that deal with the procedures to be followed in developing the appraisal in a manner that will result in a credible assignment result. *Credible* is defined in the 2012 Edition of *USPAP* as "worthy of belief." The scope of work necessary to produce a credible appraisal is determined by the appraiser based on the problem to be solved and the intended use. This appraisal has been developed in conformity with the requirements of Standard 1 of the 2012 Edition of *USPAP*.

Standard 2 requires that the appraiser's conclusions must be communicated in a manner that is not misleading. It provides three reporting options with varying levels of content and information. The appropriate reporting option is dependent upon the intended user and intended use of the appraisal. The intended user of this report is a non-for-profit entity which owns multiple parcels of real estate, and the individuals using the report are familiar with the procedures used to develop an opinion of value for a property of this type. Therefore, the results of the analysis have been compiled into a summary appraisal report that is intended to comply with Standard 2-2(b) of the *Uniform Standards of Professional Appraisal Practice*. Additional support is retained in your appraiser's files.

Demographic and economic data have been collected from the Illinois Department of Commerce and Economic Opportunity, the Illinois Department of Employment Security, the U. S. Census Bureau, and the Illinois Business Review. Furthermore, reference has been made with the Macon County Assessor's and Treasurer's Offices, Macon County Tax Maps, and City of Decatur Zoning maps. Data applicable to the appraisal assignment has been gathered, confirmed, and analyzed to determine trends in the marketplace that would have an effect on the marketability of the subject and on its Market Value.

Joseph M. Webster made an exterior and interior examination of the subject property on April 8, 2013. He observed the site and site improvements, the exterior of the building, and the interior of nearly all areas of the building. He was accompanied by Chris Janvrin, who provided information regarding the property. Photographs of the property were also taken on that date.

The Income Capitalization and Sales Comparison Approaches were determined to be applicable in valuing the subject property, and summaries of each approach are included in the report. It is your appraiser's opinion that the Cost Approach is not relevant, and has thus been omitted from the analysis. The subjectivity involved in estimating depreciation would limit the reliability of the value derived from the Cost Approach, and the completion of the Cost Approach is not necessary to achieve a credible assignment result. Market data, including land sales, and supply and demand forces in the area are collected, presented, and analyzed. The data is used to determine the Highest and Best Use of the subject property. Land sales were examined as part of the Highest and Best Use analysis and are retained in your appraiser's files. Data on comparable rentals and expense ratios were gathered and examined for use in the Income Approach. The Overall Capitalization Rate was derived from the Band of Investment Technique, but was also compared to rates extracted from sales and with rates quoted in recent investor surveys. Improved sales were obtained from declarations filed with the recorder's office for the respective counties, along with internal files and previous

appraisals. Additional data regarding the sales was obtained from Realtors, parties to the transaction, loan officers, and public records. An exterior examination was made of all the comparables considered. Additional sources of data used in the appraisal process include your appraiser's internal files, Realtors, property managers, professional publications, and Internet sites.

The reconciliation is the final step in the appraisal process, at which time the relevancy and reliability of the approaches used are considered in determining a final opinion of value.

COMPETENCY STATEMENT:

Joseph M. Webster is an Illinois Certified General Appraiser and an employee of James H. Webster & Associates. He has appraised numerous offices in Decatur. James H. Webster, MAI, SRA, has more than thirty-nine years of appraisal experience, with more than twenty-nine of those years involved in the appraisal of single family, multi-family, commercial, and industrial properties in East Central Illinois. He has also appraised numerous offices in Decatur. Joseph M. Webster and James H. Webster are in compliance with the Competency Provision of the *Uniform Standards of Professional Appraisal Practice* (USPAP) with respect to this assignment.

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 is 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 no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. my engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. 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 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.
7. my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) and with our interpretation of the guidelines and recommendations set forth in the Title XI Regulations of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).
8. the appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.
9. I have made a personal inspection of the property that is the subject of this report.
10. no one provided significant professional assistance to the persons signing this report.
11. this appraisal has been developed and the report has been prepared in conformity with, and is subject to the requirements of, the Code of Ethics and Standards of Professional Practice and Conduct of the Appraisal Institute.
12. As of the date of this report, I, Joseph M. Webster, have completed the education, experience, and examination requirements for the Illinois State Certified General Real Estate Appraiser license.

13. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its authorized representative.
14. I have not performed 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.
15. As of the date of this report, Joseph M. Webster has completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.

RESTRICTION UPON DISCLOSURE AND USE

Disclosure of the contents of this appraisal report is governed by the by-laws and regulations of the Appraisal Institute.

Neither all nor any 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) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication, without prior written consent and approval of the undersigned.

**Joseph M
Webster**
Joseph M. Webster
Illinois Certified General
Real Estate Appraiser # 553.002003

Digitally signed by Joseph M
Webster
DN: cn=Joseph M Webster,
o=Webster, ou=Webster,
email=office@websterappraisals.c
om, c=US
Date: 2013.04.12 13:40:14 -05'00'

**James
Webster**
James H. Webster, MAI, SRA
Illinois Certified General
Real Estate Appraiser # 553.000270

Digitally signed by James Webster
DN: cn=James Webster,
o=Webster, ou=Webster,
email=office@websterappraisals.co
m, c=US
Date: 2013.04.12 13:40:29 -05'00'

LIMITING CONDITIONS

This appraisal is subject to the following limiting conditions:

1. The legal description furnished is assumed to be correct.
2. I assume no responsibility for matters in character, nor do I 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.
3. Unless otherwise noted herein, it is assumed that there are no encroachments, zoning violations or restrictions existing in the subject property.
4. 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.
5. 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.
6. I am 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.
7. It is assumed that improvements contain no hazardous materials, such as urea-formaldehyde insulation, asbestos, or lead-based paint. Furthermore, it is assumed that there are no hidden soil or sub-soil conditions that have been determined to be hazardous, such as an underground gasoline storage tank, radon, or toxic or hazardous wastes.

8. The distribution of land and improvements is applicable only as a part of the whole property. The land or improvement values must not be used in conjunction with any other appraisal, and are invalid if so used.
9. I have made no compliance survey or analysis to determine if the property is in compliance with the American's with Disabilities Act (ADA). It is possible that a survey could reveal the property is not in compliance with ADA, which might have a negative effect on value.
10. This appraisal is intended solely for use by the client and for the purpose stated in the report. Use of this report by others or for any other purpose is not intended by the appraiser.
11. This appraisal assignment was developed in a manner consistent with the requirements of Standards Rule 1 of the 2012 Edition of the *Uniform Standards of Professional Appraisal Practice*.
12. This is a Summary Report designed to comply with Standards Rule 2-2(b) of the *Uniform Standards of Professional Appraisal Practice*.

DESCRIPTION OF REAL ESTATE APPRAISED:**Area Data.**

Decatur is located in Macon County in east central Illinois. The community is approximately 140 miles south of Chicago, 165 miles west of Indianapolis, Indiana, and 120 miles northeast of St. Louis, Missouri. Macon County lies in the heart of some of the world's richest agricultural regions. The topography, climate, and soil are ideal for agriculture, which is the area's key economic resource. The population of Macon County has declined over the past twenty years, which is typical of agricultural regions in the United States. According to the 2010 U.S. Census, Macon County had a population of 110,768 residents, which represents a 3.5% decrease from the 2000 population estimate of 114,706 residents, along with a 5.5% decrease from the 1990 estimate of 117,206 residents. The city of Decatur had a 2010 U.S. Census estimate of 76,122 residents. Decatur also experienced a decrease in population over the past twenty years, with a 2000 estimate of 81,860 residents and a 1990 population estimate of 85,298 residents.

The loss of a number of manufacturing jobs over the past thirty years has contributed to the population decline, although some diversification, as well as a trend toward non-union labor by smaller employers has led to more stable employment conditions over the past several years. However, unemployment has increased in the past two years, which is primarily attributable to a regional and national economic downturn, as well as layoffs in the Caterpillar facility. A summary of unemployment data for Decatur and Macon County has been shown below:

Time Period	2010	2011	2012	January 2013
Decatur	13.3%	11.8%	11.9%	15.4%
Macon County	12.0%	10.6%	10.6%	14.0%
Illinois	10.5%	9.8%	8.9%	10.1%
United States	9.6%	8.9%	8.1%	8.5%

Shown below are Decatur's major employers, along with their product or service, and the number of employees.

Major Employers:

Employer	Product/ Service	# of Employees
Caterpillar, Inc.	Construction Equipment	4,300*
Archer Daniels Midland	Agricultural Products	4,000
Decatur Memorial Hospital	Health Care	2,297
Decatur Public Schools	Education	1,500
Ameren IP	Energy Delivery	1,250
St. Mary's Hospital	Health Care	1,200
Tate & Lyle	Agricultural Products	822
Norfolk Southern	Railway Service	600
Macon County	Government	550
Millikin University	Education	545

* It was recently announced that 460-employees will be permanently laid off from Caterpillar

The community also has a number of smaller industrial and service employers. In 2010, Decatur had 36,134 housing units, of which 21.1% is in multiple-unit structures. The housing units are 64.6% owner occupied, which compares to a national average of 69.2%. The median value of the owner occupied housing units is \$79,400, while the median household income is \$37,683.

Decatur is situated on Interstate 72, an east-west highway originating in Champaign and continuing to Illinois' western border with Missouri. North-south interstate highways are accessible at Champaign (Interstate 57) to the east or Springfield to the west (Interstate 55), with Interstate 74 also accessible at Champaign to the east or Bloomington to the north. Decatur has a commercial airport providing charter and commuter flights, but no jet service.

The community has public and parochial schools, a community college, and a private four-year university, which provides both educational and cultural opportunities for the residents. Recreational facilities include several community parks, five public golf courses, swimming pools, tennis courts, soccer fields, and baseball and softball diamonds, with swimming, boating, and fishing available on Lake Decatur.

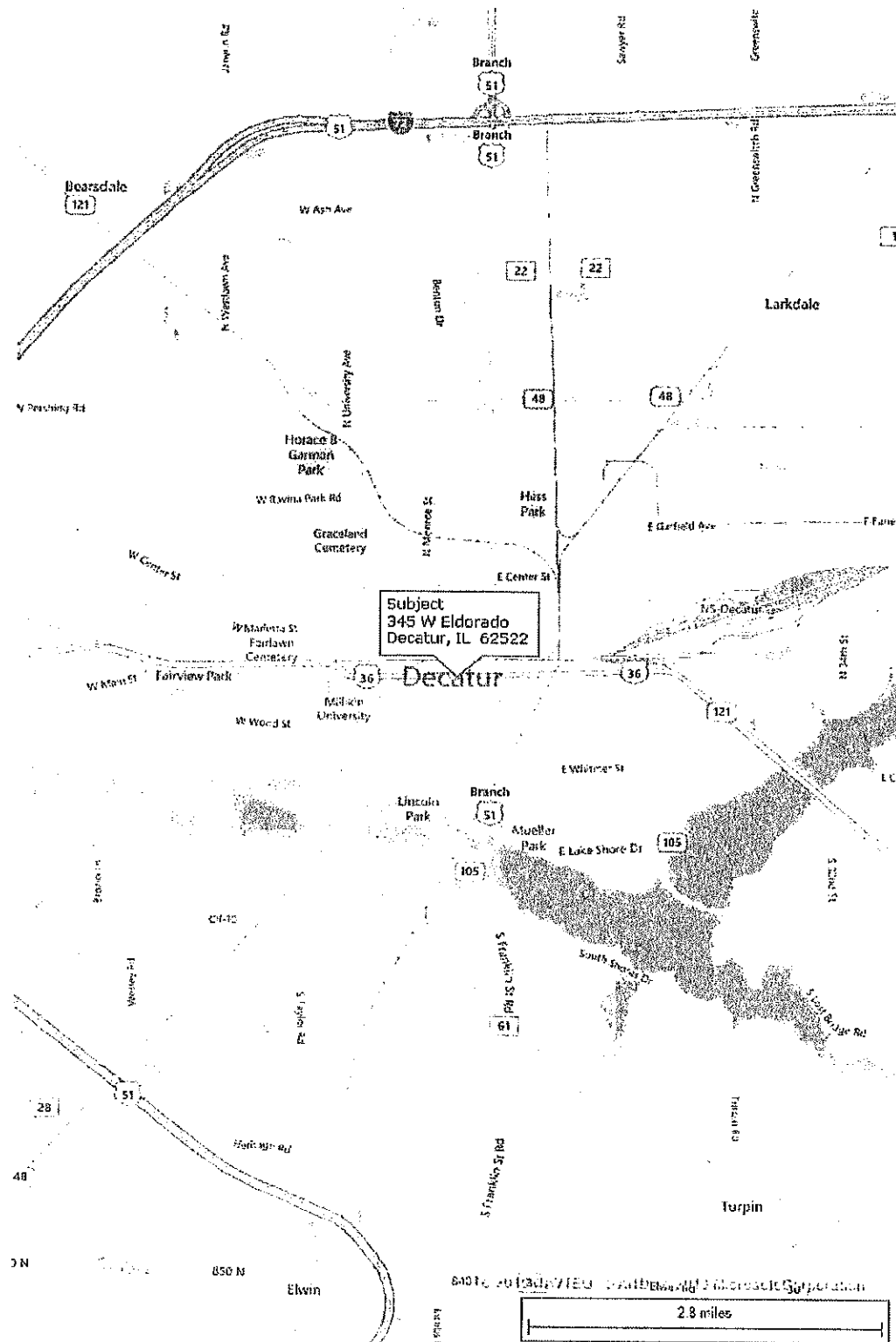
Overall, the community is regarded as stable, with the decline in population having slowed considerably over the past ten years. However, Decatur remains vulnerable to economic fluctuations, due to the lack of a wide, diversified economic base.

Neighborhood Description.

The subject is located in a mixed-use neighborhood in the west-central section of Decatur. There are multiple commercial uses along Eldorado, including bank, retail strip center, thrift shop, resale shop, tanning salon, veterinary clinic, and automotive repair. An industrial facility for Mueller company is

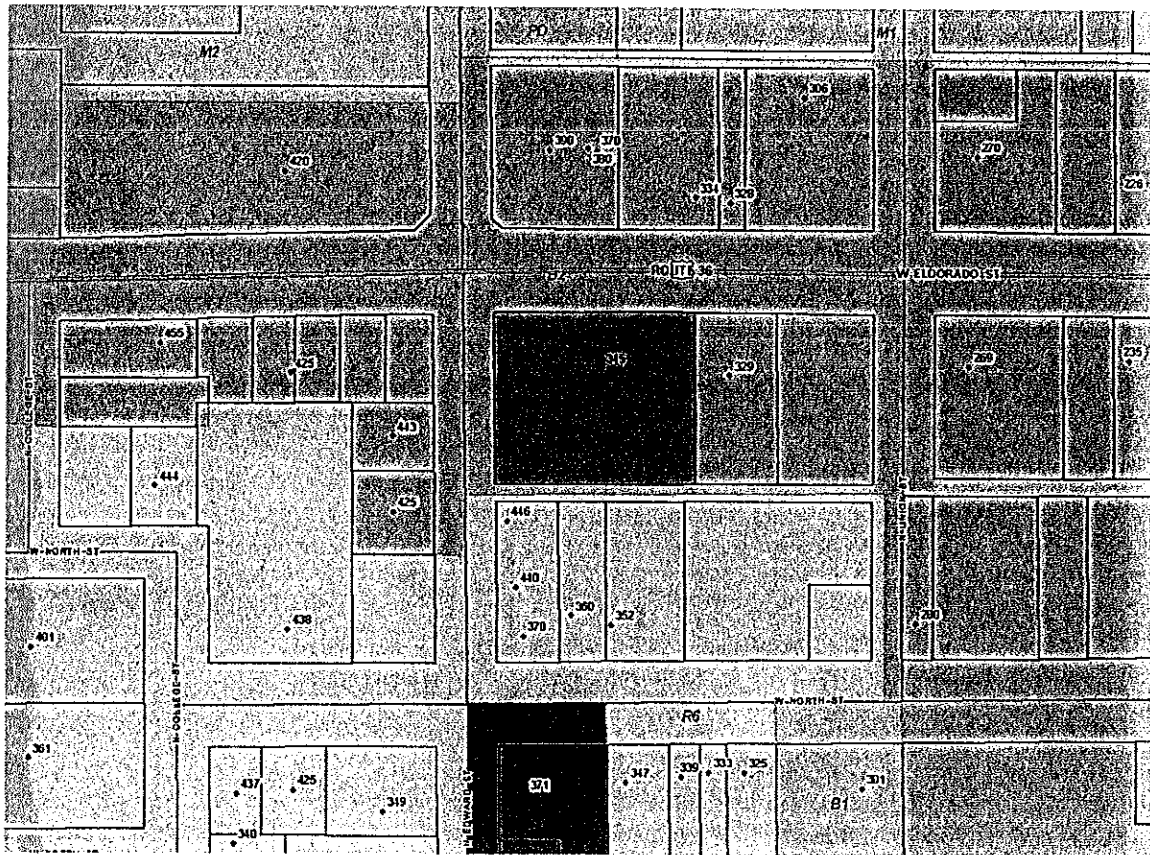
to the west, while there are also several offices on Eldorado, which are mostly single-user facilities. There are some warehouse buildings on Cerro Gordo, while a house of worship is nearby, as well. Several residences are located to the south and southwest of the subject, which are typically pre-World War 2 construction. The majority of these residences have high levels of quality, with varying levels of maintenance. The neighborhood is located north and west of Downtown Decatur, as well as northeast of the Millikin University campus. Uses in the neighborhood range in age, although the majority are more than 40-years. There are some vacancies, although the majority of the buildings are occupied. The neighborhood is nearly fully developed. The neighborhood is considered stable, and no significant changes are anticipated.

LOCATION MAP



[illegible]

ZONING MAP



AERIAL VIEW/ PARCEL MAP



Subject
345 West Eldorado Street
Decatur, IL 62522-2114

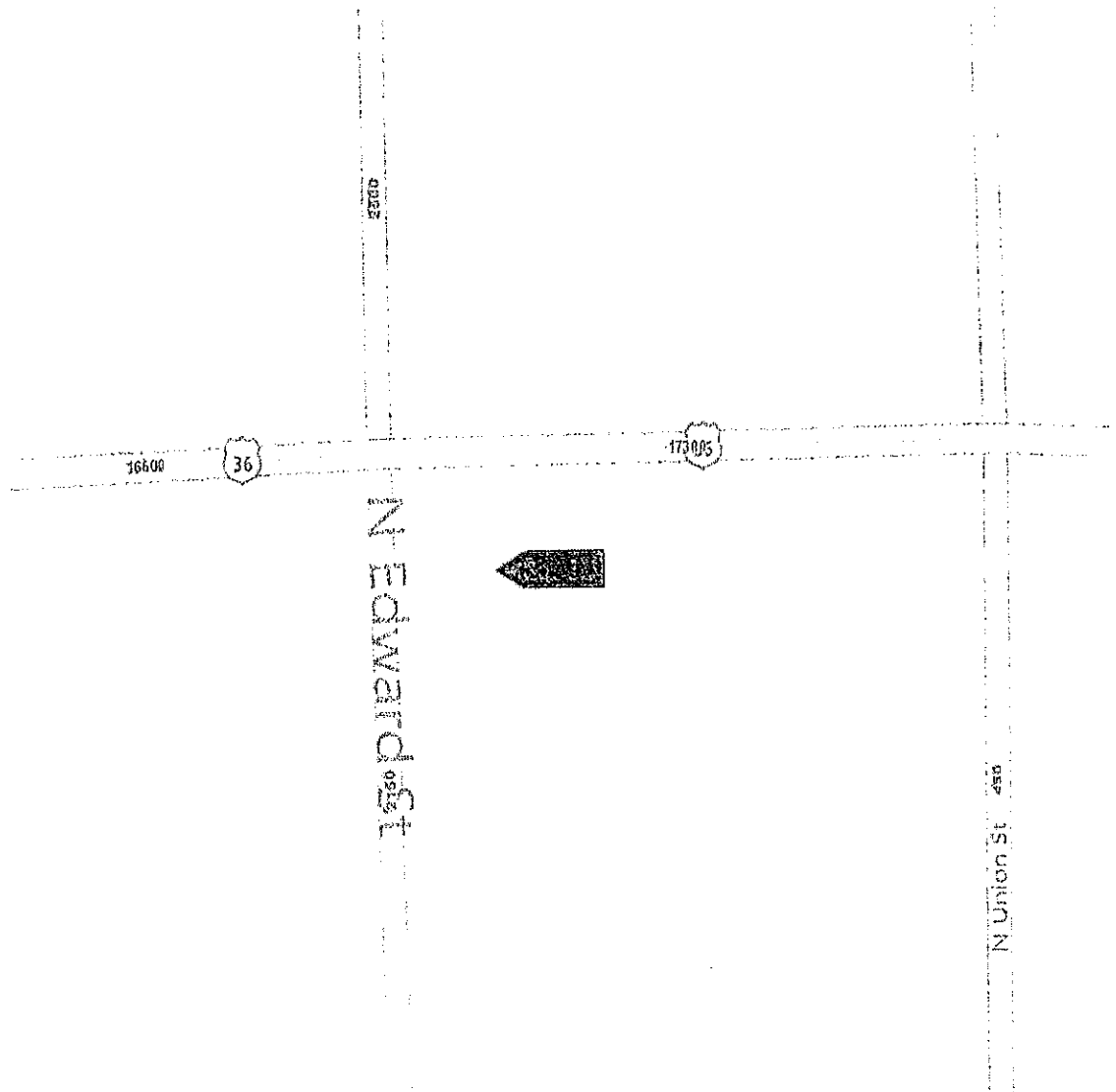
Flood Information

Community: 170429 - DECATUR, CITY OF
Property is not in a FEMA special flood hazard area.

- Map Number: 17115C0305D Map Date: 06/16/2011
Panel: 0305D FIPS: 17115
Zone: X

Neither Transwestern Flood Hazard Certification (TFHC) nor ACF make any representations or warranties to any party concerning the content, accuracy or completeness of this flood report, including any warranty of merchantability or fitness for a particular purpose. Neither TFHC nor ACF nor the seller of this flood report shall have any liability to any third party for any use or misuse of this flood report.

TRAFFIC COUNT MAP



Site Description.

The site being appraised is rectangular in configuration, with measurements of 199.48 by 159.5-feet, or containing a total of 31,817-square feet. Topography of the site is mostly level and nearly at street grade. Drainage appears to be adequate, and the site is not located in a flood hazard area, according to FEMA Map 17115C0305D, dated June 16, 2011. Gas, electricity, water, and sewer are all available to the site. The site is situated on the southeast corner of Edward and Eldorado Street. There is one curb cut access from Edward, which is a two-way, two-lane asphalt covered street with concrete curbs, gutters, and sidewalks, along with overhead lighting. Eldorado, or Route 36, is a two-way, four-lane asphalt covered street which has a fifth turn lane, along with curbs, gutters, sidewalks, and overhead lighting. There are two curb cut accesses onto Eldorado. According to a survey by the Illinois Department of Transportation, the average daily traffic count near the site on Eldorado is approximately 17,300 vehicles. The site is adjoined by an office to the east, retail uses to the north and west, and residences to the south.

Improvement Description.

The site has been improved with concrete sidewalks, chain-link fencing, and asphalt driveways/parking areas, with space for 34-vehicles, of which two spaces are handicap-accessible. Additionally, there is a small enclosure at the southeast end of the building which is utilized for storage and mechanicals, as well as a concrete block enclosure at the southwest end of the building. The site improvements are in average to good condition.

The site has also been improved with a one and two-story, masonry building that was originally constructed in 1945. It was reported that the building was constructed for use as a grocery store, but was converted to office area, which is its current use. The building was constructed on a slab, with a concrete foundation, brick exterior walls, aluminum gutters, and a mix of fixed pane and double hung windows. There is a parapet wall, along with a barrel-shaped and flat roof with a membrane surface over a wood deck.

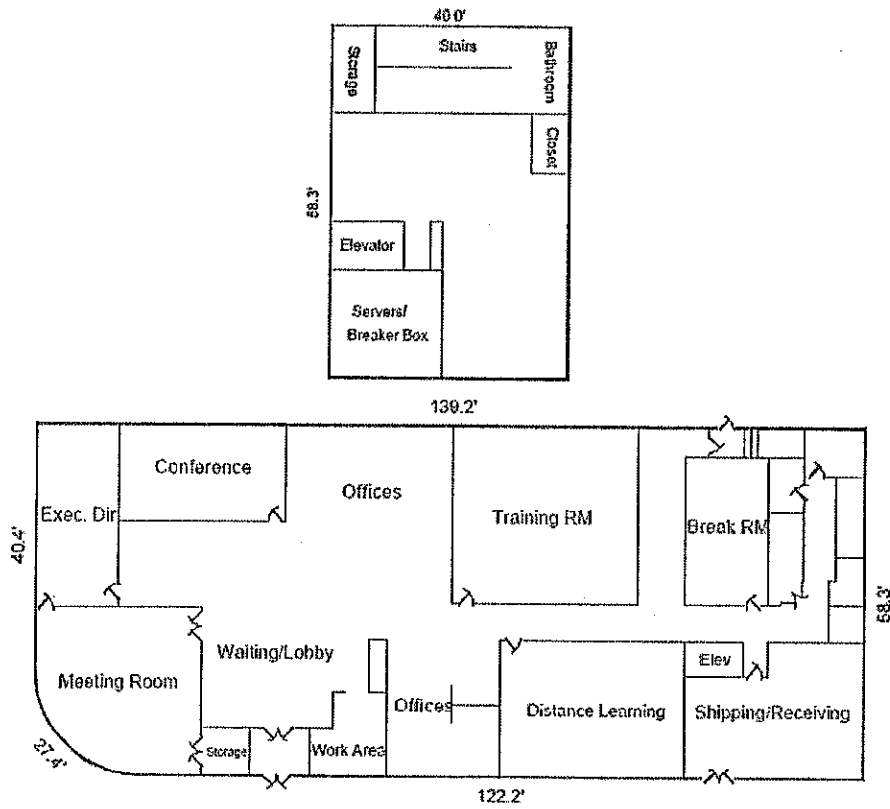
There is a total of 8,050-square feet of gross building area on the first floor, along with 2,332-square feet on the second floor, or a total of 10,382-square feet. There is a vestibule entrance at the west end of the building, which adjoins a small lobby. There are bullpen office area, two conference rooms, and a private office near the north end of the building. The south end of the building contains two training rooms, two restrooms, and a break room. The first floor has been finished with carpeted flooring, drywall walls, a mix of recessed tile and drywall ceilings, fluorescent lighting, rubber base trim, metal door trim, and solid core doors.

There is also a shipping/receiving area on the first floor which has a lower level of finish, with brick walls, linoleum tile flooring, recessed tile ceilings, and fluorescent lighting. The second floor is accessible from an interior/exterior stairwell, as well as an elevator. There is a bullpen office, restroom, and server room on the second floor. This floor has a similar level of finish as the first floor.

Electrical service is three-phase, 400-amperes. The building is heated by a hot water boiler, while

there are three central air-conditioning units. The overall condition of the building is average to good, with some renovation taking place in approximately 1999. The roof is believed to be adequate, and there were no significant items of deferred maintenance observed. A central air-conditioning unit was recently replaced, as well. It should be noted that there is one central air-conditioning unit that appears to be in need of replacement. The property functions adequately for its current use, although the size of rooms is larger than needed by many users in this market, and many prospective users would reconfigure the layout. The building appears to have potential for either single or multiple-users, although the lack of separately metered utilities would be a deficiency for multiple users. The land to building ratio is 3.95: 1, while there is one parking space per 305-square feet of gross building area, both of which are adequate.

SKETCH



HIGHEST AND BEST USE:

Physically possible. The site contains no soil or sub-soil characteristics that would make it unsuitable for building. Furthermore, the majority of the site's topography is mostly level and suitable for building. The shape of the site is also conducive to development. Therefore, the primary physical limitation of the site is its size. The site is suitable for many residential, office, commercial/retail, and special purpose uses. However, it is too small for most industrial uses.

Legally Permissible. As shown by the attached map, the site has a zoning classification of B-2, Community District. This classification allows for a wide number of commercial uses, including automotive sales & service, tavern, day care facility, financial institution, office, health care, hotel/motel, restaurant, retail, and office. Multiple special purpose uses, including a government building and house of worship, are also permitted. Conditional uses include a car wash, along with limited uses when adjacent to a side or rear line of a residential district. Residential and industrial uses are prohibited under this classification and have been eliminated from the analysis. Additional specifications under this classification are as follows:

Minimum lot area:	10,000 square feet
Minimum lot width:	None
Maximum height:	3 Stories or 45 feet
Minimum distance between structures:	8 feet
Minimum setback – front:	25 feet
– side:	5 feet if adjacent to a residential district
– rear:	25 feet if adjacent to a residential district

Financially Feasible. There is a mix of residential, commercial/retail, office, special purpose, and warehouse/industrial uses in the neighborhood. Therefore, each of the aforementioned uses which is legally permissible is also financially feasible.

Maximally Productive. The subject has exposure from a primary thoroughfare, and is accessible from two streets. Retail uses would result in the highest return to the site, and are maximally productive.

Highest and best use as vacant. The highest and best use of the site, as vacant, is for retail use.

Highest and best use as improved. The site has been improved with a one and two-story building which is utilized as a single-user office. There is some functional obsolescence recognized, although the current improvements result in a higher return than that of the site, as vacant, and no conversion in uses appears to be feasible at this time. Therefore, the highest and best use of the subject, as improved, is its current use.

INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach is based on the understanding that there is present worth to future rights of income. Operating expenses are deducted from the Gross Operating Income to determine a Net Operating Income, which is capitalized into value. The capitalization rate is market oriented, and takes into consideration the return on and return of the capital expenditure.

Shown below are comparable rentals used to determine an opinion of market rent for the first floor office. The information is confidential, and therefore, the addresses and names of the tenants have not been disclosed.

SUMMARY

Comparable Rental	Rent/ SF	Size (SF)	Age/ Condition	Terms
1 – Office	\$8.17	5,361	28/ Avg/ Good	Gross
2 – Office	\$7.45	13,606	73/ Average	Gross
3 – Office	\$4.94	7,288	38/ Average	NNN
4 – Office	\$10.84	13,544	14 – 20/ Good	Gross
5 – Office	\$7.60	3,000	41/ Avg/ Fair	Gross
Offering 1 – Office	\$9.00	2,000	65/ Good	Gross

ADJUSTMENT GRID

Rental	1	2	3	4	5	Offering 1
Rent/ SF	\$8.17	\$7.45	\$4.94	\$10.84	\$7.60	\$9.00
Location	Similar	Similar	Similar	Similar	Similar	Similar
Size	Superior -10%	Slightly Inferior 5%	Slightly Superior -5%	Slightly Inferior 5%	Superior -15%	Superior -20%
Age/ Condition	Slightly Superior -10%	Similar	Similar	Superior -20%	Slightly Inferior 10%	Slightly Superior -10%
Quality/ Finish	Similar	Similar	Similar	Slightly Superior -10%	Slightly Superior -10%	Slightly Superior -10%
Parking	Similar	Similar	Similar	Similar	Similar	Similar
Terms	Similar	Similar	Inferior 20%	Slightly Superior -10%	Similar	Similar
Net	-20%	5%	15%	-35%	-15%	-40%
Adj Rent/ SF	\$6.54	\$7.82	\$5.68	\$7.05	\$6.46	\$5.40

Prior to adjustment, the rentals shown above result in a range between \$4.94 and \$10.84. Adjustments were made between the subject and the comparable rentals in respect to location, size, age/ condition, quality/ finish, parking, and lease terms. A discussion of the adjustments made has been shown below.

Location. Rental 3 and Offering 1 are in closest proximity to the subject, although the remaining rentals are in similar locations in Decatur, and were not adjusted.

Size. There is an inverse relationship between size and price, with smaller properties typically renting for a higher unit level. Rentals 2 and 4 are slightly larger, or inferior, than the subject, with a 5% upward adjustment made. The remaining rentals are smaller, or superior, than the subject, with a 5% - 20% downward adjustment corresponding to the respective differences.

Age/ Condition. Rentals 1 and 4, along with Offering 1, are newer and/ or superior in condition, such that a 10% - 20% downward adjustment was made. Rental 5 had a 10% upward adjustment, due to being inferior in condition.

Quality/ Finish. Rental 1 is on the second floor of a building, while Rental 2 has a higher degree of functional obsolescence, such that no adjustment was made to reflect the lower contributory value of the subject's second floor. Rental 3 is on both the first and second floor, and is similar in this respect. Rentals 4 and 5, along with Offering 1, were on the first floor, with a 10% downward adjustment made.

Lease Terms. The subject is being analyzed on a gross basis, which is similar to five of the six rentals. However, a 10% downward adjustment was made to Rental 4, due to being initiated near the peak of the market. Rental 3, which is leased on a triple net basis, had a 20% upward adjustment to reflect the additional expenses paid by the lessee.

After making the adjustments, the rentals may be arrayed as follows:

Offering 1 –	\$5.40/ SF
Rental 3 –	\$5.68/ SF
Rental 5 –	\$6.46/ SF
Rental 1 –	\$6.54/ SF
Rental 4 –	\$7.05/ SF
Rental 2 –	\$7.82/ SF
Average –	\$6.49/ SF
Median –	\$6.50/ SF

With consideration given to each of the rentals, a market rent of \$6.00 per square foot is reasonable for the subject.

RECONSTRUCTED INCOME STATEMENT

Potential Gross Operating Income	\$62,292
Less: Vacancy and Collection Losses 15%	<u>\$9,344</u>
Effective Gross Income	\$52,948
Less Expenses:	
Insurance	\$1,500
Repairs & Maintenance	\$5,295
Management	\$2,647
Professional	\$1,000
Miscellaneous	\$2,000
Reserves for Replacement	\$3,090
Total Expenses	\$15,532
Net Operating Income	\$37,416

ANALYSIS OF INCOME AND EXPENSES

POTENTIAL GROSS OPERATING INCOME was based on the opinion of market rent. No ancillary income was recognized.

VACANCY LOSSES were estimated at 15% of the Gross Operating Income, which also includes collection expenses. This vacancy loss is near the upper end of market levels for this type of property, but accounts for the size of the subject and the potential that it may be fully and effectively utilized by another user.

EFFECTIVE GROSS INCOME was derived by subtracting the Vacancy and Collection Losses from the Gross Operating Income.

EXPENSES:

Real Estate Taxes: The subject is currently tax-exempt, and therefore, the real estate taxes were loaded into the capitalization rate.

Insurance was limited to the coverage of real property, and was stabilized at \$1,500 per year, which is reasonable for this type of property.

Maintenance & Repairs were estimated to be 10% of the Effective Gross Income, which is consistent with this type of property, and accounts for minor items of wear and tear, as well as lawn care/snow removal.

Management was estimated to be 5% of Effective Gross Income, which is consistent with that of similar properties in this market area.

Professional fees were estimated to be \$1,000, and accounts for items such as legal and accounting expenses.

Miscellaneous was estimated to be \$2,000, and primarily accounts for expenses incurred to the owner during vacancy.

RESERVES FOR REPLACEMENT accounts for the replacement of long-lived items such as the furnace and roof. A schedule for determining the reserves for replacement has been shown below:

<u>Item</u>	<u>Cost/ SF</u>	<u>Cost</u>	<u>Useful Life</u>	<u>Annual Cost</u>
Roof	\$4.00	\$32,200*	20 years	\$974
Parking lot	\$2.00	\$44,000	20 years	\$1,331
Furnace	\$2.50	\$25,955	20 years	\$785

* Based on surface area of roof

OPERATING EXPENSES totaled \$15,532, which is 29.33% of Effective Gross Income. This expense ratio is near the low end of expense ratios found in similar properties with gross leases, due to the separate consideration of the real estate tax expense.

NET OPERATING INCOME was in the amount of \$37,416, which represents 70.67% of Effective Gross Income.

Capitalization Process:

Based upon the property's location and age, as well as prevailing market conditions, typical mortgage terms would be as follows:

Ym (Mortgage Interest Rate)	= 4.5%
M (Loan-Value Ratio)	= 75%
Amortization Period	= 20 years
(Balloon)	= 5 years
Rm (Mortgage Constant)	= .0759

Capitalization Rate Calculation Using the Band of Investment Technique:

Loan & Equity			Rm		
M		X	Re	=	Weighted Rate
Mortgage	.75	X	.0759	=	.0569
Equity	.25	X	.16	=	.04

$$Ro = .0969$$

$$\text{Plus: Tax rate load-in: } 33.33\% \times 9.07009\% = .03023$$

$$= .12713$$

$$\text{Rounded} \quad .1271$$

An Equity Dividend Rate of 16% is considered to be appropriate for the subject based upon rate expectations for a property of this type. This results in an Overall Rate of 9.69%, which is consistent with rates taken directly from the marketplace and with rates quoted in investor surveys. A 1st Quarter 2013 Realty Rates survey reported capitalization rates for offices between 5.26% and 13.77%, with an average of 10.20%. These rates do not include reserves for replacement. Listing 1 is reportedly offered for a capitalization rate of 10.8%, although this is partially attributable to the remaining term of the lease, as well as the fiscal conditions with the State of Illinois. There have been a limited number of recent office sales in Decatur which were rented, although a 2013 sale of a smaller office in Decatur had a stabilized capitalization rate of 9.57%. Therefore, the rate used is reasonable.

Due to lacking an assessed value, the tax rate was loaded into the capitalization rate. The overall rate, subsequent to loading in real estate taxes, is 12.71%.

Capitalization Process and Value by the Income Capitalization Approach:

$$V_o = \frac{NOI}{R_o} = \frac{\$37,416}{.1271} = \$294,382$$

Rounded \$295,000

VALUE BY THE INCOME CAPITALIZATION APPROACH \$295,000

SALES COMPARISON APPROACH

The Sales Comparison Approach, or Market Data Approach, is based on the principle of substitution, which states that a typical buyer or investor would pay no more for a property than what he or she could purchase a similar property for. This approach is most effective in an active market.

Sales of properties that contain the same salient features as the subject property have been collected. The comparable sales have been analyzed and market extracted adjustments can be made for those significant differences that exist between the subject and the comparable. The sales are adjusted for property rights conveyed, conditions in the market, terms of financing, unusual conditions of sale, physical characteristics, and location. The adjusted price represents what the property would have sold for if it contained the same characteristics as the subject.

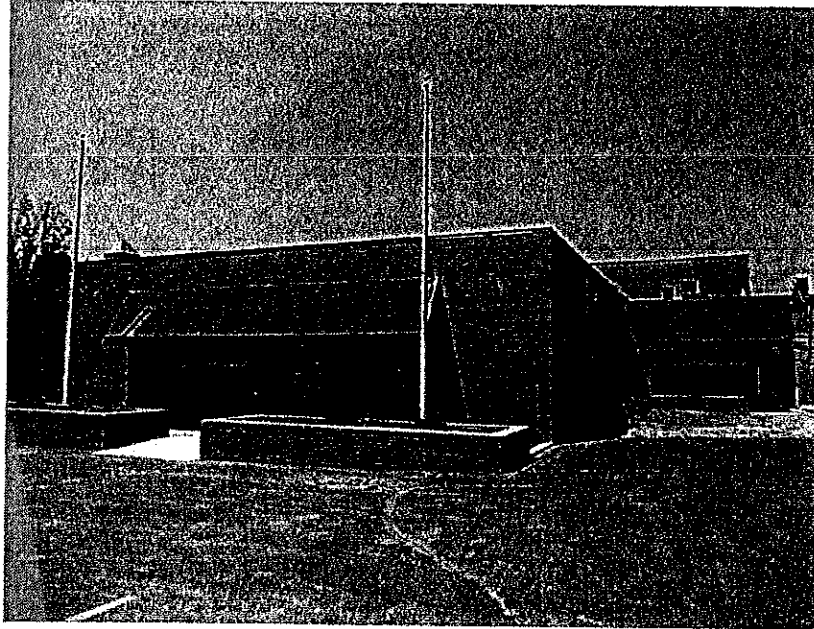
The data shown on the following pages represent the most comparable sales available in the market.

IMPROVED PROPERTY SALE #1

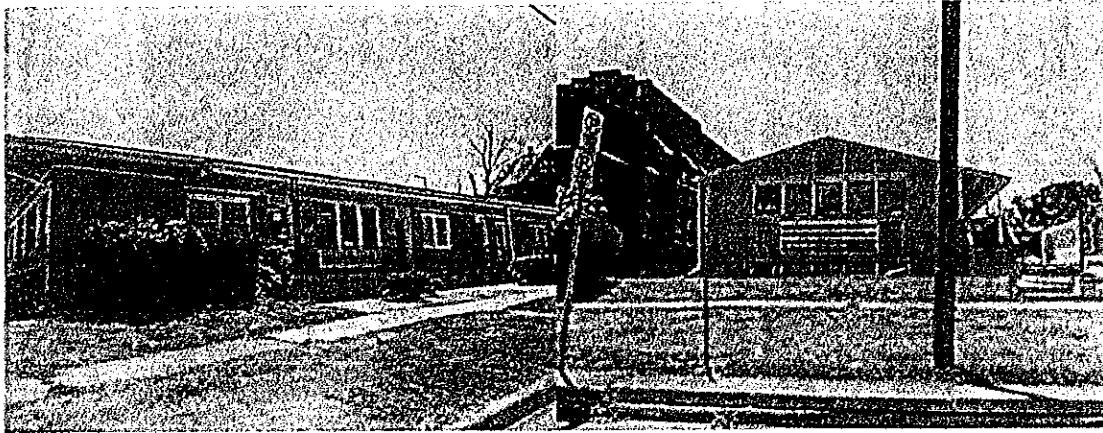
LOCATION 535 W. Eldorado
 Decatur, Illinois

GRANTOR James Masey
GRANTEE Naci Akyildiz
DATE OF SALE July 2012
RECORDING Book 4231, Page 1
SALE PRICE \$200,000
BUILDING SIZE 7,288 SF
LOT SIZE 25,698 SF
LAND: BLDG RATIO 7.05: 1
SALE PRICE/ SF \$27.44

COMMENTS This represents the sale of a two-story; masonry building that was constructed in 1976. It was utilized as both a single and multiple-tenant office, although there was a high level of vacancy at the time of sale, with the units available for lease at between \$6.00 and \$9.00 per square foot on a gross basis. It was reported that the roof was replaced in 2006 and the furnaces replaced in 2000. The listing price prior to the purchase agreement was \$349,900.

IMPROVED PROPERTY SALE #2

LOCATION	303 N Main Street Decatur, Illinois
GRANTOR	Karen Carmody and Barbara Fopp
GRANTEE	303 Associates, Inc.
DATE OF SALE	July 2011
RECORDING	Book 4183, Page 174
SALE PRICE	\$315,000
BUILDING SIZE	7,369 SF
LOT SIZE	12,160 SF
LAND: BLDG RATIO	2.19: 1
SALE PRICE/ SF	\$42.75
COMMENTS	This represents the sale of a former bank building that was constructed in 1978. It was more recently utilized as an office for a financial advisor. The gross building area includes the 1,818-square foot finished basement. Multiple items of renovation were made in 2005. A sale took place in 2006 for \$846,500, although the primary motivation for this transaction was for investment purposes, and it was vacant as of the date of the more recent sale.

IMPROVED PROPERTY SALE #3

LOCATION 345 W Prairie and 160 N Edward
Decatur, Illinois

GRANTOR Tortugas, LLC
GRANTEE Thorton Enterprises, Inc.
DATE OF SALE December 2009
RECORDING Book 4068, Page 592
SALE PRICE \$425,000
BUILDING SIZE 7,176 SF
LOT SIZE 32,376 SF
LAND: BLDG RATIO 4.51: 1
SALE PRICE/ SF \$59.23

COMMENTS This represents the sale of two buildings which are nearly adjacent. The building at 345 W Prairie is a split-level design that was constructed in 1962 and has a total of 3,564 square feet above-grade, along with a full, finished lower level. This building is a multiple-tenant office. There is also a building at 160 N Edward containing 3,612 square feet that was constructed in 1948. This building also has a full finished basement. The above-grade area was included in the gross building area. A prior sale took place in 2008 via quit claim deed for \$151,500, which was at an auction. The property was in good condition at the time of sale.

IMPROVED PROPERTY SALE #4



LOCATION	301 W. North Street Decatur, Illinois
GRANTOR	Clark
GRANTEE	Joan Lewis and Terry Baylis
DATE OF SALE	January 2011
RECORDING	Book 4119, Page 614
SALE PRICE	\$63,000
BUILDING SIZE	2,970 SF
LOT SIZE	.62-Acres
LAND: BLDG RATIO	14.15: 1
SALE PRICE/ SF	\$21.21

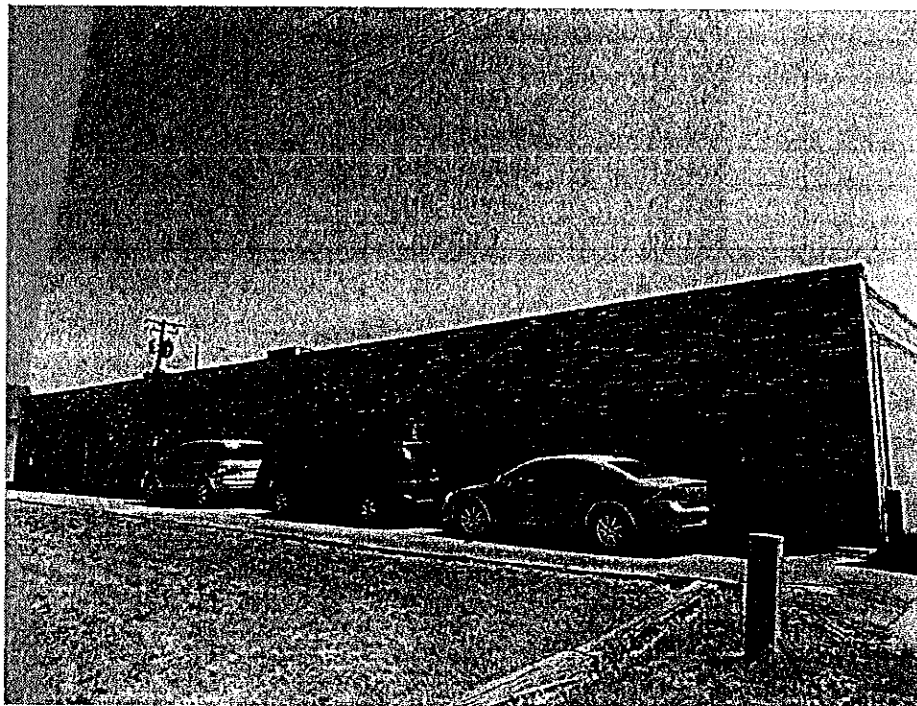
COMMENTS	This represents the sale of a two-story building that was previously utilized as a dental office. It has 1,908-square feet on the first floor and the remainder on the second floor. The building was constructed in 1845, with additions made in 1964 and 1967. It was listed for 185-days on MLS for \$139,900, although the property was sold after being withdrawn. It was reported that the property was in average condition at the time of sale.
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IMPROVED PROPERTY SALE #5



LOCATION	2801 W Lawrence Springfield, Illinois
GRANTOR	State Farm Mutual Automotive Insurance Company
GRANTEE	Xaris, LLC
DATE OF SALE	March 2012
RECORDING	Document 2012R12691
SALE PRICE	\$585,000
BUILDING SIZE	9,384 SF
LAND AREA	1.45-Acres
LAND: BLDG RATIO	6.73: 1
SALE PRICE/SF	\$62.34

COMMENTS This represents the sale of a property which was constructed in 1986. There is 7,592 square feet of office area, with the remainder being garage. The property was vacant at the time of sale.

IMPROVED PROPERTY LISTING #1

LOCATION	2900 N. Oakland Decatur, Illinois
OWNER	Ashby, Co-Trustees, and Bruce A. Swartz Trust
DATE OF SALE	Current
VERIFICATION	Loopnet 18063966
LISTING PRICE	\$325,000
BUILDING SIZE	13,606 SF
LOT SIZE	2.02-Acres
LAND: BLDG RATIO	6.47: 1
LISTING PRICE/ SF	\$23.89
COMMENTS	This represents an active listing of a one-story; masonry building that was originally constructed in 1940, with additions made in 1965 – 1993. It is currently occupied by the Department of Children and Family Services. The lease expires in September 2014, although there is a five-year renewal option. The reported capitalization rate is 10.8%.

SUMMARY OF IMPROVED SALES

Sale	SP/ SF	Date of sale	Size (SF)	Land: Bldg Ratio
1	\$27.44	July 2012	7,288	7.05: 1
2	\$42.75	July 2011	7,369	2.19: 1
3	\$59.23	December 2009	7,176	4.51: 1
4	\$21.21	January 2011	2,970	14.15: 1
5	\$62.34	March 2012	9,384	6.73: 1
Listing 1	\$23.89	Current	13,606	6.47: 1

ADJUSTMENT GRID

Sale	1	2	3	4	5	Listing 1
SP/ SF	\$27.44	\$42.75	\$59.23	\$21.21	\$62.34	\$23.89
Conditions of sale	Similar	Inferior 10%	Similar	Inferior 10%	Similar	Similar
Adj SP/ SF	\$27.44	\$47.03	\$59.23	\$23.33	\$62.34	\$23.89
Date of sale	Similar	Similar	Superior -10%	Similar	Similar	Similar
Adj SP/ SF	\$27.44	\$47.03	\$53.31	\$23.33	\$62.34	\$23.89
Location	Similar	Slightly Superior -10%	Similar	Similar	Superior -20%	Similar
Size	Slightly Superior -5%	Slightly Superior -5%	Slightly Superior -5%	Superior -10%	Similar	Slightly Inferior 5%
Age/ Condition	Similar	Slightly Superior -10%	Similar	Slightly Inferior 10%	Similar	Similar
Quality/ Finish	Similar	Slightly Superior -10%	Superior -20%	Similar	Slightly Superior -10%	Similar
Land: Bldg Ratio	Slightly Superior -5%	Slightly Inferior 5%	Similar	Superior -10%	Slightly Superior -5%	Slightly Superior -5%
Net	-10%	-30%	-25%	-10%	-35%	-0-
Adj SP/ SF	\$24.70	\$32.92	\$39.98	\$21.00	\$40.52	\$23.89

Prior to adjustment, the comparable sales shown above result in a range of sale prices per square foot between \$21.21 and \$62.34. It should be noted that, due to the property's potential to be utilized for either one or multiple users, the use of both single and multiple-tenant office sales is reasonable. An initial adjustment was made for conditions of sale, with Sales 2 and 4 adjusted upwards by 10% to reflect the motivations of the grantor. No adjustment was made to reflect the typical discrepancy

between the sales and listing price, given the motivations of the grantor. An initial adjustment was made for date of sale, with Sale 3 adjusted downwards by 10% to reflect the minor deterioration in market conditions since 2009. The remaining sales took place in 2011-2012, and market conditions have been relatively stable since this time. However, it is worth noting that activity in the Decatur office market has been relatively limited since 2011. Subsequent adjustments, including location, size, age/ condition, quality/ finish, and land to building ratio, were made on a quantitative and cumulative basis. A brief discussion of the adjustments made has been shown below.

Location. Sales 1, 3, and 4 are in or near the defined neighborhood, and are highly similar in location. Sale 2 is in Downtown Decatur, but had a 10% downward adjustment to reflect the exposure from Route 51. Sale 5 is on the corner of two primary thoroughfares in Springfield, which is a superior location, and a 20% downward adjustment was made to reflect the higher land values and rent levels.

Size. There is an inverse relationship between size and price, with smaller properties typically selling for a higher unit cost. Sales 1 – 4 are smaller, or superior, than the subject, with a 5% - 10% downward adjustment corresponding to the respective differences. Listing 1 had a 5% upward adjustment, due to being slightly larger, or inferior.

Age/ Condition. Sale 2 underwent renovation in 2005, such that a 10% downward adjustment was made. Sale 4 is older and slightly inferior in condition, with a 10% upward adjustment made. The remaining sales differ slightly in respect to age and/ or condition, albeit not to a level that would warrant an adjustment.

Quality/ Finish. Sales 1 and 4 are two-story structures which are similar in quality and finish. The finished basement was included in the gross building area for Sale 2, although a 10% downward adjustment was made to reflect the higher level of finish. Sale 3 has a finished basement, which was not included in the gross building area, such that a 20% downward adjustment was made. Sale 5 is a single-story structure, with a 10% downward adjustment reflecting the greater contributory value of the first floor. Listing 1 is also a single-story structure, but has a greater degree of functional obsolescence, which is an offsetting factor.

After making the adjustments, the sales may be arrayed as follows:

Sale 4 –	\$21.00/ SF
Listing 1 –	\$23.89/ SF
Sale 1 –	\$24.70/ SF
Sale 2 –	\$32.92/ SF
Sale 3 –	\$39.98/ SF
Sale 5 –	\$40.52/ SF
Average –	\$30.50/ SF
Median –	\$28.81/ SF

The adjusted range of sale prices is wide, although Sales 3 and 5 are outliers. Sale 3 was considered for its proximity to the subject, but is the most dated, while Sale 5 was considered for being recent

and similar in size, but is the least similar in location. As a result, greater emphasis was given to Sales 1, 2, and 4, along with Listing 1, with a unit value of \$25.00 per square foot reasonable for the subject property.

Therefore,

10,382 Square Feet @ \$25.00/ SF	=	\$259,550
	Rounded	\$260,000
VALUE BY THE SALES COMPARISON APPROACH		\$260,000

RECONCILIATION

Cost Approach	N/A
Income Capitalization Approach	\$295,000
Sales Comparison Approach	\$260,000

The Cost Approach was not included in the appraisal process due to the age of the building improvements. The subjectivity involved in estimating depreciation would limit the reliability of the value derived from the Cost Approach, and the completion of the Cost Approach is not necessary to achieve a credible assignment result.

The Income Approach is generally considered the most reliable method of valuing income producing properties. However, the subject is owner occupied, with Market Rent used in the analysis. Operating expenses were deducted, and the Net Operating Income was capitalized by an Overall Rate that was derived from the Band of Investment Technique. The rate is also consistent with rates taken directly from the marketplace, and the value is considered to be reliable, despite the required estimates.

The Sales Comparison Approach is the more straightforward of the approaches to value. Five sales and one listing were gathered and analyzed, with adjustments made for significant differences between the subject and the comparables. The primary limitation of this approach is the subjectivity involved in the adjustment process. All of the sales required a fair degree of judgment.

The two approaches result in a reasonable range of values. Both approaches are considered to be good indicators of value for the subject and are given nearly equal consideration. Therefore, it is our opinion that the Market Value of the subject property, as of April 8, 2013, was TWO HUNDRED SEVENTY-FIVE THOUSAND (\$275,000) DOLLARS.

QUALIFICATIONS OF THE APPRAISER

Joseph M. Webster

Education

2004	Southern Illinois University, B.S. Degree in Finance
2005	Southern Illinois University, Master's Degree in Business Administration
2006	Chicago Association of Realtors, National USPAP Course
2006	Appraisal Institute, Basic Appraisal Principles
2006	Appraisal Institute, Basic Appraisal Procedures
2007	Appraisal Institute, Basic Income Capitalization – Part 1
2007	Appraisal Institute, Basic Income Capitalization – Part 2
2007	Appraisal Institute, Real Estate Finance and Statistics
2007	Appraisal Institute, General Site Valuation and Cost Approach
2008	Appraisal Institute, General Market Analysis and Highest & Best Use
2008	Appraisal Institute, General Appraiser Sales Comparison Approach
2008	Appraisal Institute, General Appraiser Report Writing & Case Studies
2009	Appraisal Institute, Residential Site Valuation and Cost Approach
2009	Appraisal Institute, Residential Appraiser Report Writing & Case Studies
2010	Appraisal Institute, Advanced Sales Comparison & Cost Approaches
2011	Appraisal Institute, Advanced Income Capitalization Approach
2012	Appraisal Institute, Advanced Concepts and Case Studies

Experience

1997 – 2000	James H. Webster & Associates, Administrative Assistant
2004 – 2005	SIU Department of Finance, Research Assistant
2006	Chicago Board of Trade, Staff Investigator
2006 – Present	James H. Webster & Associates, Staff Appraiser

Certificate

Illinois State Certified General Real Estate Appraiser
Appraiser # 553.002003
Expires: 09/30/2013

QUALIFICATIONS OF THE APPRAISER**James H. Webster, MAI, SRA**Education

1973 Ohio State University, B.S. in Real Estate and Urban Economics
 1973 SREA 101, Introduction to Real Estate Appraising
 1973 SREA 201, Principles of Income Property Appraising
 1974 AIREA 202, Urban Properties
 1982 SREA 202, Case Studies
 1999 Appraisal Institute 600, Income Valuation of Small, Mixed-Use Properties
 2010 Appraisal Institute, USPAP, Part C
 1973-2012 Attended Various Seminars Sponsored by the Appraisal Institute

Experience

1973-1975 Commerce Investment Corporation, Staff Appraiser
 1975-1983 First Federal Savings, Appraiser and Loan Officer
 1983-1986 American Savings, Staff Appraiser
 1986-present James H. Webster & Associates, Ltd., President

Review Appraiser

HUD
 FNMA
 Institutions

Certification

Illinois State Certified General Real Estate Appraiser
 #553.000270
 Expires 09/30/2013
 Indiana Certified General
 Real Estate Appraiser CG40600088

Expert Witness

Douglas, Piatt, Macon, Crawford and Champaign counties

Teaching

Parkland College, Champaign, Illinois

1997 Principles of Real Estate Appraisal
 2000 Uniform Standards of Professional Appraisal Practice

Professional Service

1976-1979 SREA, Treasurer, Chapter #166
 1979 SREA, Young Advisory Committee
 1980-1981 SREA, Vice President, Chapter #166
 1982-1983 SREA, President, Chapter #166
 1989-1990 SREA, Vice President, Chapter #166
 1991 Appraisal Institute, President, Central Illinois Chapter

Professional Designations

1981-present SRA, Senior Residential Appraiser
 1986-present Realtor, Champaign County Association of Realtors
 1990-1994 SRPA, Senior Real Property Appraiser
 1994-present MAI

CLIENTS

BANKS

Bank of America
Bank of Illinois in Normal
BankChampaign
Busey Bank
Central Illinois Bank
Centrue Bank
Citibank
Citizen's National Bank – Paris
Effingham State Bank
First Bank & Trust – Paris
First Bank of Savoy
First Federal of Champaign-Urbana
First Mid-Illinois Bank
First Midwest Bank
First National Bank – Ogden
First State Bank – Monticello
First State Bank – Tuscola
Heartland Bank
JP Morgan Chase
LaSalle Bank
Longview State Bank
Main Street Bank & Trust
National City Bank
Tuscola National Bank
Villa Grove State Bank
Wells Fargo

INSURANCE

Indiana Insurance
State Farm

GOVERNMENTAL AGENCIES

Champaign County
Champaign County Board of Review
Champaign Park District
Champaign-Urbana Mass Transit District
City of Champaign
City of Champaign Township
City of Mattoon
City of Monticello
City of Rantoul
City of Urbana
Coles County Assessor
Cunningham Township Assessor
Housing Authority of Champaign County
Mental Health Center of Champaign County
Piatt County Board
United States Postal Service
Urbana Park District

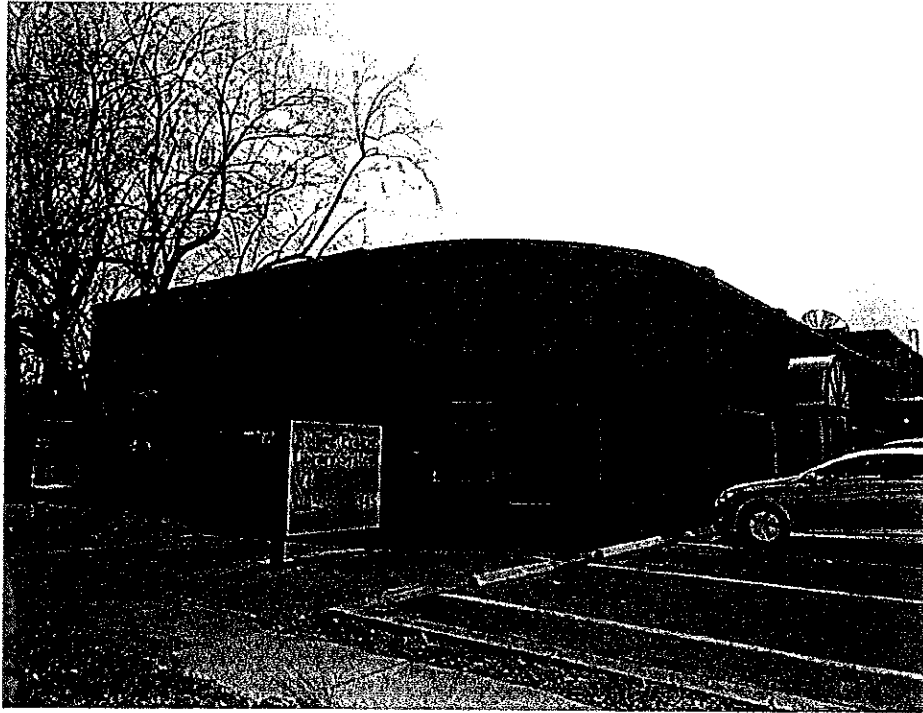
INSTITUTIONAL

University of Illinois

INVESTMENT

DLJ Real Estate Investment Partners
GE Capital
GMAC Commercial
JP Melody
Merrill Lynch

FRONT VIEW OF SUBJECT



REAR VIEW OF SUBJECT



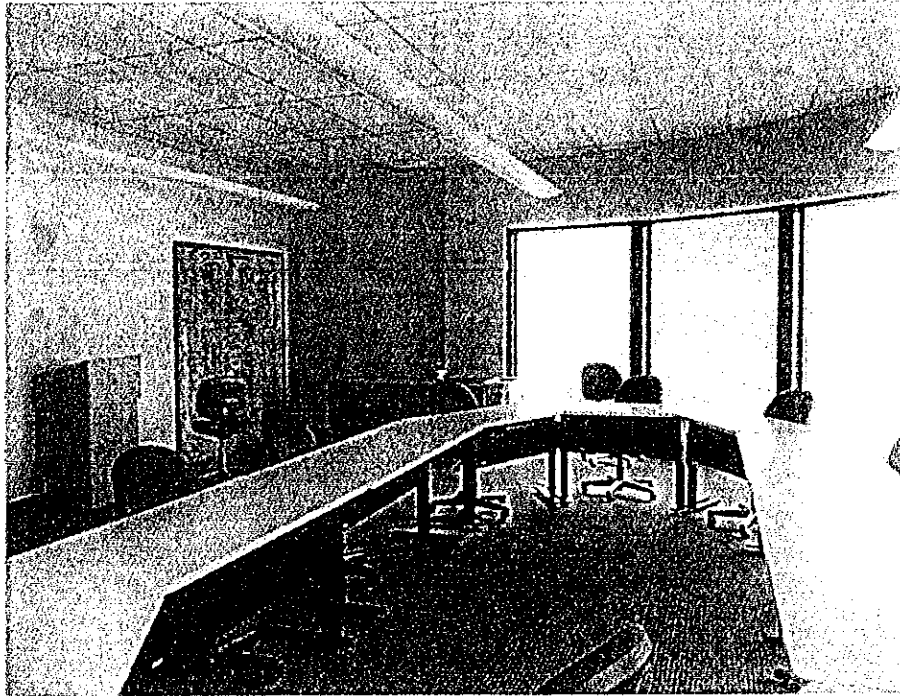
REAR VIEW OF SUBJECT



VIEW OF PARKING LOT



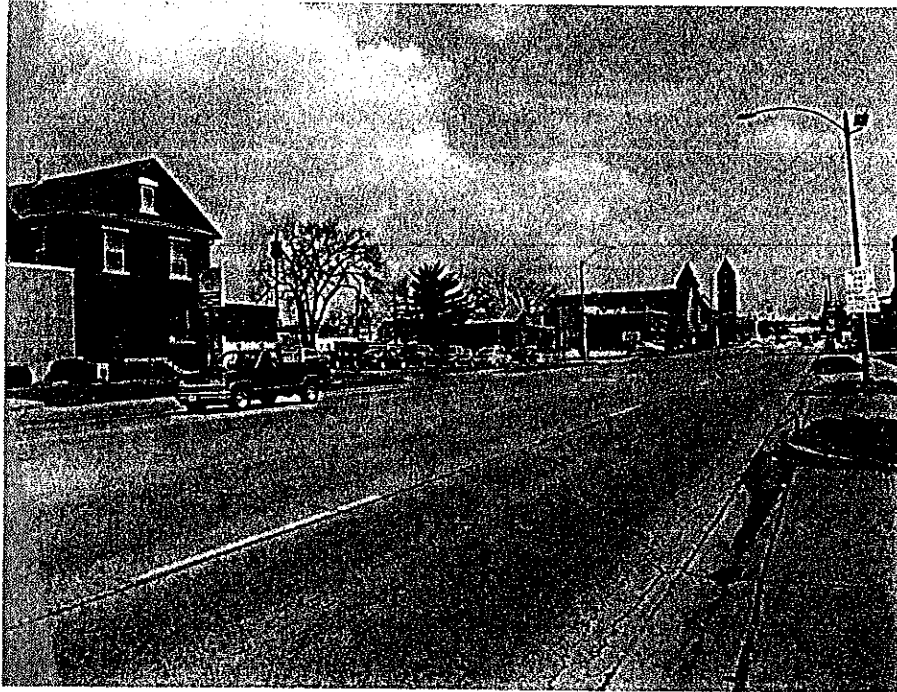
INTERIOR – FIRST FLOOR



INTERIOR – FIRST FLOOR



LOOKING EAST ON ELDORADO STREET



LOOKING WEST ON ELDORADO STREET



INTERIOR – FIRST FLOOR



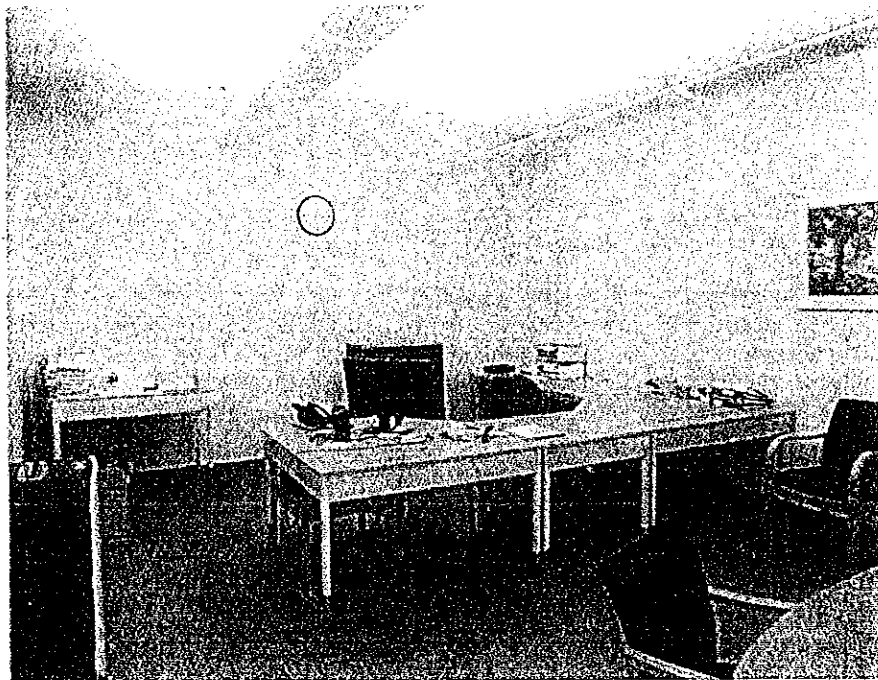
INTERIOR – FIRST FLOOR



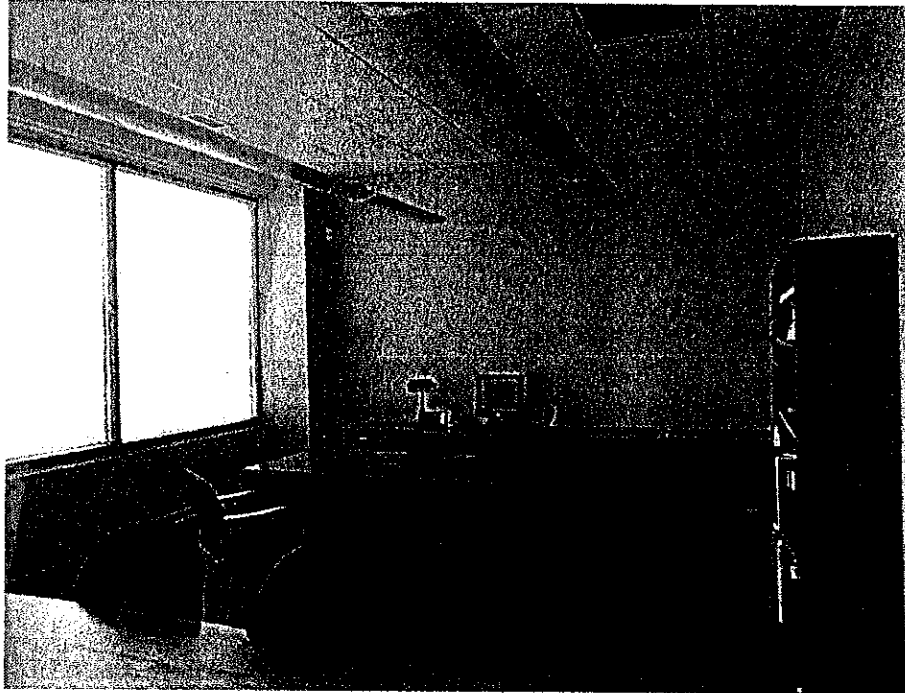
INTERIOR – FIRST FLOOR



INTERIOR – FIRST FLOOR



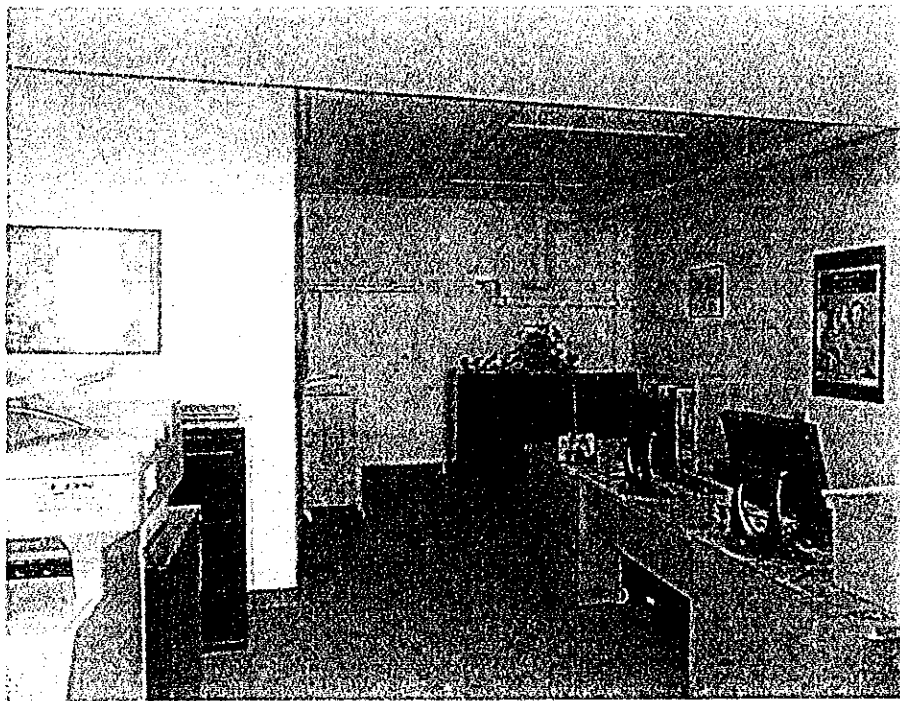
INTERIOR -- FIRST FLOOR



INTERIOR -- SECOND FLOOR



INTERIOR – SECOND FLOOR



SUMMARY APPRAISAL REPORT

Lewis and Clark Library System
6725 Goshen Road and Excess Land
Edwardsville, Illinois

PREPARED FOR

Ms. Juliette E. Douglas; MHR, MLS
Business Manager/Workforce Development Consultant
Lewis and Clark Library System
6725 Goshen Road
Edwardsville, Illinois 62025

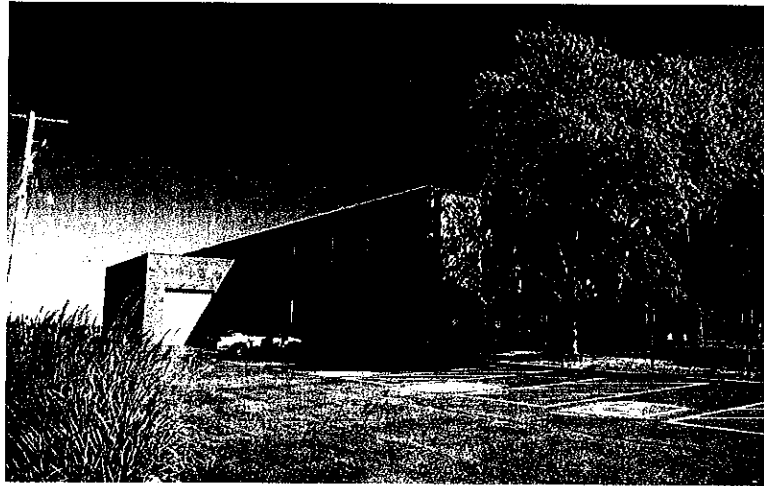
PREPARED BY

Collier Appraisers, Ltd.
226 West Main Street
Collinsville, Illinois 62234

EFFECTIVE DATE

October 21, 2010

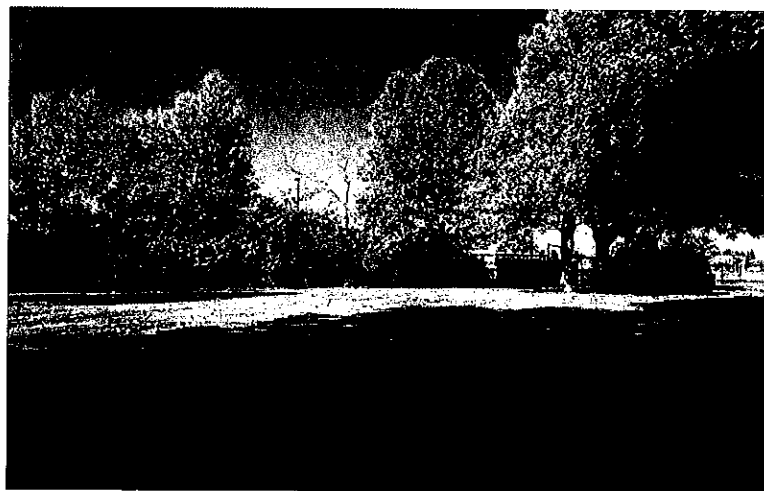
Subject Properties
Photographs taken October 21, 2010



View of Library (Parcel A)



View of Small Tract (Parcel B)



View of Large Tract (Parcel C)

Collier Appraisers, Ltd.

Real Estate Appraisers and Consultants

226 West Main Street • Collinsville, Illinois 62234 • (618) 344-4811 • Fax (618) 344-4831
www.collierappraisers.com

November 5, 2010

Ms. Juliette E. Douglas, MHR, MLS
Business Manager/Workforce Development Consultant
Lewis and Clark Library System
6725 Goshen Road
Edwardsville, Illinois 62025

Re: Lewis and Clark Library System
6725 Goshen Road and Excess Land
Edwardsville, Illinois

Dear Ms. Douglas:

At your request, we appraised the referenced properties. This appraisal reflects our "as is" opinion of market value estimates of the fee simple estate (interest) in the properties, as of October 21, 2010. We understand that this report will be used for accounting purposes.

This appraisal, presented in a summary narrative report format, contains the results of our research, analysis, opinions and conclusions. To the best of our knowledge, this report conforms to Standards Rule 2-2 (b) of the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Foundation and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

Our market value estimates are based on the presented facts and rationale and are subject to the limiting conditions and assumptions contained in this report.

Upon a thorough investigation of the market and taking into consideration all factors which affect value, it is our opinion that the market values of the subject properties as of the 21st Day of October 2010 are as follows:

Value of Parcel A

ONE MILLION FIVE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$1,575,000)

Value of Parcel B

ONE HUNDRED SEVENTY-EIGHT THOUSAND DOLLARS (\$178,000)

Value of Parcel C

THREE HUNDRED TWENTY-SIX THOUSAND DOLLARS (\$326,000)

Total Value of All Properties

TWO MILLION SEVENTY-NINE THOUSAND DOLLARS (\$2,079,000)

If you have any questions, please contact us. Thank you for contacting our firm regarding this assignment.

Sincerely,



James F. Collier
Certified General Appraiser
Illinois License No. 553.000106
Expiration Date: Sept. 30, 2011

JFC/skc
Enclosures

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ADDENDUM

General Area Map
Subject Location Map
Listing Sheet
Traffic Count Map
Zoning Map
Zoning Regulations
Qualifications of Appraiser

SUMMARY

Assignment	As determined by the appraiser, with input from the client, the valuation assignment is to estimate the "as is" market values of the fee simple estate (interest) in the properties, as of October 21, 2010, as encumbered by easements of record, all municipal building codes and ordinances, zoning restrictions, and subject to the limiting conditions and assumptions stated in this report.
Property Location	Appraisal of Lewis and Clark Library System 6725 Goshen Road and Excess Land Edwardsville, Illinois
	Property Type: The appraised property consists of a 2-story, masonry, commercial building and excess land.
	Total: 20,694 square feet ± (GBA)
Zoning	B-2, Commercial/Business
Census Tract	4030.02
Assessment and Taxes	Inasmuch as the subject is a library, there are no taxes assessed on these parcels.
Current Use	Parcel A is improved with a 2-story, masonry, commercial building utilized as a library, as of the effective valuation date. Parcels B and C consist of vacant lots.
Highest and Best Use	
As Vacant	The Highest and Best Use of the sites, as if vacant and available for development to its Highest and Best Use, is for commercial purposes.
As Improved	The Highest and Best Use of the properties, as improved, is for their current or similar use.

Value Indications

Cost Approach \$1,608,000

Direct Sales Comparison Approach \$1,552,000

Income Capitalization Approach \$1,610,000

Value Conclusions	Value of Parcel A	\$1,575,000
	Value of Parcel B	\$178,000
	Value of Parcel C	\$326,000
	Total Value of All Properties	\$2,079,000

Exposure Period 18 to 24 months

Marketing Period 18 to 24 months

Valuation Date October 21, 2010

Inspection Date October 21, 2010

Report Date November 5, 2010

ASSUMPTIONS AND LIMITING CONDITIONS

1. That the term "Market Value" as herein used, 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, knowledgeably and assuming the price is not affected by undue stimulus." Defined as stated in Uniform Standards of Professional Appraisal Practice.
2. That the date to which the opinions expressed in this report applies is set forth in the letter of transmittal. The appraiser assumes no responsibility for economic or physical factors occurring at some later date which may affect the opinions herein stated.
3. That no opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.
4. That no opinion as to title is rendered. Data on ownership and the legal description were obtained from sources generally considered reliable. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements, and restrictions except those specifically discussed in the report. The properties are appraised assuming it to be under responsible ownership and competent management and available for its Highest and Best Use.
5. That no engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area was taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.
6. That maps, plats and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purposes.
7. That no opinion is expressed as to the value of subsurface oil, gas or mineral rights, and that the properties are not subject to surface entry for the exploration or removal of such materials except as is expressly stated.
8. That testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal unless such arrangements are made a reasonable time in advance.
9. The appraiser assumes no responsibility for such items of record not disclosed by his normal investigation.

10. That no detailed soil studies covering the subject properties were available to the appraiser. Therefore, premises as to soil qualities employed in this report are not conclusive but have been considered consistent with information available to the appraiser.
11. That no responsibility is assumed due to the possible effects of earthquakes on individual properties unless detailed geologic reports are made available.
12. That the appraiser has personally inspected the subject properties and finds no obvious evidence of structural deficiencies except as stated in this report; however, no responsibility for hidden defects or conformity to specific government requirements, such as fire, building and safety, earthquake, or occupancy codes can be assumed without provision of specific professional or governmental inspection.
13. That the leases, if any, as provided are correct and the subject is not encumbered by long term leases.
14. That no consideration has been given in this appraisal to personal property located on the premises, or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, ureaformaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
16. The appraiser did not conduct a termite inspection. In the event there is damage from termites or other pests, the appraiser reserves the right to update the value estimates accordingly without penalty.

INTRODUCTION

IDENTITY OF THE CLIENT AND ANY INTENDED USERS

The client of this report is Ms. Juliette E. Douglas of Lewis and Clark Library System, the intended user of this document. It is intended for your use only and those parties authorized by your permission.

INTENDED USE

The intended use of this report is to provide opinions of market values for accounting purposes.

INTEREST VALUED

The property rights appraised are fee simple, that is, an

"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."¹

PURPOSE OF THE ASSIGNMENT

The purpose of this assignment is to develop opinions of market values of the interest stated above.

¹Appraisal Institute, The Dictionary of Real Estate Appraisal, 4th Edition (2002), p. 113.

MARKET VALUE

The definition of Market Value pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) is as follows:

"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, 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 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 each acting in what he considers his 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."²

EFFECTIVE DATE OF THE OPINION

October 21, 2010

²Appraisal Institute, Appraisal Regulations of the Federal Banking Agencies (1992), p. 21.

ADDITIONAL APPRAISER'S CERTIFICATION

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 immediately preceding acceptance of the assignment, as an appraiser or in any other capacity."

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

EXTRAORDINARY ASSUMPTIONS

The definition of Extraordinary Assumption is furnished below.

"An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions."

Comment: 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 the integrity of data used in an analysis.³

It is assumed the mine subsidence damage which has occurred will be repaired and that Mine Subsidence Insurance remains in effect regarding the subject building.

³ Appraisal Institute, Standards of Professional Appraisal Practice of the Appraisal Institute (2000), p. 11.

HYPOTHETICAL CONDITION

Hypothetical Condition is defined as follows:

"that which is contrary to what exists, but is supposed for the purpose of analysis."

Comment: Hypothetical conditions assume conditions 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 the integrity of data used in an analysis.⁴

There are no Hypothetical Conditions which apply to this assignment.

⁴ Appraisal Standards Board, The Appraisal Foundation, Uniform Standards of Professional Appraisal Practice 2000 Edition (2000), p. 11.

SCOPE OF WORK

The Scope of Work involves stating the research and analyses that are necessary to develop a credible opinion of value. In preparing the report, the following steps were taken:

1. Conducted a visual inspection of the subject properties to note the characteristics of the property relevant to its valuation;
2. Investigated available market data for use in a Direct Sales Comparison Approach to value and if applicable, the Cost and Income Capitalization Approaches. The investigation will include a search of public records such as printed comparable data services and computerized databases from which we subscribe. Search parameters such as dates of sales, leases, locations, sizes, types of properties, and distances from the subject will start with relatively narrow constraints and, if necessary, be expanded until the appraiser has either retrieved data sufficient (in the appraiser's opinion) to estimate market value, or until the appraiser believes that he or she has reasonably exhausted the available pool of data. Researched sales data will be viewed and, if found to be appropriate, efforts will be made to verify the data with persons directly involved in the transactions such as buyers, seller, brokers, or agents. At the appraiser's discretion, some data will be used without personal verification if, in the appraiser's opinion, the data appears to be correct. In addition, the appraiser will consider any appropriate listings or properties found through observation during the appraiser's data collection process. The appraiser will report only the data deemed to be pertinent to the valuation problem;
3. Investigated and analyzed any pertinent easements or restrictions relating to the ownership of the subject properties. It is the client's responsibility to supply the appraiser with a title report. If a title report is not available, the appraiser will rely on a visual inspection and identify any readily apparent easements or restrictions;
4. Analyzed the data derived and reach conclusions regarding market value, as defined in the report, of the subject properties as of the date of value using appropriate valuation approach(es) identified above;
5. Prepared the appraisal in compliance with the Uniform Standards of Professional Appraisal Practice as promulgated by The Appraisal Foundation and the Code of Professional Ethics and Certification Standards of the Appraisal Institute;

6. Will not be responsible for ascertaining the existence of any toxic waste or other contamination present on or off the sites. The appraiser will, however, report any indications of toxic waste or contaminants that may affect value if they are readily apparent during the appraiser's investigations. The appraiser cautions the users of the report that the appraiser is not an expert in such matters and that the appraiser may overlook contamination that might be readily apparent to parties who are experts in such matters;
7. Prepared a Summary Appraisal Report, as defined in USPAP, which will include photographs of the subject properties, descriptions of the subject neighborhood, the site, a description of the zoning, a Highest and Best Use analysis, a summary of the most important sales used in the appraiser's valuation, a reconciliation and conclusion, and other data deemed by the appraiser to be relevant to the assignment. Pertinent data and analyses not included in the report may be retained in the appraiser's files;
8. Identified the objective of the assignment;
9. Identified the assignment elements, including identifying the client and the intended users, the intended use of the opinions and conclusions, the type and definition of value, the effective date of value, and the property appraised and its relevant characteristics;
10. Identified the specific assignment as acceptable under the ETHICS RULE, the COMPETENCY RULE, the SCOPE OF WORK RULE, the JURISDICTIONAL EXCEPTION RULE, and the SUPPLEMENTAL STANDARDS RULE of the Uniform Standards of Professional Appraisal practice (USPAP), as adopted by The Appraisal Foundation, and effective January 1, 2010;
11. Identified the properties by address and parcel identification numbers and described its location and neighborhood;
12. Conducted an overview and analysis of the properties' market and legal environment;
13. Identified all sales of the properties during the prior three years;
14. Inspected the real estate on **October 21, 2010**;
15. Identified the current use and the Highest and Best Use of the properties as vacant and as improved;
16. Conducted a Cost Approach by estimating the land value and depreciated cost of the improvements;

17. Conducted a Direct Sales Comparison Approach valuation by researching and analyzing sales of similar properties and then comparing them to the subject properties to support a value indication;
18. Conducted an Income Capitalization Approach;
19. Reconciled the valuation approaches to reach a final value conclusion.

Market research of national, regional and local economic and market conditions was prepared from our analysis of public and private data sources. Comparable sales information was gathered from both public and private sources, including Multiple Listing Service (MLS), research data companies to which we subscribe, county courthouses, and information within our data bank.

MARKET AREA DATA

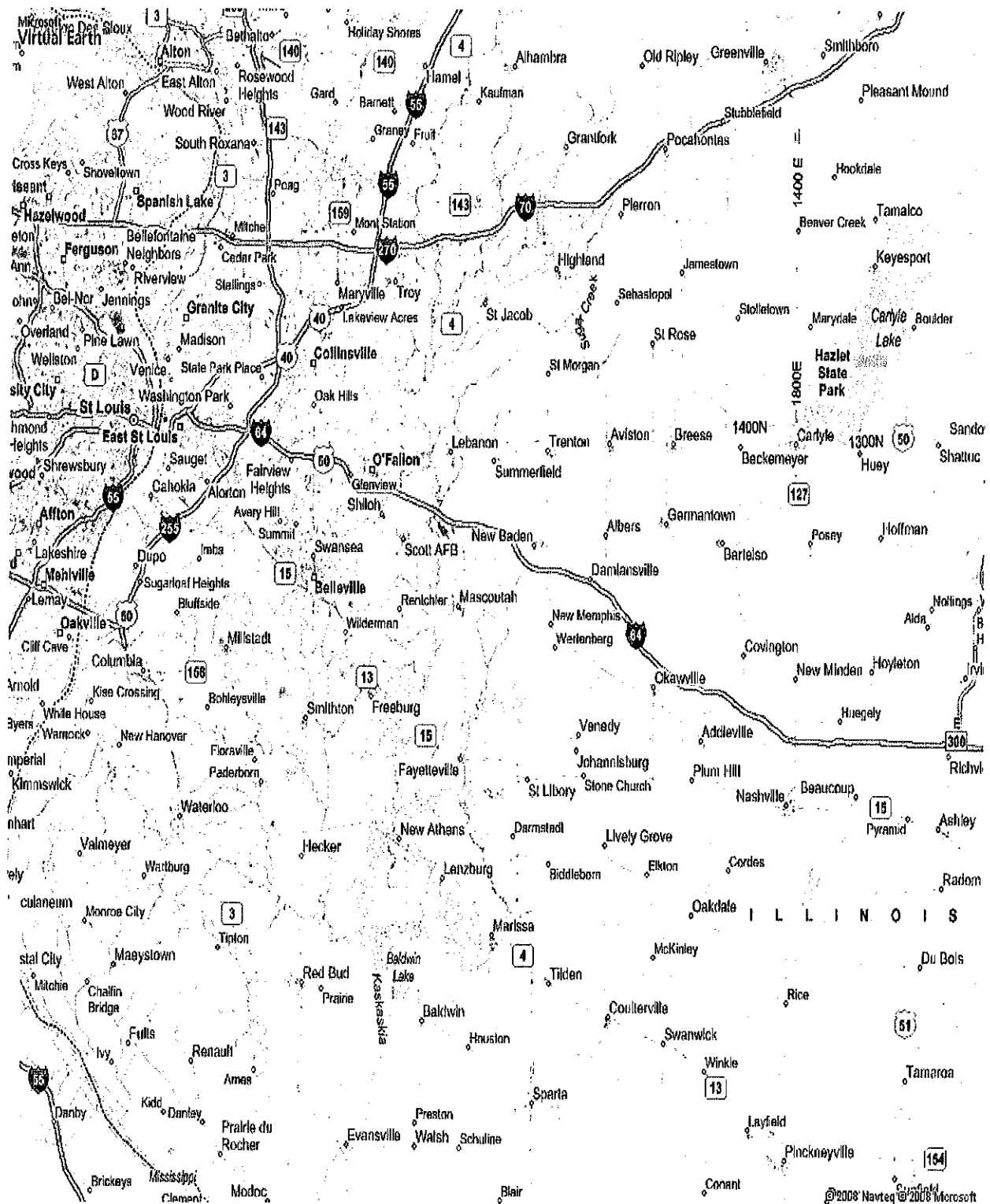
REGIONAL

The subject is located in Edwardsville, Illinois, within a general area often referred to as the "Metro-East" portion of the Greater Metropolitan St. Louis Area. Nearby cities and towns include Glen Carbon, Collinsville, Maryville, Granite City, Troy, and others. Downtown St. Louis, the nearest major metropolitan area, is located approximately 20 miles to the southwest.

"Metro-East" is a term often used to identify that portion of the Greater Metropolitan St. Louis Area which lies east of the Mississippi River. The entire Metropolitan St. Louis Area has a population in excess of 2.5 million. "Metro-East" has a population of about 600,000; thus, it is a significant portion of the region. Most of the geographic area and population in the "Metro-East" are concentrated in St. Clair and Madison Counties, each with a population of about 260,000. Other counties including Monroe, Clinton, Jersey, and Bond comprise the remainder.

A Regional Map is furnished on the following page.

REGIONAL MAP



CITY

According to the 2000 Census, Edwardsville's population was estimated at 21,491 which was up from the 1990 figure of 14,579. According to www.census.gov, the population of Edwardsville for 2009 was estimated at 24,475. Edwardsville is the county seat of Madison County.

Edwardsville has a Mayor/Council/City form of government. There are 10 banks located in the community. The police department employs 53 full-time people and 1 part-time person, and the fire department employs 25 full-time people and has 10 volunteers. There is 1 hospital, Anderson Hospital, located in nearby Maryville approximately 10 miles to the south (210 beds). There are 41 doctors and 40 dentists in the community. There are 2 Illinois designated trauma centers within 10 miles. A rehabilitation center is also available. Local Emergency Medical Treatment (E.M.T.) is available, and an Emergency 911 System is in place.

Southern Illinois University Edwardsville, which employs 2,296 people, is the community's major employer. Other major employers include Madison County Government (1,066 employees), Edwardsville School District #7 (840 employees), The Bank of Edwardsville (400 employees), Madison County Transit (250 employees), and Hortica (230 employees).

Highway transportation facilities are considered excellent. Major highways within a 5-mile radius include Interstates 270, 55, 70, and 255; Illinois Routes 157, 159, 162, and 111; and many secondary routes. Governor's Parkway, a 4-lane highway, connects Illinois Route 157 at the eastern edge of the Southern Illinois University Edwardsville campus to the Illinois Route 143/Interstate 255 interchange.

Commercial bus and package delivery services are available. Rail service is provided by Norfolk Southern and Chicago Northwestern. The nearest commercial airport is St. Louis Lambert International Airport, and the nearest public airport is St. Louis Regional.

There are 12 elementary schools, 2 junior high schools, 3 high schools, 2 trade and technical schools, 1 community college, and 1 university located in the community (including private schools). There are 60 special education teachers in School District #7 and over 400 part-time teachers in the community colleges.

Community facilities available within 10 miles include 32 Protestant churches, 3 Catholic churches, 1 Jewish synagogue, 1 country club, 4 health clubs, 2 public swimming pools, 41 motels/hotels (3,500 rooms), 335 restaurants, 5 public golf courses, and 11 public tennis courts. Edwardsville is located within ½-hour drive of the Mississippi River and 1½ hours of Carlyle Lake, Alton Lake, and others.

The above information was obtained from a Community Profile published by the Department of Commerce and Community Affairs (publication date July 14, 2010).

NEIGHBORHOOD

The subject is located along the north side of Goshen Road approximately 500 feet east of Illinois Route 159. The immediate area to the south and west and immediately north of the subject is heavily commercialized and consists of numerous commercial establishments along the Illinois Route 159 corridor. The area generally east of the subject consists of single-family residential properties. There is convenient linkage to Illinois Route 159.

MARKET TRENDS AND MARKETING PERIOD

Real estate market conditions in the "Metro-East" region have slowed following a national trend due to factors relating to the recession including rising unemployment and a general slow down in the U.S. economy. As a result, estimated marketing periods are 18 to 24 months or more.

EXPOSURE TIME

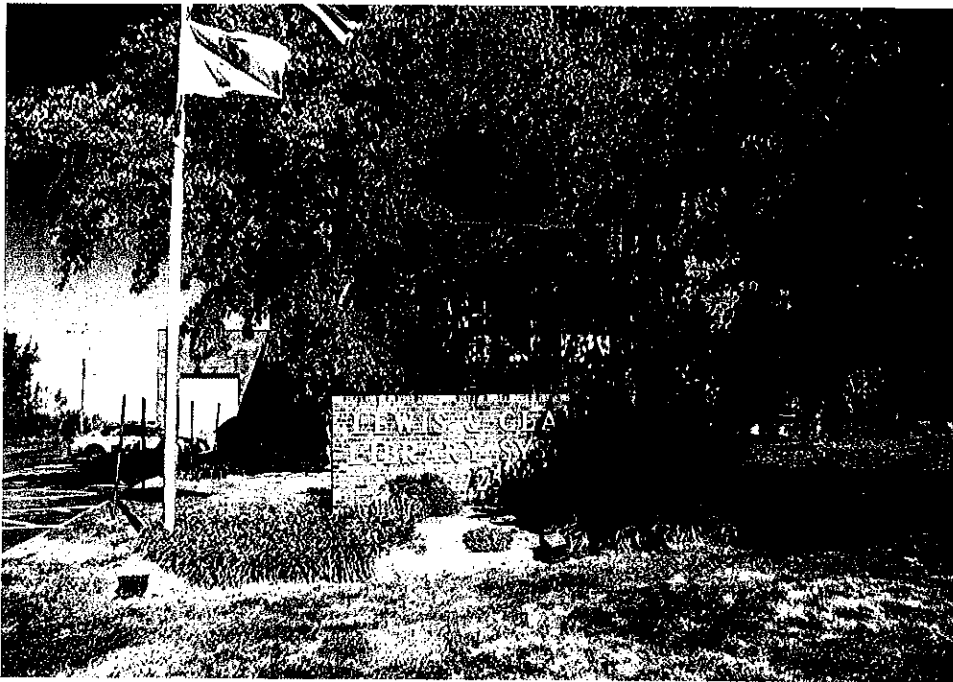
The definition of Exposure Time is furnished below.

"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; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions. (Appraisal Standards Board of The Appraisal Foundation, Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions")."⁵

The estimated Exposure Time for the subject property is 18 to 24 months.

⁵ Appraisal Institute, The Dictionary of Real Estate Appraisal, 4th Edition (2002), p. 105.

PHOTOGRAPHS



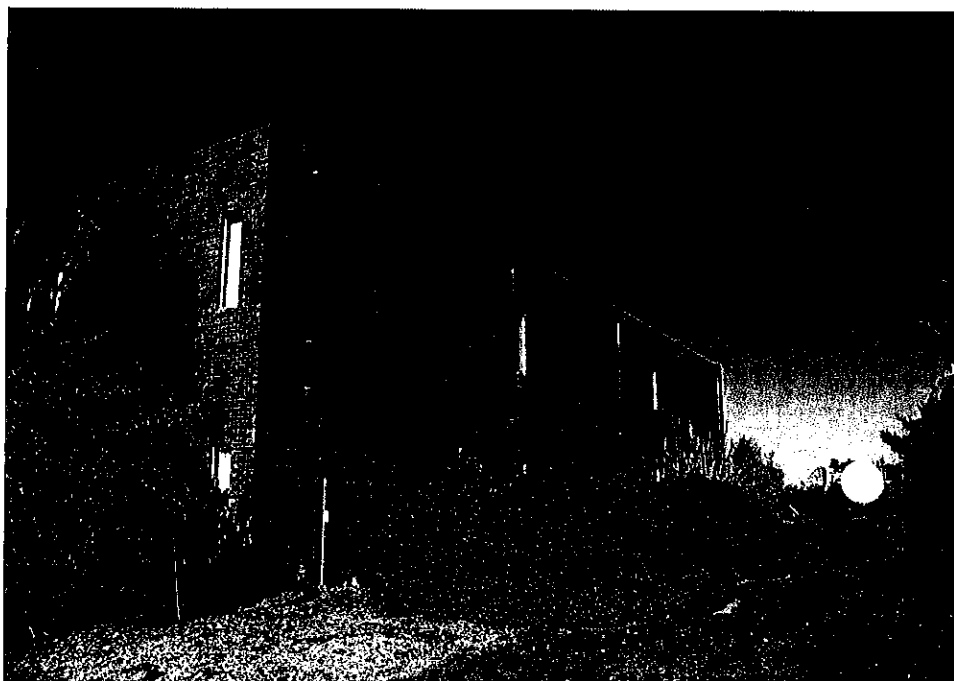
View of South Elevation, Front View



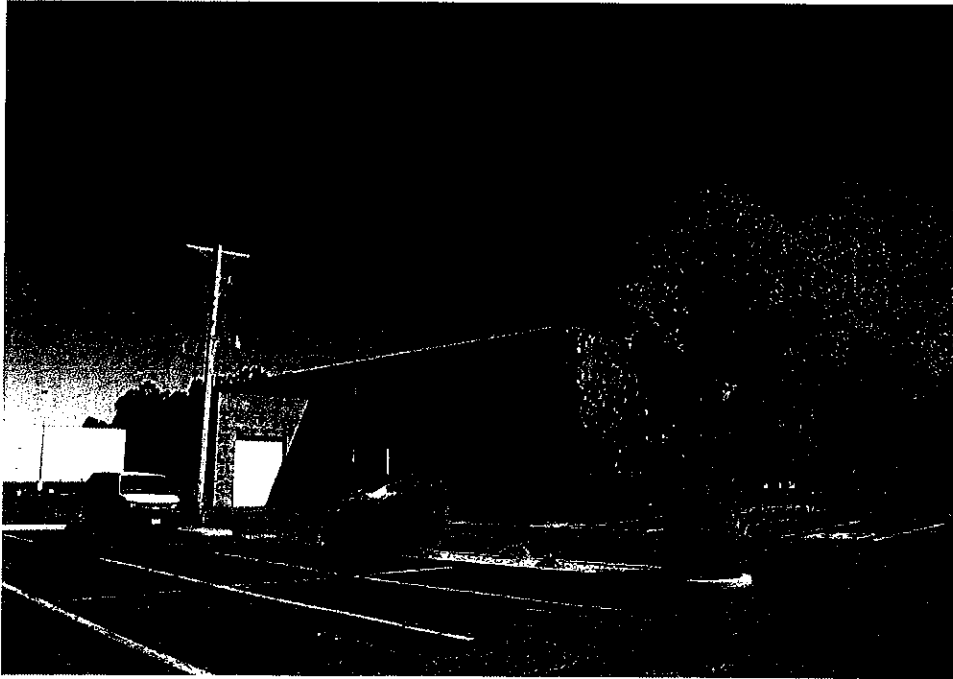
View of South Elevation and Main Entrance



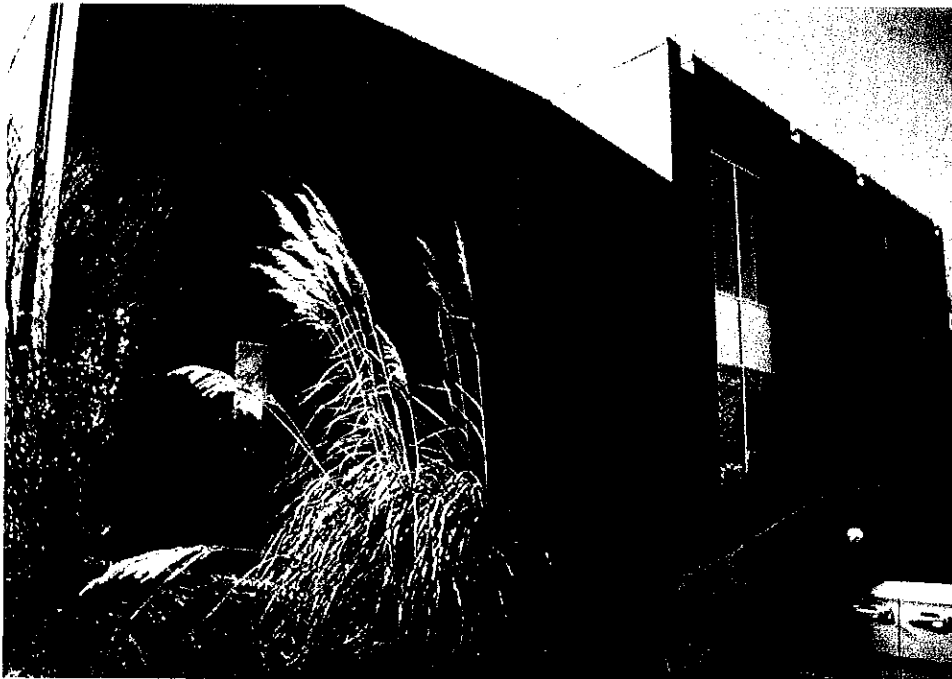
View of West Elevation



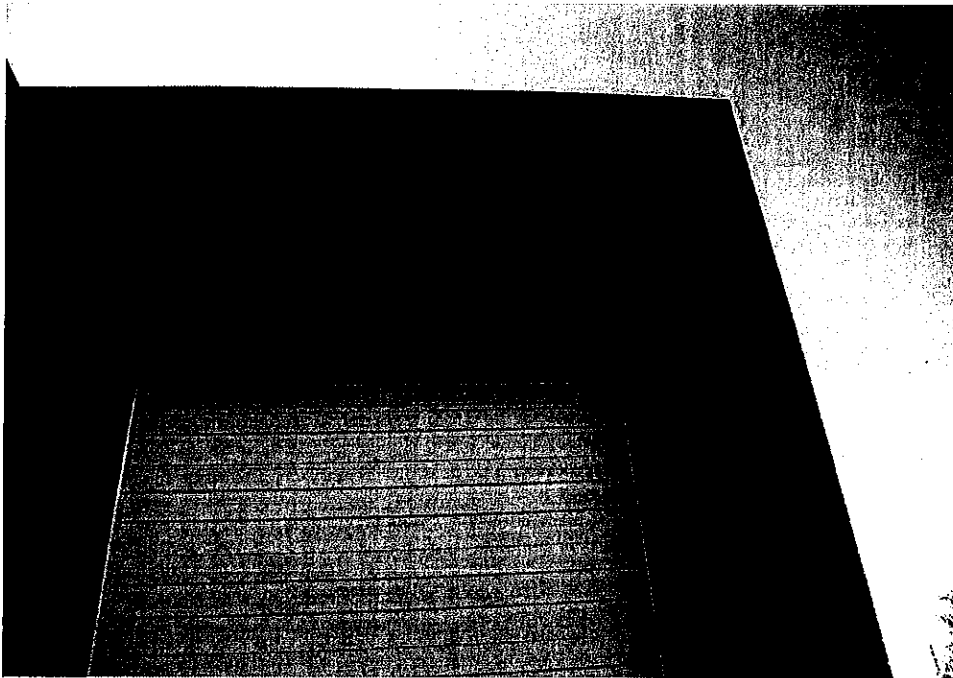
View of East Elevation



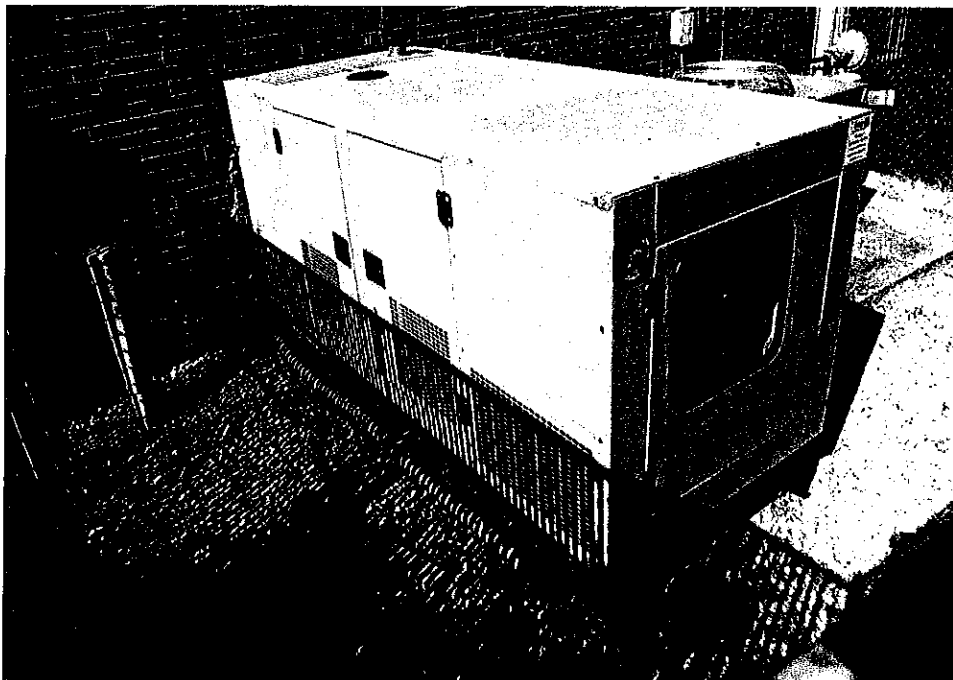
View of Parking Lot in Foreground, Library in Background



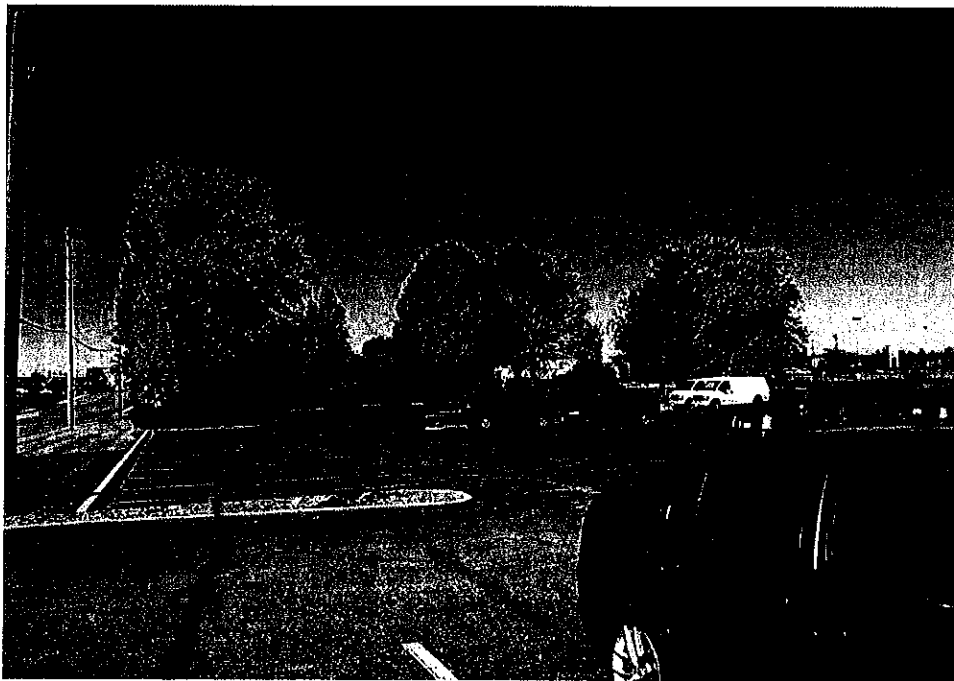
View of North Elevation



View of Subsidence Settlement at Rear of Building

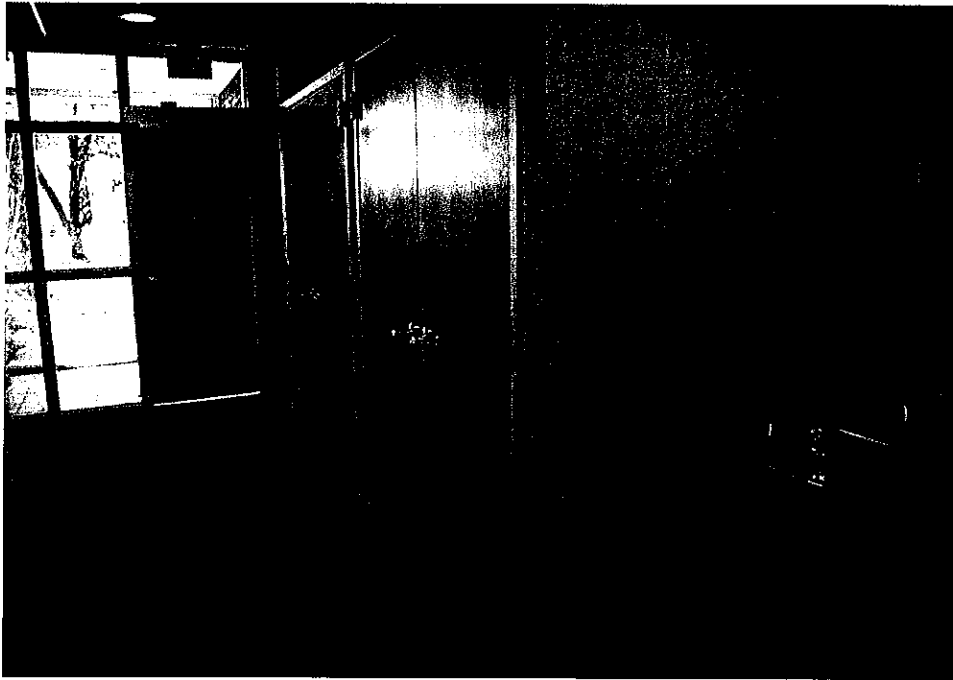


View of Emergency Generator

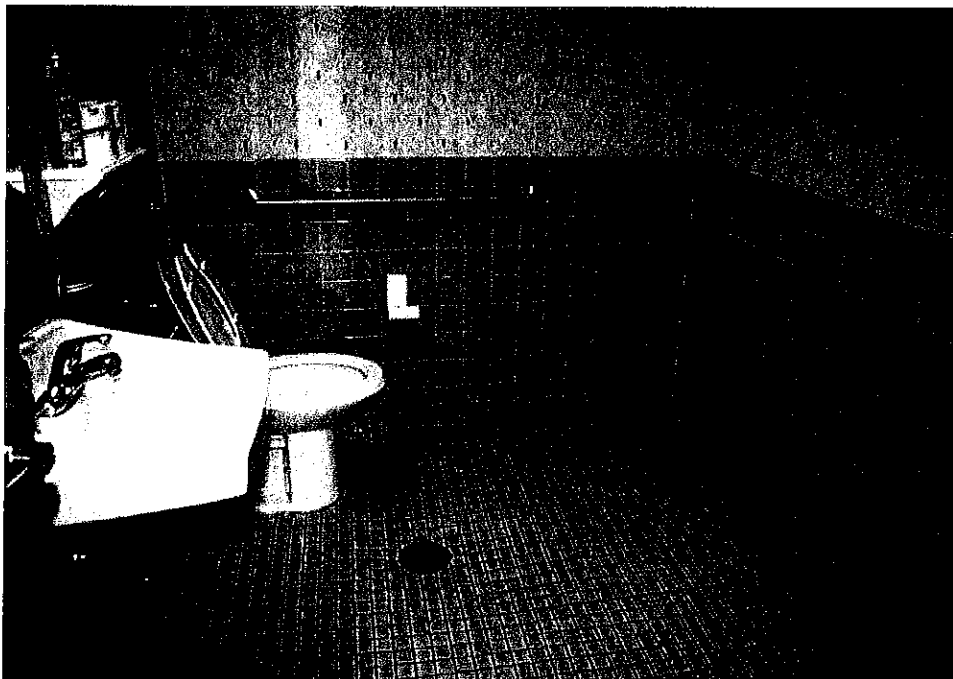


Views of Parking Lot

Main Level



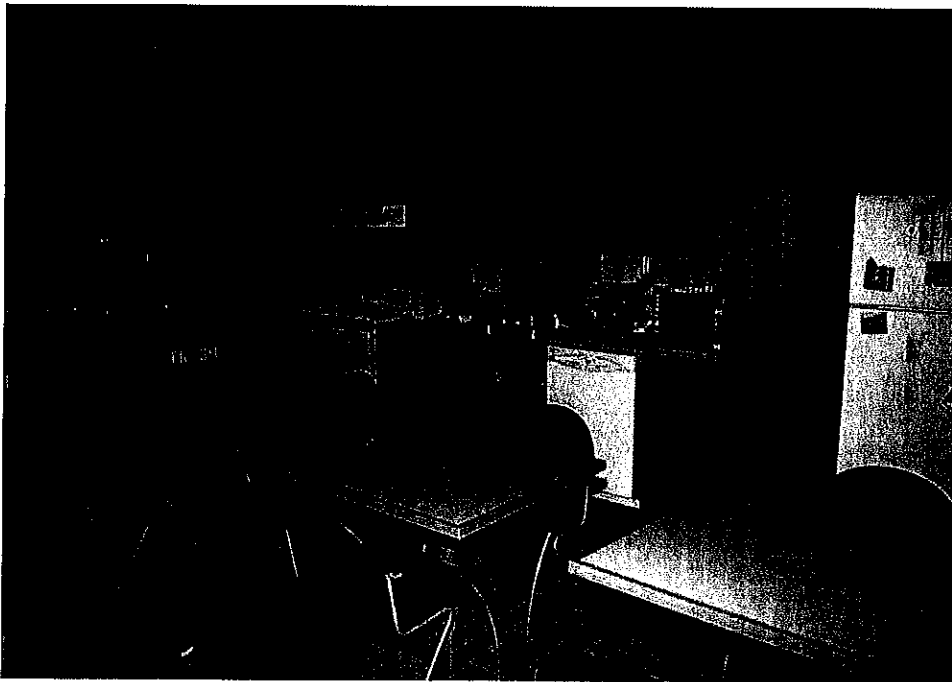
View of Entrance Lobby and Closets



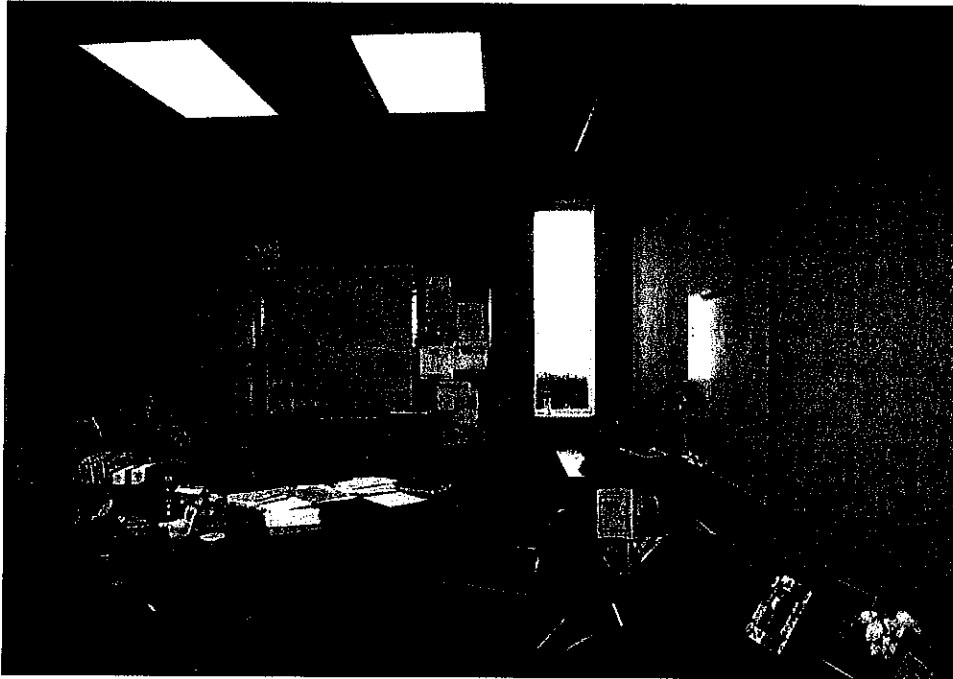
View of Restroom



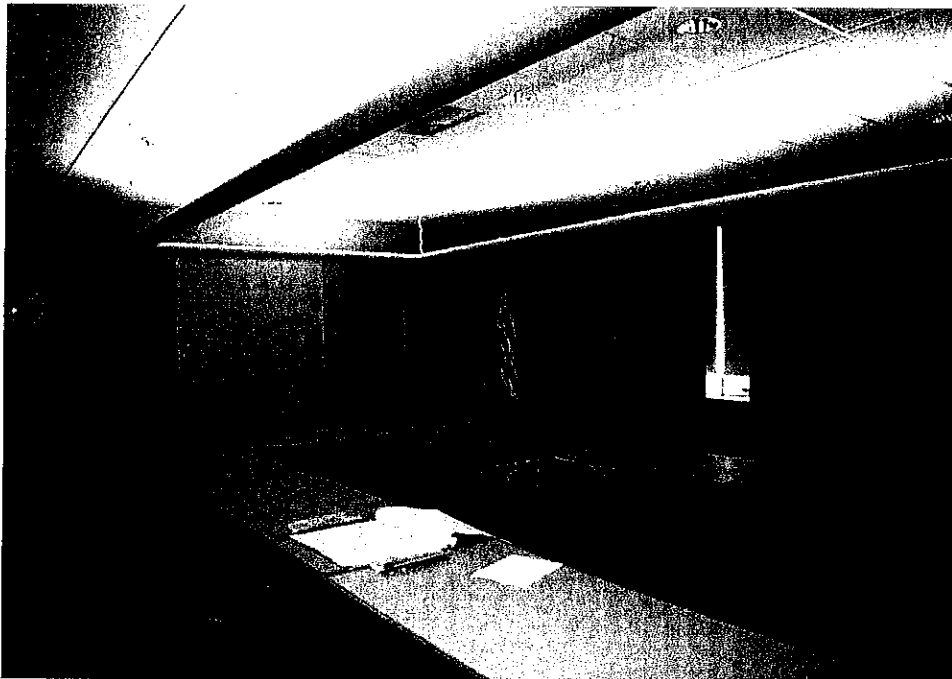
Additional View of Restroom



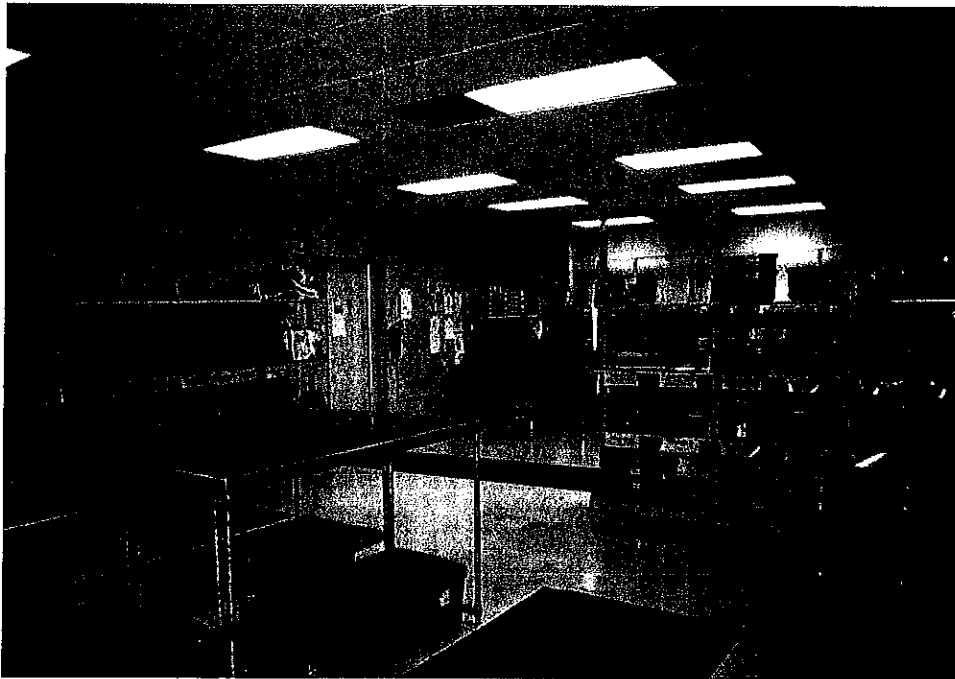
View of Break Room



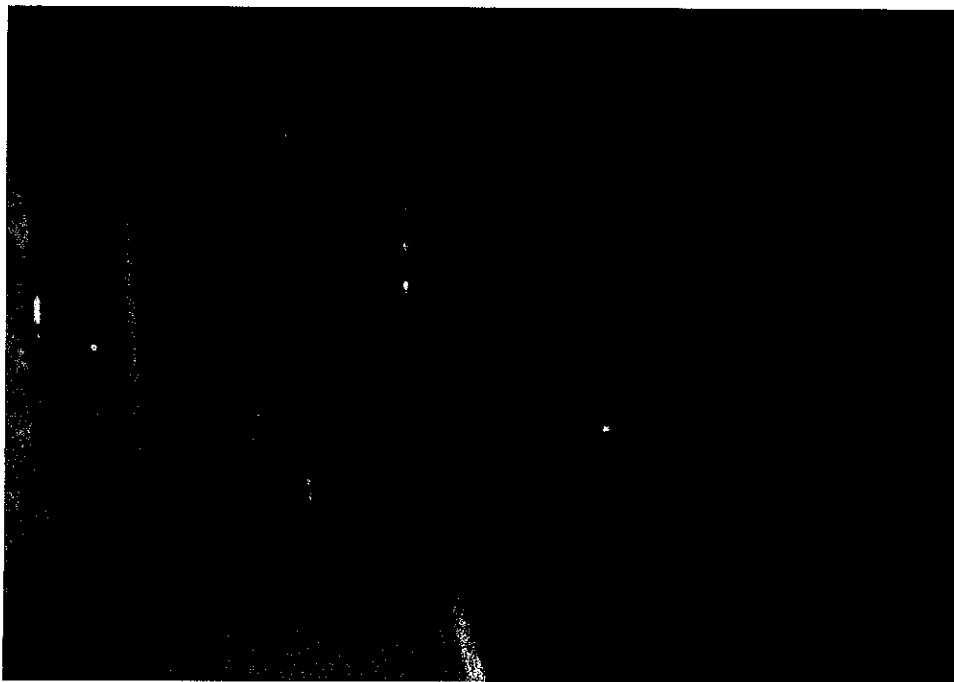
View of Office



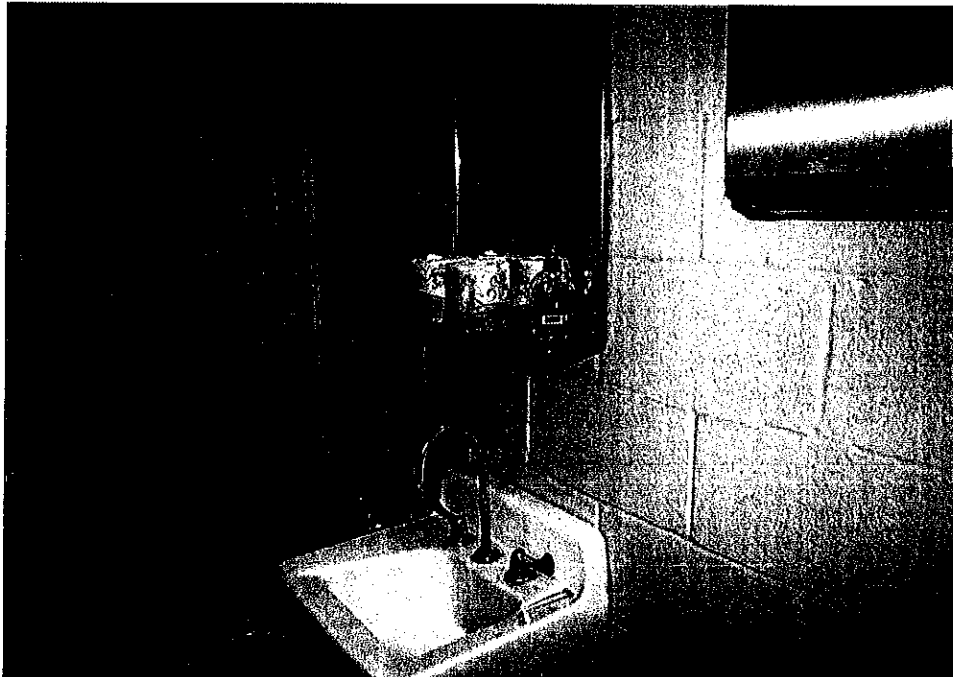
View of Conference Room



View of Sorting Area



View of Dock Area



View of Restroom off Dock Area (Settlement Crack evident in Wall)

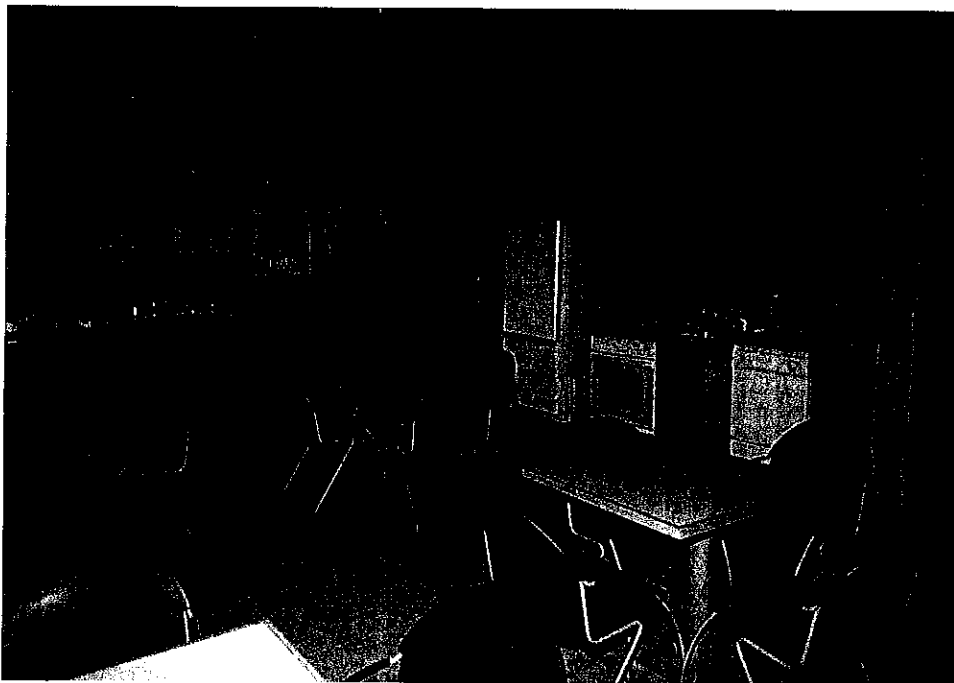


View of Floor Settlement

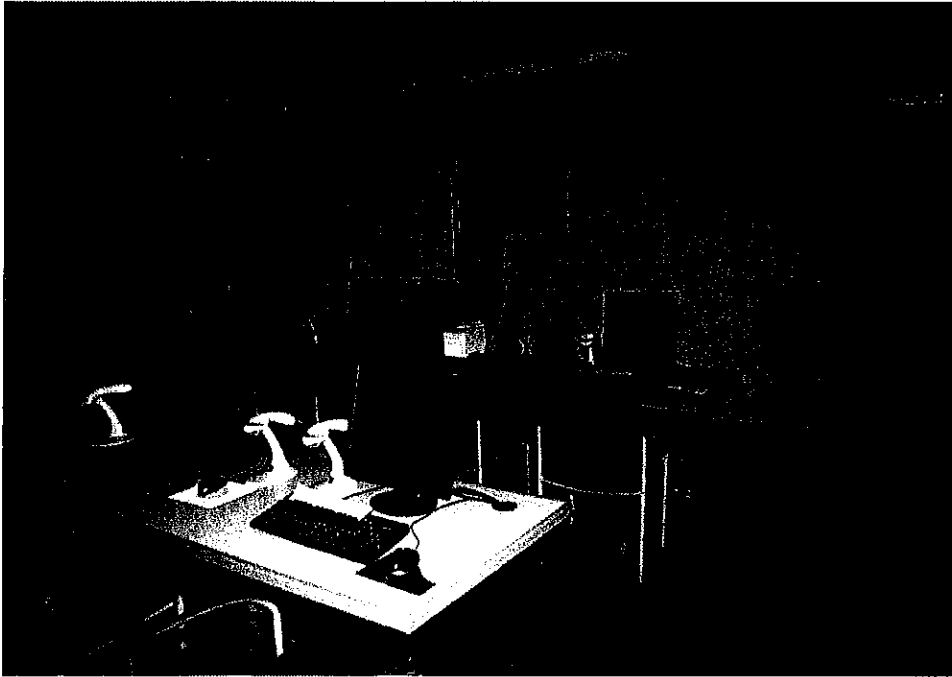


View of Computer Room

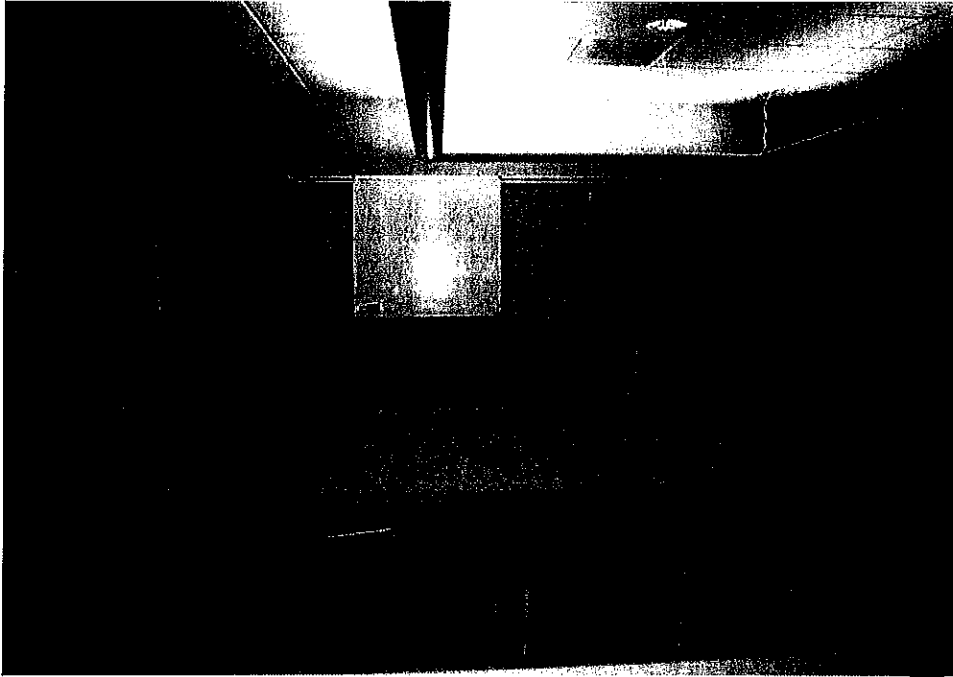
Upper Level



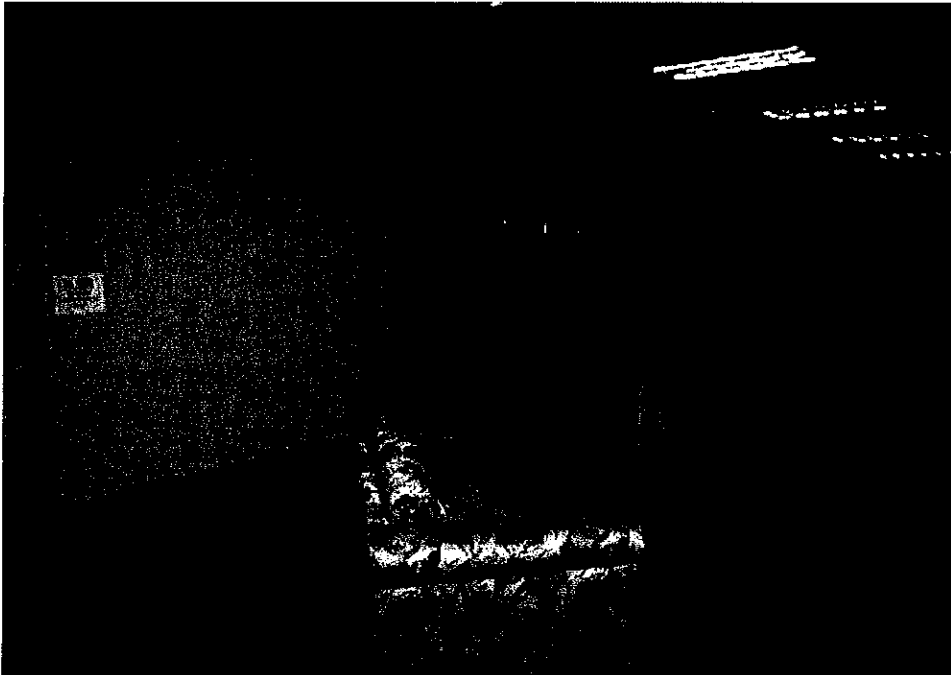
View of Break Room



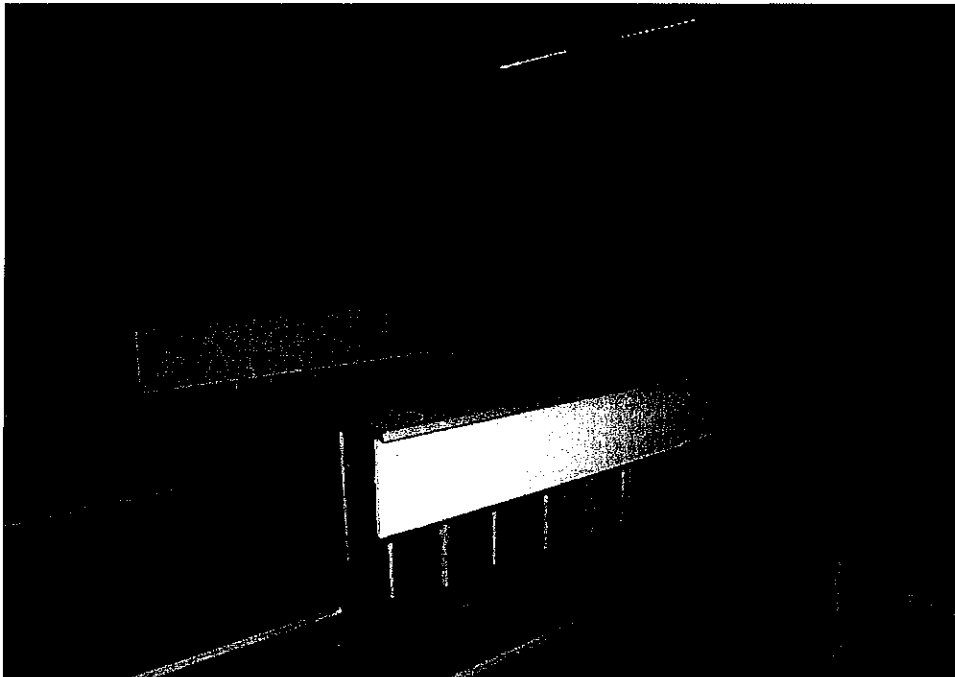
Views of Classroom/Meeting Rooms



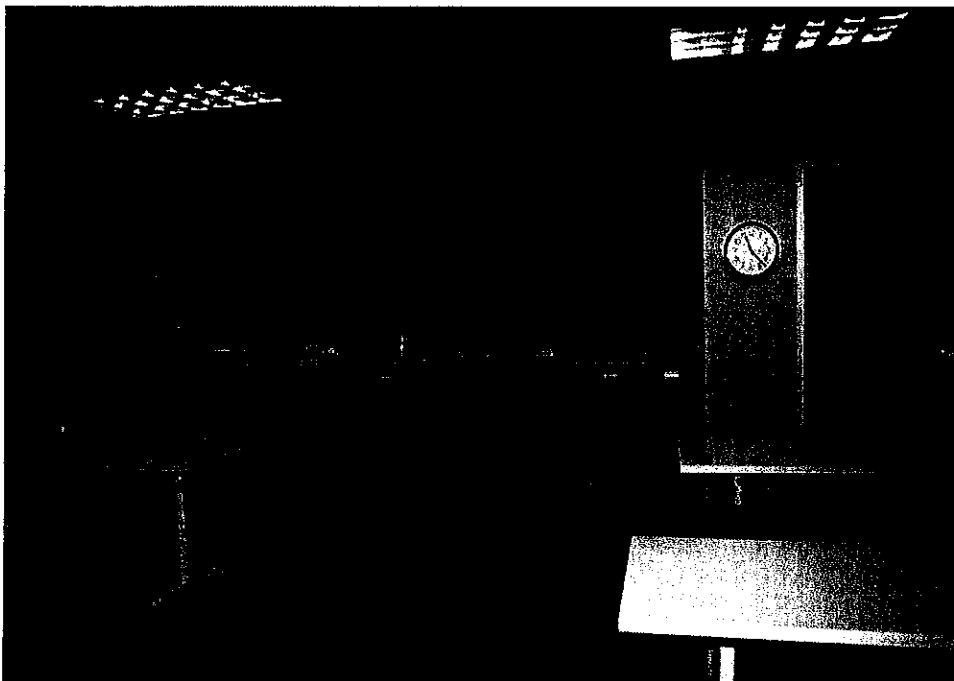
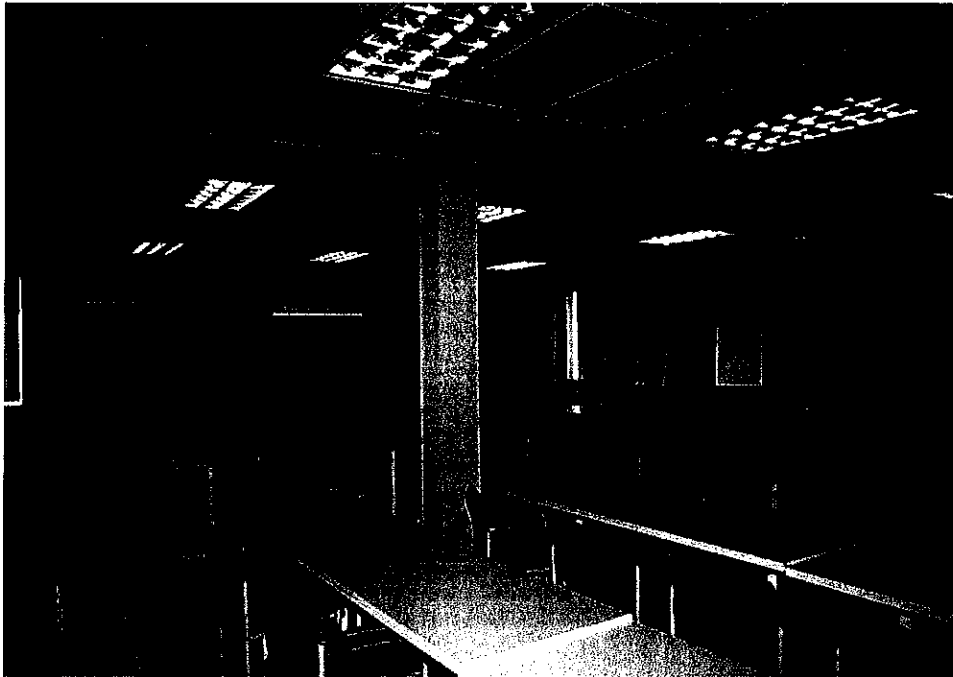
Additional View of Classroom/Meeting Rooms



View of Lounge Area



Views of Classrooms



Views of Classrooms



View of Parcel B



View of Parcel C



Additional View of Parcel C

SITE DATA

This portion of the report details the physical attributes of the site. A brief description follows:

Location

Location is along the north side of Goshen Road.

Access

Access is via either Goshen Road or from Cherry Street.

Shape, Area

According to dimensions on the Site Plat obtained from Madison County Cadastral Mapping, the subject properties are irregular in shape. Parcel A is believed to contain approximately 1.83 acres, Parcel B contains .34 acre, and Parcel C contains 1.15 acres. In the event a survey depicts an amount different than these figures, the appraiser reserves the right to update this appraisal accordingly. Please refer to the Site Plat on Page 33.

Topography

The sites are more or less level and near street grade.

Utilities

All normal utilities including water, sewer, natural gas, electricity, and telephone are present at the sites.

Traffic Count

According to the Illinois Department of Transportation, the average daily traffic count along Goshen Road, west of the subject site, is 14,800 vehicles; and along Goshen Road, east of the subject site, is 12,500 vehicles. Please refer to a copy of the traffic count map furnished in the addendum of the report.

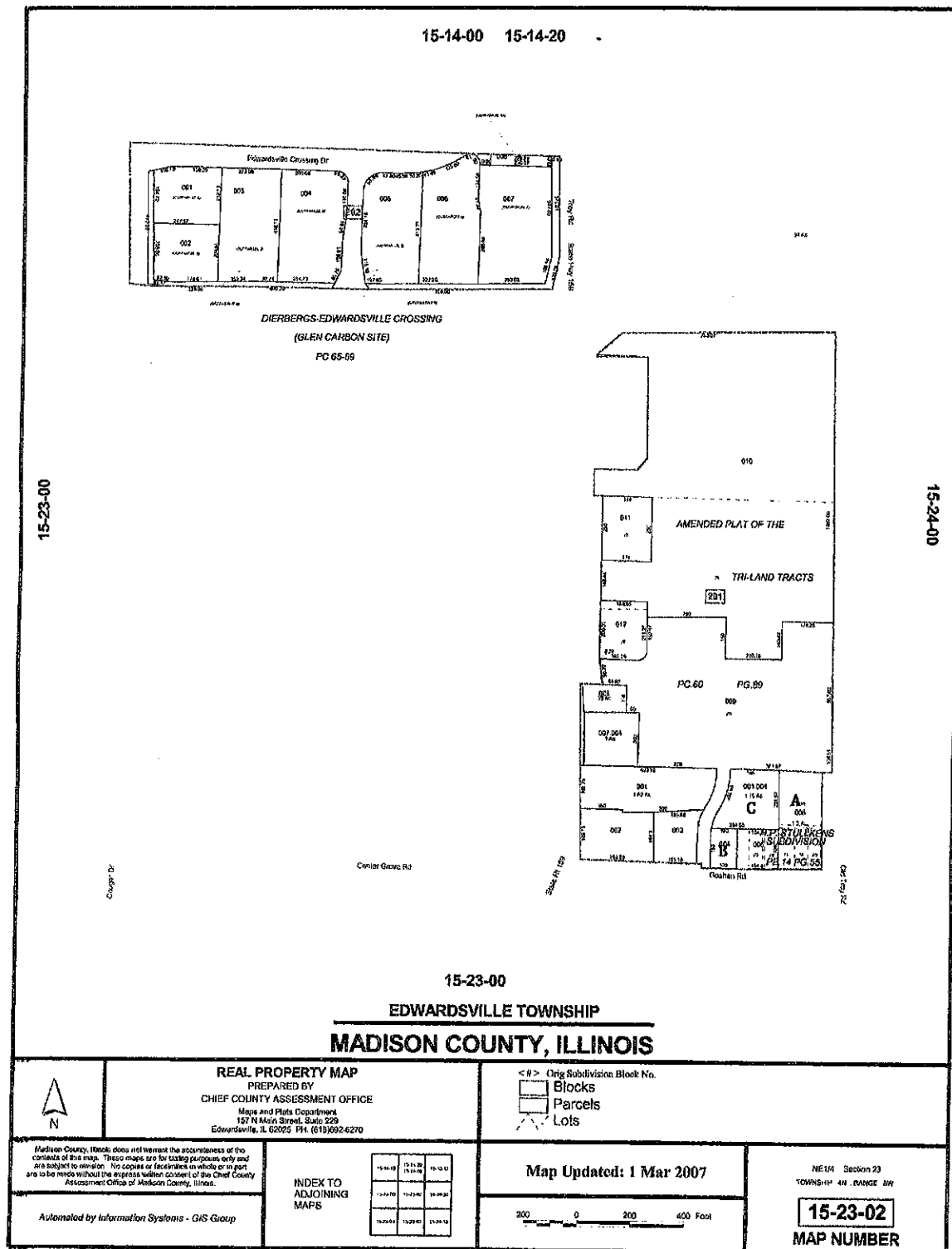
Flood Plain

The subject properties do not lie within a special flood plain district; however, they are within Zone C, an area of minimal flooding. Please refer to the Flood Plain Map No. 1704410001C on Page 34.

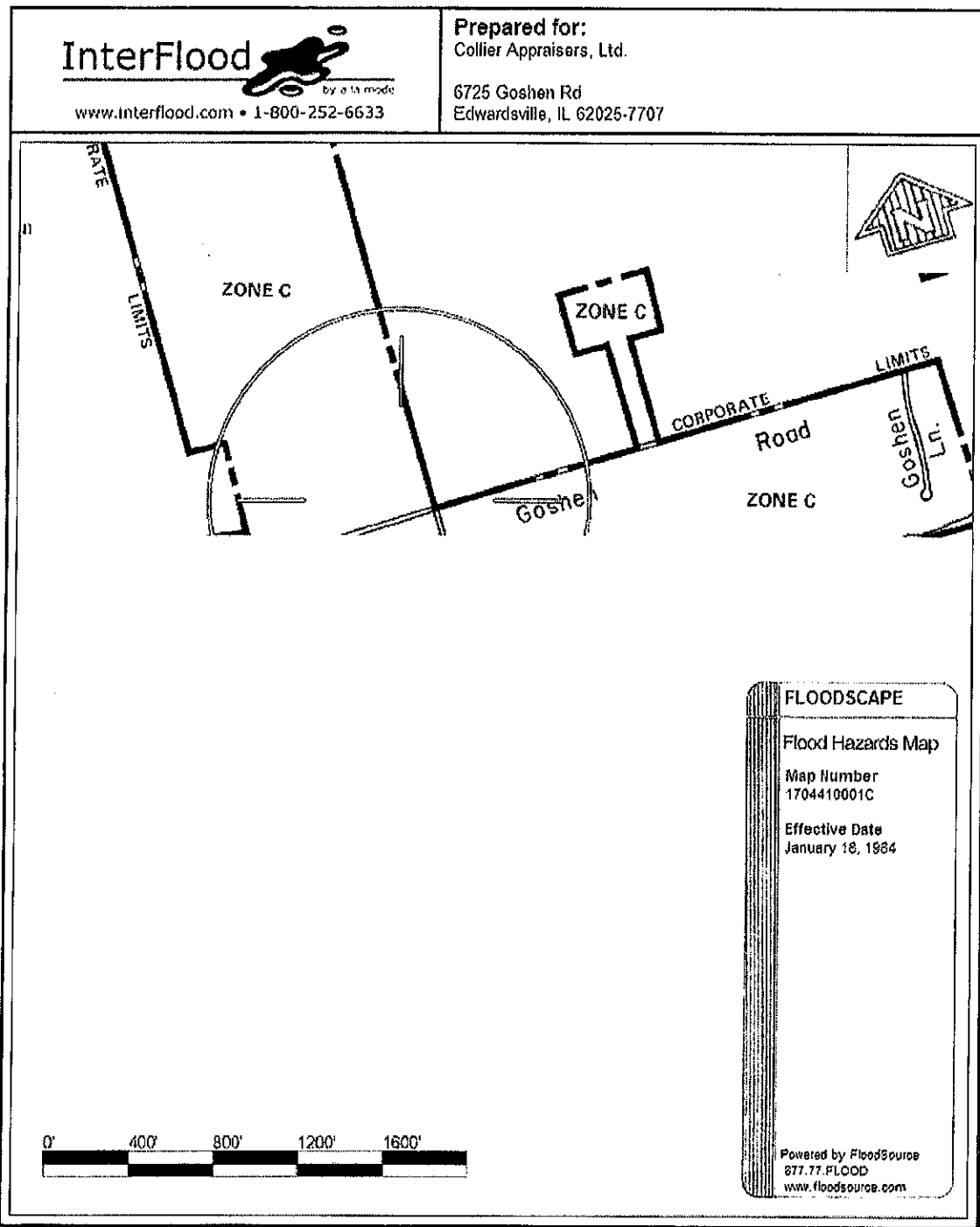
Environmental Data

An environmental audit was not conducted by this appraiser nor was one furnished. No hazardous materials or environmental conditions were observed which would cause a diminution in value of the subject property. In the event conditions are discovered which would affect the value and marketability of the subject, the appraiser reserves the right to update this appraisal accordingly.

SITE PLAT



FLOOD MAP



ASSESSED VALUATION AND TAXES

Inasmuch as the subject consists of a library property, it is exempt from taxes.

ZONING

According to the City of Edwardsville Zoning Map, the subject properties are zoned B-2, Commercial/Business. Copies of the zoning map and zoning regulations are furnished in the addendum of this report.

DESCRIPTION OF IMPROVEMENTS

The property is improved with a 2-story, masonry building designed for and utilized as library storage and office building. A further description in outline format follows.

Exterior	Description	Condition
Roof	Built-up	Good
Walls	Masonry	Good
Foundation	Masonry	Good
Windows	Aluminum casement	Good
Canopies/Porches	Front and rear entrances	Good
Flatwork	Concrete, asphalt	Good
Landscaping	Shrubberies, trees, flagpole, signage	Good

Interior	Description	Condition
Walls	Panel, drywall	Good
Ceiling	Suspended grid	Good
Floors	Carpet, vinyl, asphalt tile	Good
Lighting	Fluorescent	Good
Electric	3-phase, 800 amp	Good
HVAC	2, gas-fired, forced air furnaces equipped with central air conditioning	Good
Plumbing	Handicapped accessible restrooms	Good
Doors	Solid core, oak	Good
Trim	Commercial	Good
Elevator	Yes	Good

COMMENTS

The main level consists of approximately 11,022 square feet of gross building area of which 1,350 square feet is an enclosed loading dock and 672 square feet is a common stairway area, leaving approximately 9,000 square feet of net rentable area. Rooms include front and rear entry vestibules, front reception desk, break room, 2 handicapped accessible restrooms, large open work area, conference room, 3 private offices, mechanical room, and computer room.

The upper level contains a large, open common lobby area, restrooms, break room, 5 classrooms, and meeting rooms 1 of which has theater type seating. These rooms are well equipped for educational purposes including built-in cabinetry for storage and numerous communication and electrical receptacles. Excluding the common area, there is believed to be approximately 4,500 square feet of net rentable area on the upper level.

DEFERRED MAINTENANCE

No major items of deferred maintenance are evident; however, the subject has suffered damage from mine subsidence and is currently being monitored.

Settlement cracks are evident in the floor and rear wall. Overall functional utility is considered average to good, except for the lack of a private elevator lobby.

There is front and rear stairwell access. The elevator is located near the center of the main level. Also, there is a large lobby on the upper level which results in less net rentable area.

OFF-STREET PARKING

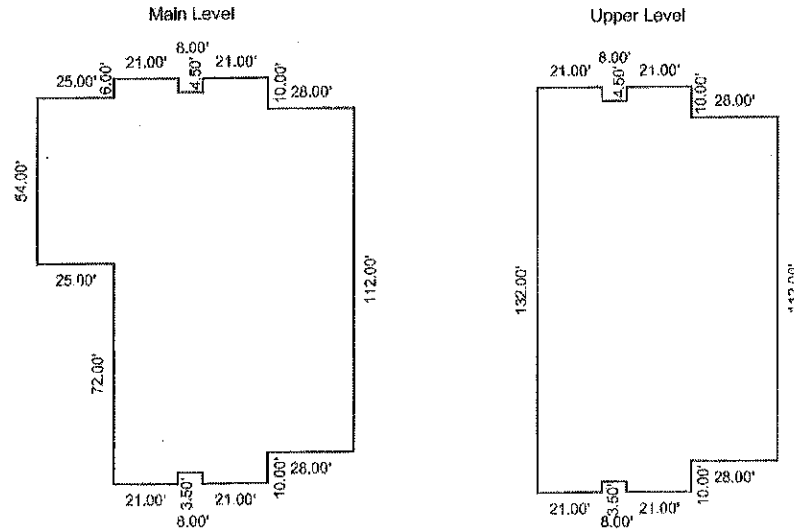
Ample, provided by asphalt paved parking lot

SUMMARY

Estimated Actual Age	16-42 years
Estimated Effective Age Overall	15 years
Estimated Remaining Economic Life	35 years
Gross Building Area	20,694 square feet
Ancillary Structures	There is an emergency generator situated on the east side of the building.

Please refer to the following page for a building sketch.

APPROXIMATE BUILDING SKETCH



in feet.

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GBA1	First Floor	11022.00	11022.00
GBA2	Second Floor	9672.00	9672.00
Net BUILDING Area		(Rounded)	20694

BUILDING AREA BREAKDOWN		
Breakdown	Subtotals	
First Floor		
25.00 x 54.00	1350.00	
28.00 x 112.00	3136.00	
21.00 x 132.00	2772.00	
8.00 x 124.00	992.00	
21.00 x 132.00	2772.00	
Second Floor		
28.00 x 112.00	3136.00	
21.00 x 132.00	2772.00	
8.00 x 124.00	992.00	
21.00 x 132.00	2772.00	
9 Items	(Rounded)	20694

ANALYSIS OF HIGHEST AND BEST USE

The Highest and Best Use as defined in The Appraisal of Real Estate, Thirteenth Edition, is as follows:

"The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value."⁶

The above definition applies to the sites as though vacant and as currently improved.

As Though Vacant

Upon consideration of the subject properties location and other factors, it is our opinion that the Highest and Best Use as though vacant is for commercially related purposes.

As Improved

The current or similar usages are considered to be the Highest and Best Uses as improved.

The next step is to value the properties at their Highest and Best Use both vacant and as improved. The valuation section of the report follows.

⁶Appraisal Institute, The Appraisal of Real Estate (13th Edition, 2008), p. 277.

SITE VALUATION

LAND VALUE

Valuation of the site as though vacant is essential to the appraisal process.

Whenever possible, a comparison of sales of similar parcels is usually the best method to accomplish this portion of the appraisal process. A thorough search of the market revealed the following sales considered worthy of comparison.

Sale # L-1

Location:	1501 Weber Drive, Edwardsville
Brief Legal:	The East part of the Northwest ¼ of Section 15, Township 4 North, Range 8 West of the 3 rd Principal Meridian, Madison County
Tax ID #:	14-1-15-15-01-101-021
Grantor:	Forsum Development
Grantee:	Kevin and Stephanie Belle
Sale Date:	7/09
Sale Price:	\$160,000
Stamps:	\$240.00
Sales History:	No other conveyances within the previous three years.
Land Area:	69,696 SF
Unit Price:	\$2.30/SF
Recording:	Document # 2009R35713 (Warranty Deed)
Zoning:	B-2, Commercial Business District
Verification:	County Records

Sale # L-2

Location: Illinois Route 159, Glen Carbon
Brief Legal: Lots 5 and 6 of Club Centre Subdivision, Madison County
Tax ID #: 14-2-15-23-03-302-051 and 14-2-15-23-03-302-052
Grantor: Southwestern Illinois Health Care Facility, Inc.
Grantee: Bank of Edwardsville
Sale Date: 9/08
Sale Price: \$312,811
Stamps: \$469.50
Sales History: Previously sold in 2/08 for \$225,000; no other conveyances within the previous 3 years.
Land Area: 17,981.43 SF
Unit Price: \$17.40/SF
Recording: Document # 2008R45832 (Warranty Deed)
Zoning: CG, General Commercial
Verification: County Records

Sale # L-3

Location: 4273 South Illinois Route 159, Glen Carbon
Brief Legal: A tract of land in Section 26, Township 4 North, Range 8 West of the 3rd Principal Meridian, Madison County
Tax ID #: 14-1-15-26-01-105-028 and 14-1-15-26-01-105-029
Grantor: First Mid Illinois Bank and Trust
Grantee: PHM, L.L.C.
Sale Date: 12/08
Sale Price: \$262,500
Stamps: \$393.75
Sales History: Previously sold in 7/06 for \$325,000 (adjusted sale price was \$350,000. After purchase, building was demolished); no other conveyances within the previous 3 years.
Land Area: 24,159 SF ±
Unit Price: \$10.87/SF
Recording: Document # 2008R57468 (Warranty Deed)
Zoning: CG, General Commercial
Verification: County Records
Comments: All normal utilities including water, sewer, natural gas, electricity, and telephone are present at the site. After the purchase in 2006, the building improvements were demolished and the site prepared for the construction of a 2-story, office/retail building.

Sale # L-4

Location: Governors Parkway and Illinois Route 157, Edwardsville
Brief Legal: Part of the Southwest ¼ of Section 15, Township 4 North, Range 8 West of the 3rd Principal Meridian, Madison County
Tax ID #: 14-2-15-15-03-301-001 (part of a piece of property that did not have a Tax Identification Number assigned to it combined with 14-2-15-15-03-301-001)
Grantor: Illinois Department of Transportation
Grantee: Madison Mutual Insurance Company
Sale Date: 1/09
Sale Price: \$1,185,102
Stamps: Exempt
Sales History: No other conveyances within the previous three years.
Land Area: 167,017.75 SF
Unit Price: \$7.10/SF
Recording: Document # 2009R03106 (Quit Claim Deed)
Zoning: B-2, Commercial
Verification: County Records

Sale # L-5

Location: 225 East Vandalia Street, Edwardsville
Brief Legal: Part of Lot Four of Erastus Wheeler Addition, Madison County
Tax ID#: 14-2-15-11-11-203-012
Grantor: MBW Properties, L.L.C.
Grantee: Joseph Meyer
Sale Date: 1/07
Sale Price: \$335,000
Stamps: \$502.50
Adjusted Sale Price: \$350,000
Sale History: No other conveyances within the previous three years.
Land Area: 24,000 SF
Unit Price: \$13.96/SF
Adjusted Sale Price: \$14.58/SF
Recording: Document # 2007R01924 (Quit Claim Deed in Trust)
Zoning: B-1, Central Business District
Verification: County Records
Comments: The building improvements were demolished to allow for new construction. Estimated demolition costs are \$15,000.

Sale # L-6

Location: 119 South Main Street, Glen Carbon
Brief Legal: Lot 65 of Madison Coal Corporation, Madison County
Tax ID #: 14-2-15-34-17-301-004, 14-2-15-34-17-301-005, and
14-2-15-34-17-301-006
Grantor: John R. Hampton
Grantee: Brian Brameier and David Brameier
Sale Date: 11/08
Sale Price: \$80,000
Stamps: \$120.00
Sales History: No other conveyances within the previous three years.
Land Area: 15,080 SF
Unit Price: \$5.31/SF
Recording: Document # 2008R51944 (Warranty Deed)
Zoning: CM, Main Street, Commercial
Verification: County Records

Sales Summary

Sale No.	Location	Sale Date	Sale Price	Land Area	Unit Price/SF
L-1	1501 Weber Drive Edwardsville	7/09	\$160,000	69,696.00 SF	\$2.30
L-2	Illinois Route 159 Glen Carbon	9/08	312,811	17,981.43 SF	17.40
L-3	4273 South Illinois Route 159 Glen Carbon	12/08	262,500	24,159.00 SF	10.87
L-4	Governors Parkway and Illinois Route 157, Edwardsville	1/09	1,185,102	167,017.75 SF	7.10
L-5	225 East Vandalia Street Edwardsville	1/07	350,000	24,000.00 SF	14.58
L-6	119 South Main Street Glen Carbon	11/08	80,000	15,080.00 SF	5.31

Reconciliation

Upon an overall comparison of these sales to the subject and taking into consideration the subject's size, access, current market conditions, and all other pertinent factors, it is our opinion that the following values are applicable to assign the subject properties as though vacant:

Parcel A – 1.83 acres x 43,560 SF/acre = 79,715 SF
79,715 SF @ \$5.00/SF\$398,575
ROUNDED\$400,000

Parcel B – .34 acre x 43,560 SF/acre = 14,810 SF
14,810 SF @ \$12.00/SF **\$177,720**
ROUNDED **\$178,000**

Parcel C – 1.15 acres x 43,560 SF/acre = 50,094 SF
50,094 SF @ \$6.50/SF **\$325,611**
ROUNDED **\$326,000**

Having valued the land, the next step is to estimate the cost of the improvements.

COST APPROACH (Parcel A)

The Cost Approach is based primarily on the principle of substitution, which affirms that a prudent investor would not pay more for improvements on a property than could be built, assuming that similar quality construction materials are used. This approach, then, involves estimating the replacement costs new of the improvements, subtracting accrued depreciation, and adding thereto the land value.

Replacement Costs New

An estimate of replacement costs new can be obtained from cost services. The Marshall Valuation Service is a national publication to which we subscribe and will be used in this report.

By Calculator (Marshall Valuation) Method

Section 15, Page 32 – Public Library Costs

We believe the subject exhibits characteristics of a Good Quality, masonry building; thus, a base cost of \$154.29 per square foot is reasonable. The refined cost is calculated as follows:

Base Cost		Current Cost Multiplier		Local Multiplier		Area/ Perimeter Multiplier		Refined Cost
\$154.29/SF	x	1.02	x	1.13	x	.95	=	\$168.94/SF

Replacement Costs New of Building – 20,694 SF @ \$168.94/SF..... \$3,496,044

Accrued depreciation must now be accounted for.

Accrued Depreciation

Depreciation is a loss of value due to any cause and is classified into three general categories, namely physical, functional, and external. Following is a brief description of each classification.

Physical: This form of depreciation is caused by deterioration of the improvements resulting in a loss of value due to wear and tear and disintegration. It can be either curable or incurable.

Curable: Relates to those components that can be economically cured, such as installing new roof coverings, floor coverings, etc. It can be defined as an estimate of deferred maintenance. This form is measured by the cost to cure. As previously mentioned, the building has sustained some settlement damage due to mine subsidence. Inasmuch as the building remains in the monitoring stage, it is impossible to ascertain the extent of settlement and resulting repair costs. However, according to the information published by the Illinois Mine Subsidence Insurance Fund, the maximum coverage for a commercial structure is \$350,000. Costs may actually exceed this number, however as previously mentioned, it is impossible to ascertain at this time. For the purposes of this report, the figure of \$350,000 will be used. There is considered to be no other physical curable features.

Total..... \$350,000

Incurable: Those items which are not economically feasible to correct as of the date of the appraisal.

Physical incurable items relate to long-lived (life of the building) and short-lived (furnace, air conditioning, water heater, etc.). Our overall estimate of these items is based upon an effective age of 15 years and a remaining economic life of 35 years. Thus, 15 divided by 50 = 30%.

Physical Incurable Depreciation, then, is calculated as follows:

Replacement Costs New \$3,496,044

Less Physical Curable Items 350,000

Difference..... \$3,146,044

\$3,146,044 x 30% = \$943,813 (Physical Incurable Depreciation)

Functional: A loss of value as a result of inutility in design. Floor plans which prohibit maximum efficiency can be classified under functional obsolescence.

Curable: This can be further classified as curable due to an excess or a deficiency. None observed.

Incurable: Functional incurable items are those which cannot be corrected feasibly. Lack of a private elevator lobby and the large common lobby on the upper level are considered sources of functional obsolescence. Our estimate is 15%.

Calculation is as follows:

Replacement Costs New	\$3,496,044
Less Physical Curable	350,000
Less Physical Incurable	<u>943,813</u>
	\$2,202,231
x	<u>15%</u>
	\$330,335

External: This form is incurable only and is caused by factors outside the property. General area and local economic conditions as well as types and conditions of nearby buildings and land uses are examples of this type of obsolescence. Factors relating to the economic recession and a generally soft real estate market are sources of some external obsolescence, in our opinion. Our estimate is 20%. An additional 20% adjustment is believed warranted for the stigma of mine subsidence that is present. Thus, a total estimate of 40% is believed warranted for factors external to the subject.

Calculation is as follows:

Replacement Costs New	\$3,496,044
Less Physical Curable	350,000
Less Physical Incurable	943,813
Less Functional Incurable	<u>330,335</u>
	\$1,871,896
x	<u>40%</u>
	\$748,758

A summary of Accrued Depreciation, then, is as follows:

Physical Curable.....	\$350,000
Physical Incurable	943,813
Functional Curable	0
Functional Incurable	330,335
External	<u>748,758</u>
Total Accrued Depreciation.....	\$2,372,906

The current depreciated cost of the building improvements, then, is equal to:

	\$3,496,044
Less	<u>2,372,906</u>
	\$1,123,138

To this figure must be added the contributory value of the parking lot improvements, emergency generator, curbs, landscaping, sign, etc. Our estimate is \$85,000.

The Cost Approach can now be summarized below.

Depreciated Cost of Building Improvements.....	\$1,123,138
Add Contributory Value of Site Improvements.....	85,000
Add Land Value	<u>400,000</u>
Total Value as Indicated by the Cost Approach	\$1,608,138
ROUNDED	\$1,608,000

This concludes the Cost Approach. The Direct Sales Comparison Approach follows.

DIRECT SALES COMPARISON APPROACH – AS IMPROVED (Parcel A)

This method is similar to valuation of the land, except sales improved with office buildings are researched and compared to the subject. A useful common denominator for comparison purposes is expressed in dollars per square foot of area. (Land value and site improvements are inclusive in the unit price by this method.)

Due to the absence of sales of similar library buildings, it was necessary to use sales of office buildings. Adjustments are made for differences between the sales and subject to arrive at indicated values for each of the sales. The adjusted sale prices are then reconciled to provide an estimate of value for the property being appraised. A thorough search of the market revealed the following sales which are considered to have some similarities to the subject property. These sales are deemed to be the most recent and similar to the subject property. Pertinent details and a comparison follow.

Sale # OF-1

Location: 1 Country Club View Drive, Edwardsville
Brief Legal: Lot 1 of Country Club View, 3rd Addition, Madison County
Tax ID #: 14-2-15-21-19-401-001
Grantor: YTB International, Inc.
Grantee: Prestige Management Services, L.L.C.
Sale Date: 12/08
Sale Price: \$1,500,000
Stamps: \$2,250.00
Sales History: Previously sold in 8/07 for \$1,850,000; no other conveyances within the previous 3 years.

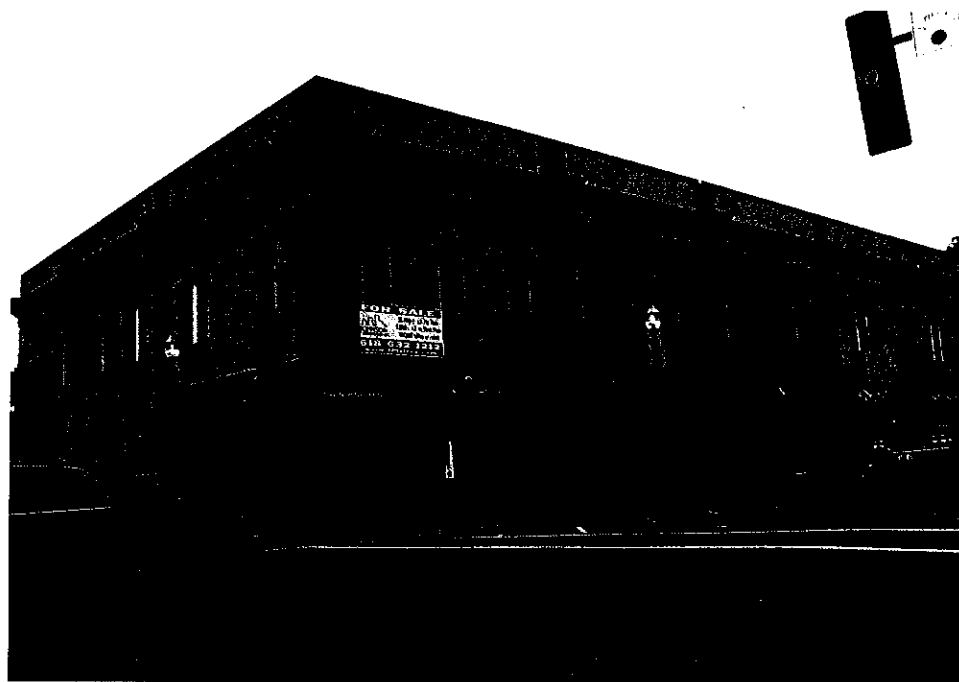
Potential Gross Income: \$225,000
Gross Income Multiplier: 6.67
Effective Gross Income: \$213,750
Operating Expenses: \$29,325
Net Operating Income: \$184,425
Overall Capitalization Rate: 12.3%
Building Area: 11,250 SF (5,625 SF/level)
Unit Price: \$133.33/SF
Eave Height: Unavailable
Land Area: 43,560 SF
Land to Building Ratio: 7.74
Recording: Document # 2008R56497 (Warranty Deed)
Zoning: R-2, Multi-Family Dwelling
Verification: County Records
Comments: This sale is improved with a 2-story, professional, office building. The building features a Colonial design and conforms with surrounding properties. In addition to the elevator, there are stairways at either end of the building. The interior design is open with men's and women's restrooms and breakroom on each level. Overall condition was considered good. Age at the time of sale was 5 years. This sale was appraised by James F. Collier in September 2007.

Photograph on Next Page



Sale # OF-2

Location: 156 North Main Street, Edwardsville
Brief Legal: Lots 1-5 of Kinder's Subdivision, Madison County
Tax ID #: 14-2-15-11-10-104-020, 14-2-15-11-10-104-021,
14-2-15-11-10-104-022, and 14-2-15-11-10-104-023
Grantor: Bank of Edwardsville
Grantee: Julian and Gori Holdings, L.L.C.
Sale Date: 7/08
Sale Price: \$1,000,000
Stamps: \$1,500.00
Sales History: No other conveyances within the previous three years.
Potential Gross Income: Unavailable
Gross Rent Multiplier: Unavailable
Effective Gross Income: Unavailable
Operating Expenses: Unavailable
Net Operating Income: Unavailable
Overall Cap. Rate: Unavailable
Building Area: 16,528 SF (8,550 SF/main level)
Unit Price: \$60.50/SF
Eave Height: Unavailable
Land Area: 10,730 SF
Land to Building Ratio: 1.25
Recording: Document # 2008R31343 (Warranty Deed)
Zoning: B-1, Central Business District
Verification: County Records
Comments: This sale is improved with 2-story, former store building which was renovated and converted to retail and office usage



Sale # OF-3

Location:	2 Club Centre Court, Edwardsville
Brief Legal:	Lot 3 of Club Centre, Madison County
Tax ID #:	14-2-15-22-00-000-014
Grantor:	Four S, L.L.C.
Grantee:	Greg Grinter d/b/a Greg Grinter Homes
Sale Date:	5/08
Sale Price:	\$1,900,000
Stamps:	\$2,850.00
Sales History:	No other conveyances within the previous three years.
Potential Gross Income:	\$208,933
Gross Income Multiplier:	9.09
Effective Gross Income:	\$244,238
Operating Expenses:	\$73,271
Net Operating Income:	\$170,967
Overall Capitalization Rate:	9.0%
Building Area:	6,394 SF - main (upper) 6,394 SF - lower 12,788 SF - total
Unit Price:	\$148.58/SF
Eave Height:	12 feet
Land Area:	43,560 SF
Land to Building Ratio:	6.81
Recording:	Document # 2008R24374 (Warranty Deed)
Zoning:	B-2, Commercial Business District
Verification:	County Records
Comments:	This sale is improved with a 2-level, professional office building. The main (upper) level is accessible from the south end and is tenanted by a dental clinic and insurance office. The lower level has walk-out entrances and contains 3 suites. Each of the suites is equipped with handicapped accessible restrooms. There are 6 operatories in the dental clinic portion. Age at the time of sale was approximately 9 years. This sale was appraised by James F. Collier in May 2008.

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Sales Summary

Sale No.	Location	Sale Date	Sale Price	Building Area	Unit Price/SF
OF-1	1 Country Club View Drive Edwardsville	12/08	\$1,500,000	11,250 SF	\$133.33
OF-2	156 North Main Street Edwardsville	7/08	1,000,000	16,528 SF	60.50
OF-3	2 Club Centre Court Edwardsville	5/08	1,900,000	12,788 SF	148.58

The unadjusted sale prices range from \$60.50 to \$148.58 per square foot. In order to arrive at an indicated value of the subject, it is necessary to cite differences between the sales and the subject and make appropriate adjustments for these differences. These differences are defined as elements of comparison in the appraisal process. Elements of comparison which should be recognized include financing, location, time of sale, size, and physical characteristics. Utilization of units of comparison, in this case, dollars per square foot of building area, simplifies the comparison process. A comparison grid follows.

Comparison Grid

	Element of Comparison	Subject	Sale OF-1	Sale OF-2	Sale OF-3
1	Sale Price	N/A	\$1,500,000	\$1,000,000	\$1,900,000
2	Unit Price Per Square Foot	N/A	\$133.33	\$60.50	\$148.58
3	Property Rights Conveyed	Fee Simple	Fee Simple/-0-	Fee Simple/-0-	Fee Simple/-0-
4	Adjusted Price Per Square Foot	N/A	\$133.33	\$60.50	\$148.58
5	Financing Terms	Normal	Normal/-0-	Normal/-0-	Normal/-0-
6	Adjusted Price Per Square Foot	N/A	\$133.33	\$60.50	\$148.58
7	Market Conditions (Time)	10-10	12-08/-15%	7-08/-15%	5-08/-15%
8	Adjusted Price Per Square Foot	N/A	\$113.33	\$51.43	\$126.29
9	Location	Good	Equal/-0-	Equal/-0-	Equal/-0-
10	Physical Characteristics				
	Age	16-42 Years	Superior/-5%	Inferior/+30%	Superior/-5%
	Condition	Good	Equal/-0-	Equal/-0-	Equal/-0-
	Quality of Construction	Good	Equal/-0-	Equal/-0-	Equal/-0-
	Size (Economy of Scale)	20,694 SF	11,250 SF/-35%	16,528 SF/-10%	12,788 SF/-35%
	Land to Bldg. Ratio	7.23	7.74/-0-	1.25/+10%	6.81/-0-
11	Basement	No	No/-0-	Partial/-5%	Included/-0-
12	Elevator	Yes	Yes/-0-	Yes/-0-	No/+5%
13	Net Other Adjustments	N/A	-40%	+25%	-35%
14	Adjusted Sale Price Per Square Foot for Market Conditions (Line 8)	N/A	\$113.33	\$51.43	\$126.29
15	Indicated Value of Subject Per Square Foot	N/A	\$68.00	\$64.29	\$82.09

If a particular item or characteristic of a comparable property is inferior to the subject, a positive adjustment is given, thereby increasing the indicated value of the subject. If a particular item or characteristic of a comparable is superior to the subject, a negative adjustment is given; the result is a decrease in the indicated value of the subject. Adjustments are based upon the appraiser's judgment and interpretation of the market.

Explanation of Adjustments

Property Rights Conveyed:	All sales resulted in fee simple ownerships. No adjustments are believed warranted for this element of comparison.
Financing Terms:	All sales resulted in cash to the seller at market terms; therefore, no adjustments are believed warranted.
Market Conditions (Time):	All sales require negative adjustments for time of sale due to the ongoing economic recession.
Location:	All sales are considered similar to the subject as to location and require no adjustments.
<u>Physical Characteristics:</u>	
Age:	Sales OF-1 and OF-3 are considered superior to the subject in this regard and require negative adjustments. Conversely, Sale OF-2 requires a positive adjustment.
Condition:	All sales are considered similar to the subject as to condition and require no adjustments.
Quality of Construction:	No adjustments are believed warranted inasmuch as each sale is considered similar to the subject.
Size (Economy of Scale):	All sales require negative adjustments for size inasmuch as smaller buildings usually tend to have higher unit values than do larger ones of similar utility.
Land to Bldg. Ratio:	Sale OF-2 requires a positive adjustment for lower land to building ratio than the subject. The other sales are considered similar to the subject and require no adjustments.
Basement:	Sale OF-2 is considered superior to the subject and requires a negative adjustment. The other sales are considered similar to the subject and require no adjustments.
Elevator:	Sale OF-3 requires a positive adjustment for the existence of the elevator on the subject. The other sales are considered similar to the subject and require no adjustments.

Reconciliation

After adjustments, indicated values range from \$64.29 to \$82.09 per square foot. In conclusion and upon tempering Sales OF-1 and OF-2 with Sale OF-3, we believe a value of \$75.00 per square foot is reasonable to assign Parcel A by this approach.

Thus,

$$20,694 \text{ SF} @ \$75.00/\text{SF} = \mathbf{\$1,552,050}$$

ROUNDED **\$1,552,000**

This concludes the Direct Sales Comparison Approach. The Income Capitalization Approach follows.

INCOME CAPITALIZATION APPROACH (Parcel A)

Value is commonly referred to as the present worth of the future benefits of ownership. The Income Capitalization Approach converts net income (future benefits) into value by a discounting process known as Capitalization. It is referred to as discounting because money to be received in the future is worth less than if it were in hand today, and most income producing properties call for money to be received on a regular basis over a specific term. Although the subject is owner-occupied, its potential for generating income can be estimated from rentals of other properties.

Following are definitions of some concepts used in the Income Capitalization Approach.

Capitalization:

"The process of converting into present value (or obtaining the present worth of) a series of anticipated future periodic installments of net income. In real estate appraising, it usually takes the form of discounting."⁷

Direct Capitalization:

- "1.) A method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the income estimate by an appropriate rate or by multiplying the income estimate by an appropriate factor.
- 2.) A capitalization technique that employs capitalization rates and multipliers extracted from sales. Only the first year's income is considered. Yield and value change are implied, but not identified."⁸

⁷American Institute of Real Estate Appraisers, Real Estate Appraisal Terminology (1975), p. 34.

⁸Appraisal Institute, The Dictionary of Real Estate Appraisal 4th Edition (2002), p. 83.

Yield Capitalization:

"The capitalization method used to convert future benefits into present value by discounting each future benefit at an appropriate yield rate or by developing an overall rate that explicitly reflects the investment's income pattern, value change, and yield rate."⁹

Gross Lease:

"A lease in which the landlord receives stipulated rent and is obligated to pay all or most of the property's operating expenses and real estate taxes."¹⁰

Net Lease:

"A lease in which the tenant pays for utilities, janitorial services, and either property taxes or insurance, and the landlord pays for maintenance, repairs, and the property taxes or insurance not paid by the tenant."¹¹

Overall Capitalization Rate:

"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; used to convert net operating income into an indication of overall property value."¹²

⁹Appraisal Institute, The Dictionary of Real Estate Appraisal 4th Edition (2002), p. 315

¹⁰Appraisal Institute, The Dictionary of Real Estate Appraisal 4th Edition (2002), p. 131-132.

¹¹Appraisal Institute, The Dictionary of Real Estate Appraisal 4th Edition (2002), p.194.

¹²Appraisal Institute, The Dictionary of Real Estate Appraisal 4th Edition (2002), p. 204.

Operating Expenses:

"The periodic expenditures necessary to maintain the real property and continue production of the effective gross income, assuming prudent and competent management."¹³

Reconstructed Operating Statement:

"A statement prepared by an appraiser to accurately reflect the future performance of a property based on the historical income and expenses of an investment property."¹⁴

The Direct Capitalization Method will be utilized in this report.

Direct Capitalization

In the direct method, the following equation defines the relationship between value, income, and capitalization rate:

$$\begin{array}{lcl} & V & = \quad I \text{ divided by } R \\ \text{Symbols:} & V & = \quad \text{Value} \\ & I & = \quad \text{Net Operating Income} \\ & R & = \quad \text{Overall Capitalization Rate} \end{array}$$

It is apparent, therefore, that reasonable estimates as to Net Operating Income and Overall Capitalization Rate are required to solve for value.

¹³Appraisal Institute, The Dictionary of Real Estate Appraisal 4th Edition (2002), p.201.

¹⁴Appraisal Institute, The Dictionary of Real Estate Appraisal 4th Edition (2002), p.237.

Net Income

Inasmuch as the subject is owner-occupied, it is necessary to estimate the rent capable of being generated from rentals of other comparable properties. In order to estimate the fair market rent of the subject property, some comparable rentals are furnished on the following pages.

Rental #1

Location/Address:	# 2 Club Centre Court, Edwardsville
Description:	This rental consists of a 2-level, professional office building which was constructed in 1999 and contains 12,788 square feet. The main (upper level) is accessible from the south end and is tenanted by a dental clinic and insurance office. The lower level has walk-out entrances and contains 3 suites all of which are occupied by the same tenant. Each of the suites is equipped with handicapped accessible restrooms. There are 6 operatories in the dental clinic portion.
Utilities:	The tenant is responsible for paying all utilities.
Maintenance:	The tenant is responsible for maintaining the property in its present physical condition.
Real Estate Taxes, Other:	Taxes and insurance are the responsibility of the tenant.
Date of Rent Survey:	5/08
Rent:	\$13.00/SF to \$16.50/SF

Rental #2

Location/Address: 157 Place, 1181 South Illinois Route 157, Edwardsville
Date of Rent Survey: 2/09
Description: This rental consists of a 2-story, office building which was constructed in 2006 and contains 14,518 square feet.

Tenant #1

Commencement Date: May 1, 2006
Termination Date: April 30, 2011
Utilities: The landlord pays all utilities.
Maintenance: The tenant shall keep the subject premises clean and in good order at all times during the term of this lease. Landlord shall provide for maintenance of the structural components of the building; all mechanical systems, the roof, and plumbing. Landlord shall provide for grass mowing and landscape maintenance.
Real Estate Taxes, Other: Insurance is the responsibility of the tenant.
Renewal Term: Two additional terms of three years each
Area Leased: 5,520 SF
Rent/Square Foot: \$20.00
\$21.00 – 1st renewal term
\$22.00 – 2nd renewal term

Tenant #2

Commencement Date: December 1, 2007
Expiration Date: April 30, 2012
Utilities: The landlord pays all utilities.
Maintenance: The landlord is responsible for delivering the premises to tenant free from termites, insects, rodents and vermin, and hazardous materials (including mold). Landlord shall be responsible for all repairs, maintenance or replacements required to and HVAC fixtures or equipment at the premises for a period of one year following the commencement date of the lease. The tenant agrees to take good care of the premises and keep it free from filth, debris, rubbish and nuisance to commit no waste thereon.
Real Estate Taxes, Other: Insurance is the responsibility of the tenant.
Renewal Term: One additional term of five years
Area Leased: 1,990 SF
Rent/Square Foot: \$16.75 + CAM
\$17.75 + CAM – renewal term

Rental #2 (continued)

Tenant #3

Commencement Date: August 11, 2008
Expiration Date: August 31, 2013
Terms of Lease: 5-year lease, with a renewal term of 2 addition terms of 5 years each
Utilities: Utilities are the responsibility of the tenant.
Maintenance: The tenant is responsible for maintaining the interior non-structural portions of the building in good and tentable conditions.
Real Estate Taxes, Other: Real estate taxes and fire and casualty insurance are the responsibility of the landlord.
Area Leased: 2,976 SF
Monthly Rent: \$4,747.23
Annual Rent: \$56,966.75
Rent/Square Foot: \$19.14

Tenant # 4

Commencement Date: December 1, 2008
Expiration Date: November 30, 2010
Terms of Lease: 2-year lease with option to renew based on the CPI
Utilities: Utilities are the responsibility of the landlord.
Maintenance: The tenant is responsible for maintaining the building in good and tentable conditions.
Real Estate Taxes, Other: Insurance is the responsibility of the tenant.
Monthly Rent: \$600
Annual Rent: \$7,200

Rental #3

Location/Address: 4218 South Illinois Route 159, Glen Carbon
Description: This rental consists of a 1-story, office building containing 2 suites, 1 of which is occupied by a dental practice. The other suite contains a real estate agency. The building was constructed in 2004 and contains 3,512 square feet.
Terms of Lease: Net lease
Utilities: The tenant pays all utilities.
Real Estate Taxes, Other: The tenant pays all real estate taxes and insurance.
Date of Rent Survey: 3/09
Rentable Area: 1,550 SF
Monthly Rent: \$2,090
Annual Rent: \$25,080
Rent/Square Foot: \$16.18

Upon an overall comparison of these rentals to the subject, we believe the following estimates of net rent are reasonable:

Main Level – 9,000 SF @ \$16.00/SF	\$144,000
Dock Area – 1,350 SF @ \$5.00/SF	6,750
Upper Level (Net Rentable Area) – 4,500 SF @ \$12.00/SF	54,000
Potential Gross Income	\$204,750

The next step is to reconstruct an operating statement.

**Reconstruction of the Operating Statement
and Estimating Potential Gross and Net Operating Income**

By reconstructing an operating statement, a reasonable estimate of Net Operating Income can be obtained. Basically, this involves subtracting normal expenses of ownership from potential gross income. The format is as follows:

Potential Gross Income	\$ _____
Less: Vacancy and Collection Loss	_____
= Effective Gross Income	\$ _____
Less: Fixed Expenses	_____
Variable Expenses	_____
= Net Operating Income	\$ _____

A reconstructed operating statement for the subject follows.

Potential Gross Income @ 100% Occupancy.....	\$204,750
Less Vacancy and Collection Loss (15%)	<u>30,713</u>
Effective Gross Income.....	\$174,037
<u>Fixed Expenses</u> (Rounded)	
Real Estate Taxes	Tenant pays
Insurance	Tenant pays
<u>Variable Expenses</u> (Rounded)	
Management, Leasing Fees, & Bookkeeping (10%)	\$17,400
Maintenance and Repairs	Tenant pays
Trash Removal.....	Tenant pays
Utilities.....	Tenant pays
Yard Maintenance.....	Tenant pays
Reserves for Replacement.....	7,500
Miscellaneous	<u>500</u>
Less Total Expenses.....	<u>25,400</u>
Net Operating Income	\$148,637

The next step is to select an appropriate capitalization rate.

Overall Capitalization Rate

There are several methods of selecting capitalization rates, including Mortgage-Equity, Debt Coverage Ratio, directly from the market (Net Operating Income of comparable sales divided by the sales price), Yield Method, and others. When there is ample data available, the Direct Method is usually the most reliable.

However, accurate information regarding net incomes of sales of similar properties is scarce. In lieu of this method, we believe the Debt Coverage Ratio method is appropriate. The equation which computes the Overall Capitalization Rate is as follows:

$$R_o = D.C.R. \times M \times R_m$$

Symbols: R_o = Overall Capitalization Rate

DCR = Debt Coverage Ratio

M = Mortgage Ratio

R_m = Mortgage Constant

Rates and terms believed applicable are as follows:

$$M = 75\%$$

$$R_m = .0912 \text{ (Based on an interest rate of } 6\frac{3}{4}\%, \text{ 20 years amortization)}$$

$$DCR = 1.35$$

Therefore, $R_o = 1.35 \times .75 \times .0912$

$$R_o = .0923$$

Summary and Computation of Value by the Income Approach

Having obtained reasonable estimates of Net Operating Income and a Capitalization Rate, Value can now be computed using the "IRV" equation.

$$\begin{aligned}\text{Value} &= \text{I divided by R} \\ &= \$148,637 \text{ divided by } .0923 \\ &= \mathbf{\$1,610,368} \\ \text{ROUNDED} &\quad \mathbf{\$1,610,000}\end{aligned}$$

This concludes the Income Capitalization Approach. The Reconciliation and Final Value Estimate follows.

RECONCILIATION AND FINAL VALUE ESTIMATE

Cost Approach	\$1,608,000
Direct Sales Comparison Approach	\$1,552,000
Income Capitalization Approach	\$1,610,000

Value indications from the Cost and Income Capitalization Approaches are nearly identical, whereas the Direct Sales Comparison Approach represents the lowest indication of value in this instance. Bearing in mind the type and quality of the facility while also realizing the stigma from the mine subsidence, it is our opinion that **\$1,575,000** is a reasonable final value estimate to assign Parcel A.

The Direct Sales Comparison Approach was utilized exclusively in valuing Parcels B and C. Values are as follows:

Value of Parcel B	\$178,000
Value of Parcel C	\$326,000

CERTIFICATE OF APPRAISAL

We 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;
- we have no present or prospective interest in the properties that are the subjects of this report, and no personal interest with respect to the parties involved;
- we have no bias with respect to the properties that are the subjects of this report or to the parties involved with this assignment;
- our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal;
- our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice;
- we have made a personal inspection of the properties that are the subjects of this report; and
- no one provided significant real property appraisal assistance to the person signing this certification.

It is our opinion that the market values, as defined herein, of these properties as of the 21st Day of October 2010 are as follows:

Value of Parcel A

ONE MILLION FIVE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$1,575,000)

Value of Parcel B

ONE HUNDRED SEVENTY-EIGHT THOUSAND DOLLARS (\$178,000)

Value of Parcel C

THREE HUNDRED TWENTY-SIX THOUSAND DOLLARS (\$326,000)

Total Value of All Properties

TWO MILLION SEVENTY-NINE THOUSAND DOLLARS (\$2,079,000)

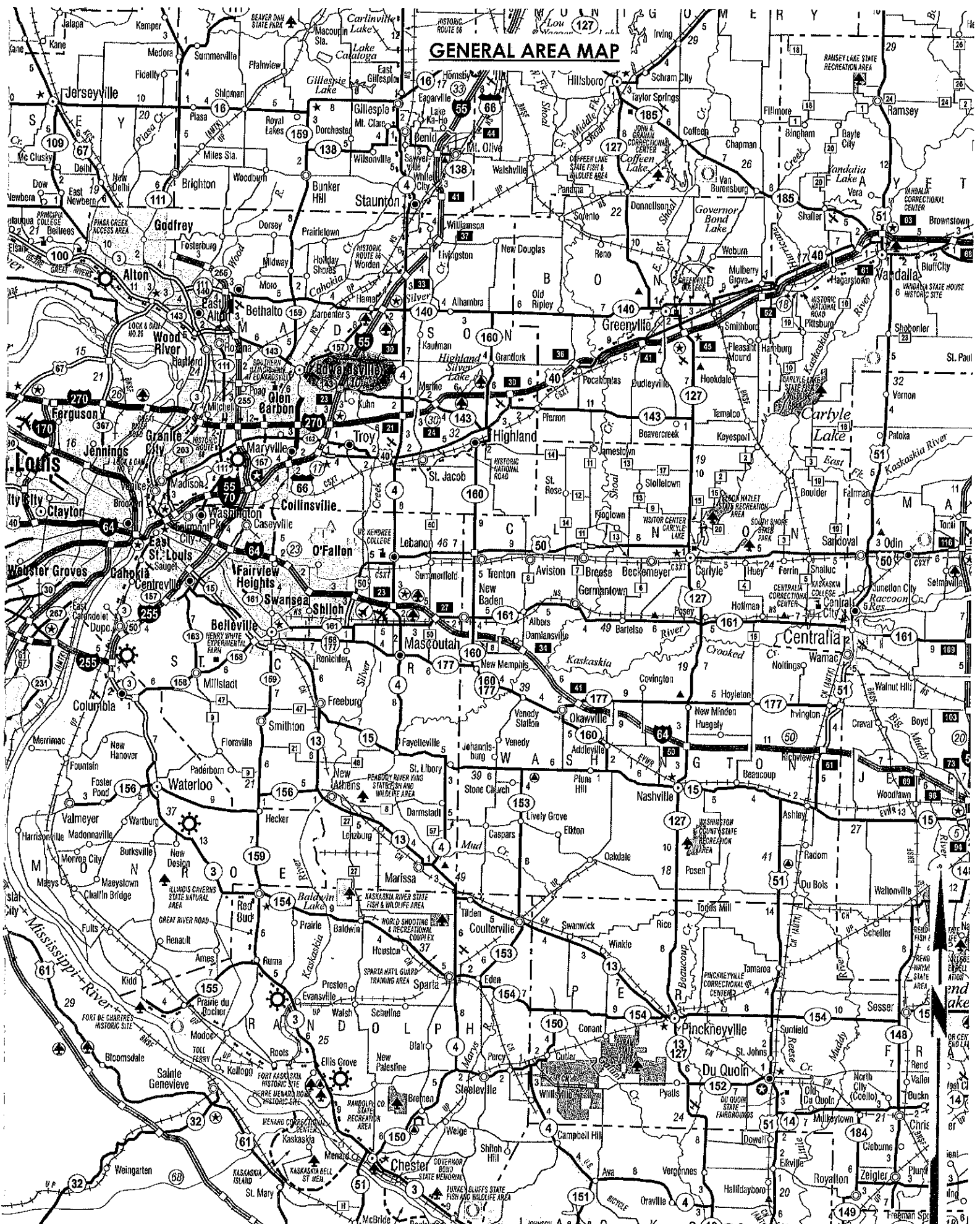
November 5, 2010



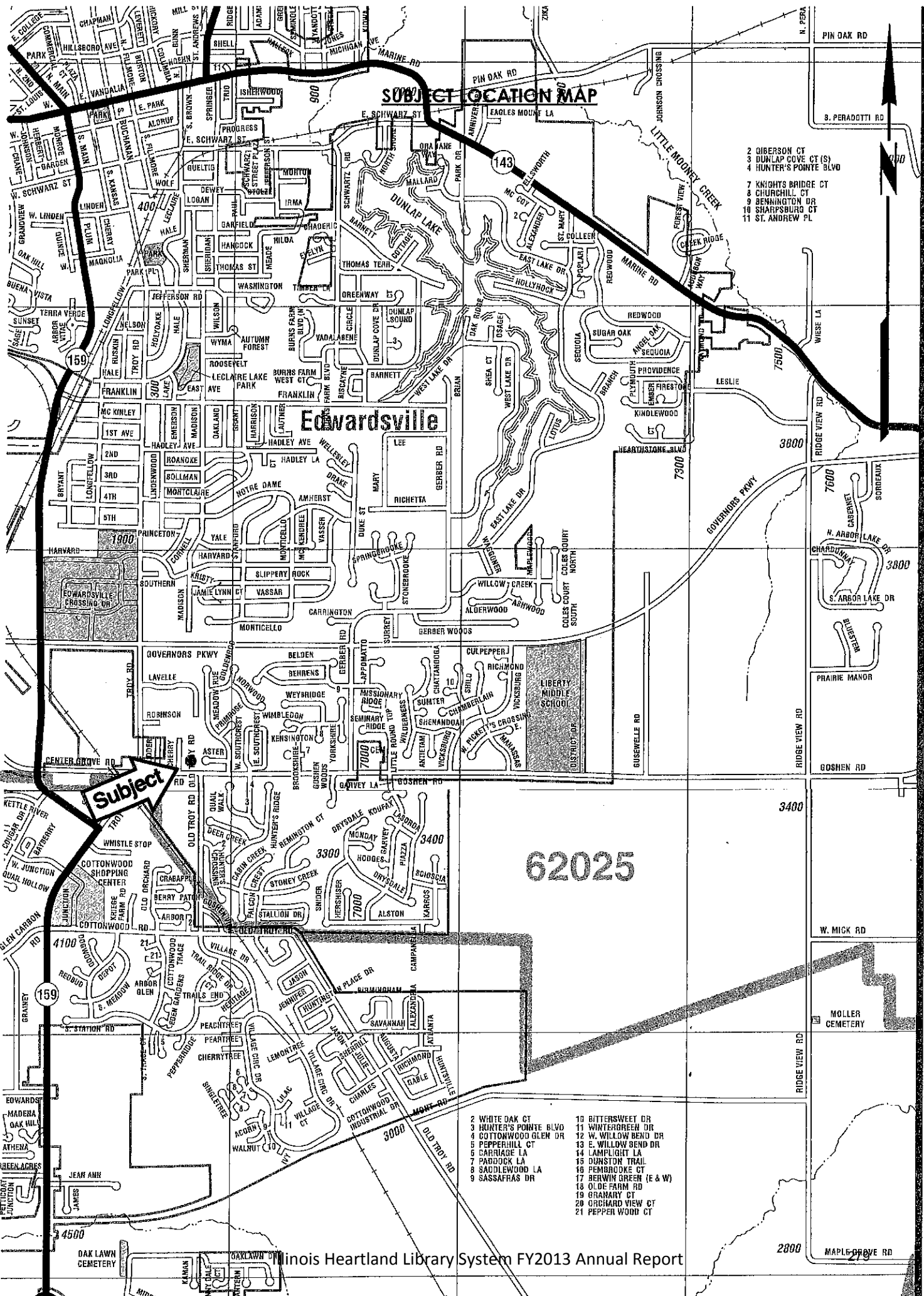
James F. Collier
Certified General Appraiser
Illinois License No. 553.000106
Expiration Date: Sept. 30, 2011

ADDENDUM

GENERAL AREA MAP



o Farmington	To Memphis
ISTORIC SITES	
Site	Key Acreage Camping Picnicking
100	100 100 100 100



SUBJECT LOCATION MAP

Edwardsville

62025

Subject

- 2 QIBERSON CT
- 3 DUNLAP COVE CT (S)
- 4 HUNTER'S POINTE BLVD
- 7 KNIGHTS BRIDGE CT
- 8 CHURCHILL CT
- 9 BENNINGTON DR
- 10 SHARPSBURG CT
- 11 ST. ANDREW PL

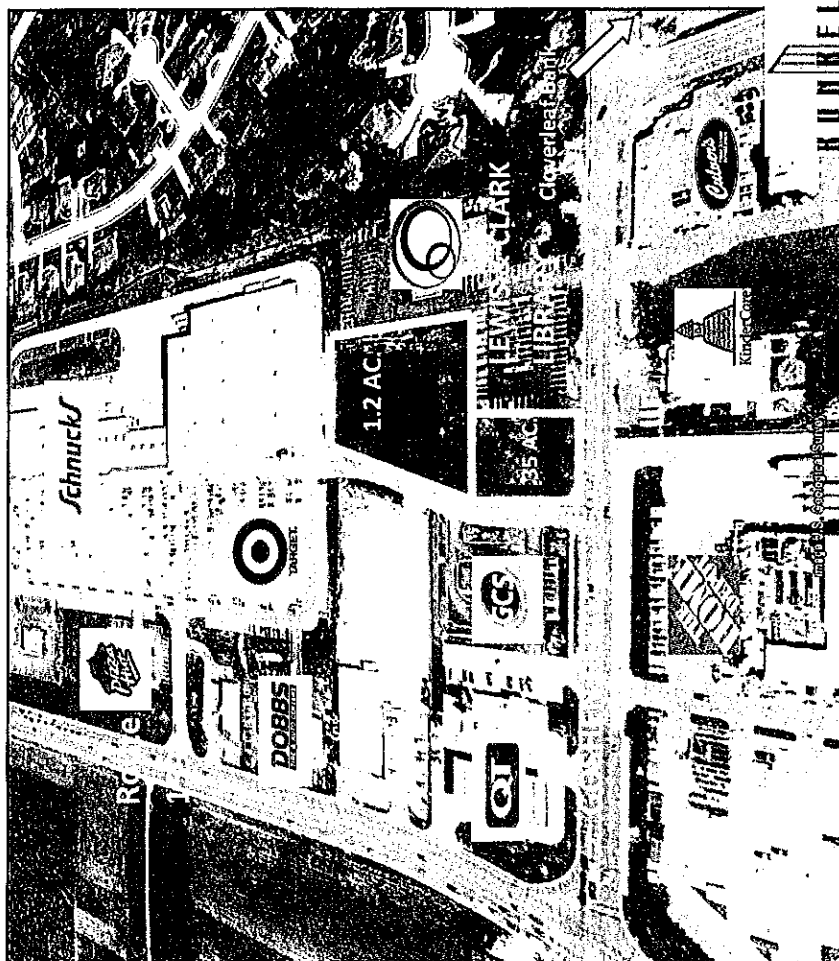
- 2 WHITE OAK CT
- 3 HUNTER'S POINTE BLVD
- 4 COTTONWOOD GLEN DR
- 5 PEPPERHILL CT
- 6 CARRIAGE LA
- 7 PADDOCK LA
- 8 SADDLEWOOD LA
- 9 SASSAFRAS DR
- 10 BITTERSWEET DR
- 11 WINTERGREEN DR
- 12 W. WILLOW BEND DR
- 13 E. WILLOW BEND DR
- 14 LAMPLIGHT LA
- 15 DUNSTON TRAIL
- 16 PENWICK CT
- 17 BENDWICK DR (E & W)
- 18 OLDE FARM RD
- 19 GRANARY CT
- 20 ORCHARD VIEW CT
- 21 PEPPER WOOD CT

FOR SALE

(2) PARCELS of LAND

Goshen Road, Edwardsville, IL

WWW.KUNKELCOMMERCIAL.COM



.35 Acres for \$215,000

1.2 Acres for \$415,000

Zoned B-2 Commercial

All Utilities to Site

Great Location!

For information, contact:

GREGG BUTLER

GREGG@KUNKELCOMMERCIAL.COM

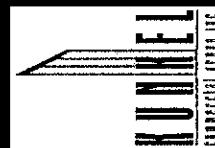
618.632.8200 OFFICE

618.792.5051 MOBILE

618.632.5608 FAX

784 WALL STREET, SUITE 100A

O'FALLON, IL 62269

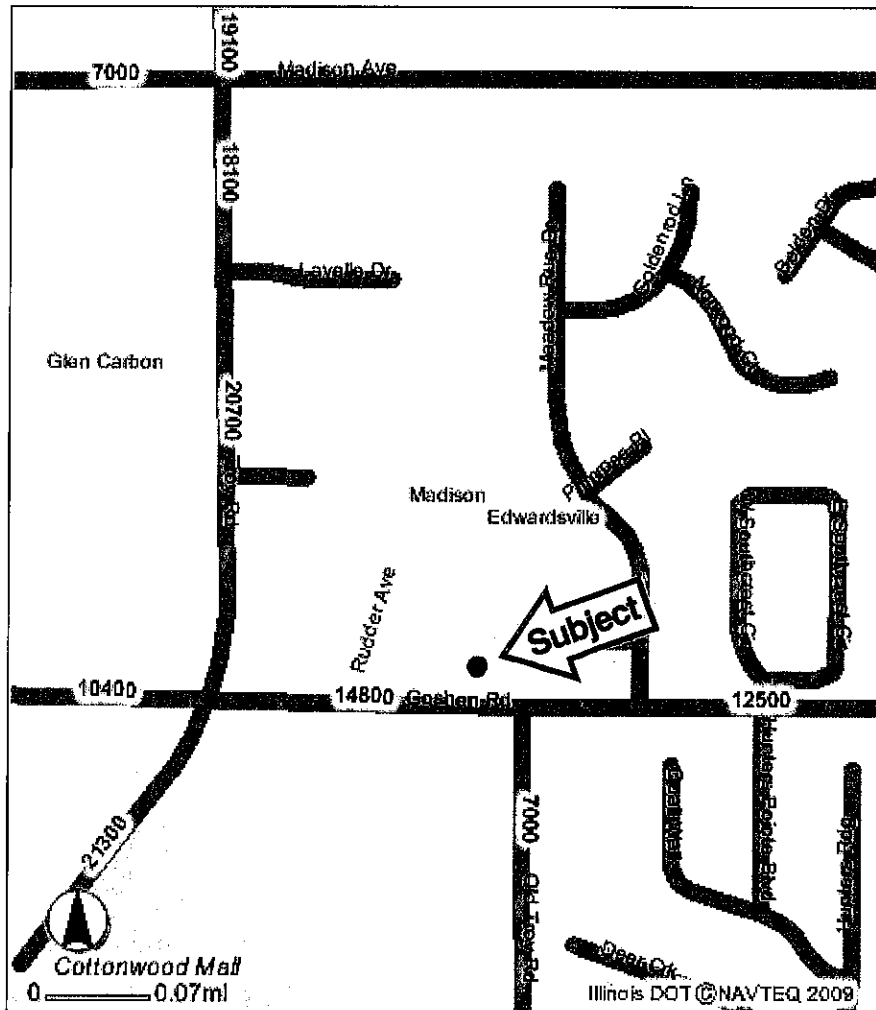


Information herein is not warranted and subject to change without notice. We assume no liability for errors or omissions included in printed price. Broker makes no representation as to the environmental condition of property and recommends Purchaser's / Tenant's independent investigation.



Illinois Department of Transportation

Send to printer



Date: 10/22/2010

All rights reserved. Use subject to License/Copyright
 Illinois Department of Transportation
 2300 S. Dirksen Pky
 Springfield, IL 62764

TRAFFIC COUNT MAP



- (3) Minimum lot depth: none.
- (4) Minimum setback: generally none required except as necessary to achieve compliance with applicable off-street parking and loading requirements.
- (5) Maximum floor area ratio: none.
- (6) Maximum percentage of lot building coverage: none.
- (c) Permitted Uses: Provided all the use restrictions of this District are observed, the following uses are permitted:
 - (1) Auditoriums, meeting rooms, and other places of assembly.
 - (2) Banks, savings and loans and other financial institutions.
 - (3) Clubs and lodges.
 - (4) Commercial establishments.
 - (5) Libraries, museums.
 - (6) Mass transit facilities.
 - (7) Offices.
 - (8) Printing and publishing.
 - (9) Schools, music studios, dance studios.
 - (10) Service establishments.
 - (11) Theaters (indoors).
 - (12) Restaurants/saloons.
- (d) Special Use: Provided all the use restrictions of this District are observed, the following uses may be allowed by special use permit:
 - (1) Any use that involves commercial, service or storage activities conducted more than twenty five percent (25%) outside completely enclosed buildings.
 - (2) Any use such as drive-in restaurants, drive-in banks, service stations that offer goods or services directly to customers waiting in parked vehicles, or that sells food or beverages for consumption on the premises in parked motor vehicles.
 - (3) Churches, or other places of worship.
 - (4) Dwelling units, if located above the first story, except in hotels and motels. (Ord. 4779-3-95. Passed 3-21-1995 as amd. 2-6-1996)
 - (5) Public utility. (Ord. 4965-12-96. Passed 12-17-1996)
- (e) Conditions Of Use: All uses permitted in this District shall be subject to the following conditions:
 - (1) Dwelling units and lodging rooms are not permitted below the second floor, except in hotels and motels.
 - (2) There shall be no manufacture, processing or treatment of products other than those which are clearly incidental and essential to the retail business conducted on the same premises. (Ord. 4779-3-95. Passed 3-21-1995 as amd. 2-6-1996)

1242.03.2 COMMERCIAL/BUSINESS DISTRICT (B-2):

This District is intended to accommodate and regulate commercial/business development outside of the Central Business District (B-1). These typically require direct access to major streets and large lots for off-street parking and loading.

(a) Use Restrictions:

- (1) Uses: These uses shall deal directly with consumers.
- (2) Unenclosed Activities: In this District, outside display of inventory is allowable of up to ten percent (10%) of the indoor floor space.

- (3) Refuse Containers: All refuse generated by facilities located within this District shall be stored in tightly covered containers and placed in visually screened areas.
- (4) Screening: Along the side and rear lot lines of any lot abutting any residential district, screening (a wall, solid fence, or closely planted shrubbery) at least six feet (6') high and of sufficient density to completely block the view from the adjacent residential property shall be installed.
- (5) Parking: See Section 1250.13 of this Title.
- (6) Signs: See Chapter 1440 of this Code.
- (b) Lot And Building Requirements: Every principal building erected in this District shall conform to the requirements indicated below:
 - (1) Minimum lot size: 15,000 square feet
 - (2) Minimum lot width: 100 feet at the established building line
 - (3) Minimum setbacks:
 - Front yard setback 50 feet
 - Side yards 25 feet
 - Rear yard setback 25 feet
 - (4) Maximum floor area ratio: 2 square feet of floor space for each 1 square foot of lot area
 - (5) Maximum percentage of lot building coverage 50 percent
- (c) Permitted Uses: Provided all the use restrictions of this District are observed, the following uses are permitted:
 - (1) Auditoriums, meeting rooms, and other places of assembly.
 - (2) Banks, savings and loans and other financial institutions.
 - (3) Clubs and lodges.
 - (4) Commercial establishments.
 - (5) Libraries, museums.
 - (6) Mass transit facilities.
 - (7) Offices.
 - (8) Printing and publishing.
 - (9) Restaurants/saloons.
 - (10) Retail, commercial and wholesale when used in connection with retail.
 - (11) Schools, music studios, dance studios.
 - (12) Service establishments.
 - (13) Theaters (indoors). (Ord. 4779-3-95. Passed 3-21-1995 as amd. 2-6-1996; amd. Ord. 4797-5-95. Passed 5-16-1995)
- (d) Special Uses:
 - (1) Any use that involves commercial, service or storage activities conducted more than twenty five percent (25%) outside a completely enclosed building.
 - (2) Any use such as, but not limited to, drive-in restaurants, drive-in banks, service stations that offer goods or services directly to customers waiting in parked vehicles, or that sell food or beverages for consumption on the premises in parked motor vehicles.

- (3) Dwelling units, if located above the first story, except in hotels and motels. (Ord. 4779-3-95. Passed 3-21-1995 as amd. 2-6-1996)
- (4) Public utility. (Ord. 4965-12-96. Passed 12-17-1996)
- (5) Auto; new and/or used car lots.
- (6) Warehouses.
- (7) Bus terminals and/or mass transit facilities.
- (8) Car washes using mechanical, blowers or other conveyance means. (Ord. 4779-3-95. Passed 3-21-1995 as amd. 2-6-1996)

1242.04 LIGHT MANUFACTURING (M-1):

(a) Description:

- (1) **Manufacturing Land Usage:** The intent is to establish a single distinctly separate manufacturing classification within the City. The designation shall be: M-1 Light Manufacturing District.
- (2) **Purpose:** The purpose of this District is to provide areas within the community where manufacturing facilities, research facilities, research parks, warehouses, and wholesale business may locate, while providing compatibility with other nonmanufacturing areas of the community. It is intended that this particular District will generally provide for manufacturing of an assembly nature from finished goods, warehousing and wholesale activities. Supportive services for manufacturing are generally of a nonretail or personal service character and should be encouraged to locate in this District.

(b) Use Restrictions: All permitted uses are subject to the following conditions:

- (1) **Performance Standards:** Any production, processing, cleaning, servicing, testing, repair or storage of goods, materials or products shall conform with the performance standards set forth in Section 1250.09 of this Title.
- (2) **Enclosed Buildings:** All business, production, servicing and processing shall take place within completely enclosed buildings. Storage may be outdoors if storage area is completely enclosed by a solid wall or fence (including doors and gates) at least eight feet (8') high.
- (3) **Parking:** See Section 1250.13 of this Title.
- (4) **Signs:** See Chapter 1440 of this Code.

(c) Lot And Building Requirements: Every building erected in the M-1 Light Manufacturing/Industrial District shall conform to the requirements indicated below:

- (1) **Minimum Lot Area:** None.
- (2) **Minimum Lot Width:** None.
- (3) **Minimum Lot Depth:** None.
- (4) **Minimum Setbacks:**
Rear Yard: None.
- (5) **Maximum Floor Area Ratio:** One and one-half ($1\frac{1}{2}$) square feet of floor space for each one square foot of lot area.
- (6) **Maximum Percentage Of Lot Building Coverage:** None.

(d) Permitted Uses: Provided all the use restrictions of this District are observed the following uses are permitted:

- (1) Assembly, production, processing, wholesaling or warehousing, or manufacturing of any commodity from semifinished (other than raw) materials, provided explosives, flammable materials, nuclear or hazardous materials, or livestock are not involved.

QUALIFICATIONS OF APPRAISER

JAMES F. COLLIER

Born October 24, 1950, Highland, Illinois

EDUCATION

1968 - Graduate - Greenville High School, Greenville, Illinois

1972 - Graduate - University of Illinois, B.S. Forestry Science, Champaign-Urbana, Illinois

CERTIFICATION

Currently holding an Illinois Certificate as a General Appraiser, License # 553.000106.
Held since inception of State Certification in 1991.

RECENT SEMINARS/CLASSES

August 19, 2008 - 2008 Illinois Appraisers Update Seminar, Springfield, Illinois

December 5, 2008 - National USPAP Update (2008-2009), Collinsville, Illinois

December 6, 2008 - Introduction to Expert Witness Testimony, Collinsville, Illinois

March 13, 2009 - Appraising in a Changing Market, Fairview Heights, Illinois

September 17, 2010 - Online Business Practices and Ethics, Appraisal Institute

APPRAISAL COURSES

Appraisal Institute - Successful completion and passing grades on the following courses:

Real Estate Appraisal Principles	Memphis State University	1980
Basic Valuation Procedures	Memphis State University	1980
Capitalization Theory & Technique (Part I)	Indiana University	1983
Capitalization Theory & Technique (Part II)	Univ. of Missouri St. Louis	1983
Capitalization Theory & Technique (Part III)	Univ. of Missouri St. Louis	1983
Case Studies in Real Estate Valuation	Chicago, Chapter Location	1985
Standards of Professional Practice (Part A)	St. Louis Chapter	1985
Valuation Analysis and Report Writing	Ohio State University	1986

APPRAISAL EXPERIENCE

1978 to Present Day – Full-time appraiser, purchased Collier Appraisers, Ltd. (formerly known as Collier, Bone, and Little) in 1982. The main office is located in Collinsville with branch offices in O'Fallon and Greenville. Additional information is furnished on our website (www.collierappraisers.com).

Approved as a Fee Appraiser for several banks and lending institutions in the Illinois Counties of Madison, St. Clair, Bond, Monroe, Clinton, and others.

Also approved as a Fee Appraiser for the Division of Highways, Illinois Department of Transportation, Department of Natural Resources, St. Clair County Roads and Bridges, and Madison County Highway Department.

Types of properties appraised consist of residences, apartments, farms, commercial properties including office buildings, restaurants, service stations, motels, warehouses, religious facilities, neighborhood shopping centers, subdivisions, light industrial properties, and others.

COURT EXPERIENCE

Testified as a witness as to real estate values in Circuit Courts of Madison and St. Clair Counties, Illinois.

3.4.5 Local Records Act

The Illinois Heartland Library System complies with the Local Records Act 50 ILCS 205. IHLS is maintaining the records of each legacy system, Lincoln Trail, Lewis & Clark, Rolling Prairie, and Shawnee, and follows their individual “Applications for Authority to Dispose of Local Records” in retaining these records.

As offices are closed or relocated, additional “Applications for Authority to Dispose of Local Records” will be submitted to determine which records should be kept and what can be disposed of.

FY 2013 Library System Annual Report
LLSAP Annual Report
Section 4
Adapted from Appendix F of the zILLANE Study

4. LLSAP Annual Report

4.1 This document is an Adaptation of Appendix F of the zILLANE Study.

Instructions

For FY2013, the format of this report is in two sections: **Section 1** is data for the entire RLS (Regional Library System), and **Section 2** is data for each individual LLSAP. We have maintained the same table and numbering scheme to allow the matching of data from preceding years.

Only one Section 1 needs to be submitted for the entire RLS.

Multiple Section 2 reports should be submitted, one for each individual LLSAP. (Individual LLSAP is defined as a separate system-supported automation group that used a separate integrated library system product for FY2013.)

URL for the zILLANE Report: <http://www.unt.edu/zillane/FinalReport.htm>

Section 1

Only one Section 1 needs to be submitted for the entire RLS.

Tables A, E, G, H, part of I, part of O

Please note that we need to try to use common units across RLS for comparison purposes. In counting the libraries in your regional library system, please list both the agency and the buildings. For example a school district might be counted as an agency once but may have numerous buildings or campuses that are libraries.

Some categories of information will not apply to you, but for those that do, please provide requested information.

A. RLS Membership Information	
A.1 Number of all public libraries (agencies)	227
A.2 Number of all public libraries (buildings)	246
A.3 Number of all academic libraries (agencies)	41
A.4 Number of all academic libraries (buildings)	96
A.5 Number of all school libraries (agencies)	251
A.6 Number of all school libraries (buildings)	698
A.7 Number of all special libraries (agencies)	37
A.8 Number of all special libraries (buildings)	45
A.9 Number of all others (System agency)	1
(System buildings)	4
Total Libraries in RLS	557 Agencies/1089 Bldgs

E. RLS Libraries Belonging To Other Consortia (Shared Database)	
E.1 Number of all public libraries (agencies)	3
E.2 Number of all public libraries (buildings)	4
E.3 Number of all academic libraries (agencies)	22
E.4 Number of all academic libraries (buildings)	82
E.5 Number of all school libraries (agencies)	0
E.6 Number of all school libraries (buildings)	0
E.7 Number of all special libraries (agencies)	3
E.8 Number of all special libraries (buildings)	3
E.9 Number of all other types	0
Total Libraries Belonging To Other Consortia	28 Agencies/89 Buildings

G. RLS Libraries Using Stand Alone Systems	
G.1 Number of all public libraries (agencies)	9
G.2 Number of all public libraries (buildings)	9
G.3 Number of all academic libraries (agencies)	6
G.4 Number of all academic libraries (buildings)	6
G.5 Number of all school libraries (agencies)	136
G.6 Number of all school libraries (buildings)	372
G.7 Number of all special libraries (agencies)	16
G.8 Number of all special libraries (buildings)	16
G.9 Number of all other types	
Total Stand Alone Libraries	167 Agencies/403 Bldgs.

H. RLS Libraries that are Not Automated	
H.1 Number of all public libraries (agencies)	43
H.2 Number of all public libraries (buildings)	43
H.3 Number of all academic libraries (agencies)	0
H.4 Number of all academic libraries (buildings)	0
H.5 Number of all school libraries (agencies)	54
H.6 Number of all school libraries (buildings)	108
H.7 Number of all special libraries (agencies)	27
H.8 Number of all special libraries (buildings)	27
H.9 Number of all other types	
Total Non-Automated Libraries	54 Agencies/108 Bldgs.

I. Bibliographic Information	
I.4 What percentage of all RLS libraries' holdings are not represented in your LLSAP shared database, BUT are represented in another consortia shared system?	6
I.5 What percentage of all RLS libraries' holdings is not represented in your LLSAP shared database or another consortia shared system?	38

O. Other Information	
O.3 RLS Annual Operating Budget (FY2012)	1,541,170
O.4 RLS Annual Operating Budget (FY2013)	1,785,888

Section 2

Multiple Section 2 reports needs to be submitted, 1 for each LLSAP.

Tables 1, 2, B, C, D, F, I, J, K, L, M, N, part I, part O

Please note that we need to try to use common units across LLSAPs for comparison purposes. In counting the libraries in your LLSAP, please list both the agency and the buildings. For example a school district might be counted as an agency once but may have numerous buildings or campuses that are libraries.

Table J

Per IL ADC 3030.130 the system annual report shall include a statistical report on the volume of interlibrary loan and reciprocal borrowing transactions. Lines for this statistical data are included in Table J:

J.3 Total interlibrary loan transactions in FY2013

J.4 Total reciprocal borrowing transactions in FY2013

Some categories of information will not apply to you, but for those that do, please provide requested information.

Tables 1 and 2 – specific instructions

Please use the following tables to report each individual LLSAP's costs (Table 1) and revenues (Table 2) for the last two fiscal years.

If you have other categories and/or line items to report, please add those to the tables. You can provide explanatory notes either in the tables or following the tables.

There may be categories and/or line items in the form for which you do not record costs or revenues. Please put a N/A in the *Actual FY2012* and *FY2013 columns for those items*.

Name of LLSAP _____

Table 1: Individual LLSAP Operating Expenses

Expenditures	Expense Item	Actual FY2012*	Actual FY2013
Personnel			
	Library Professionals	201,600	325,777
	Other Professionals	130,650	132,737
	Support Services	282,338	227,981
	Social Security Texas (FICA)	45,799	49,236
	Unemployment Insurance	1,467	1,610
	Workers' Compensation		5,935
	Retirement Benefits	131,730	147,255
	Health, Dental, and Life Insurance	117,942	119,100
	Temporary Help	--	--
	Recruiting	--	--
Library Materials			
	Print Materials		
	Nonprint Materials	382	40
Buildings & Grounds			
	Utilities	--	--
	Property Insurance	--	--
	Repairs & Maintenance	615	--
	Janitorial Services & Supplies	--	--
	Other	--	--
Vehicle Expense			
	Gas & Oil	50	--
	Vehicle Insurance	--	--
	Vehicle Leasing & Rent	--	--
Travel & CE for Staff & Board			
	In-State Travel	3,735	6,202
	Out-of-State Travel	--	--
	Registration & Other Fees	970	199
Continuing Education & Meetings / Others		3,038	5,988
Public Relations		--	8,681
Liability Insurance		--	--
Supplies, Postage & Printing			
	Computer Supplies	8,773	10,125
	General Office Supplies & Equipment	859	1,390
	Internal Printing/Photocopying	--	--
	Postage	20	121
	Library Supplies	--	2,314
	Other	--	--

*Where applicable, financial information for four separately-budgeted LLSAPs are combined.

Table 1
LLSAP Operating Expenses
(continued)

Telephone & Telecomm		Actual FY2012*	Actual FY2013
	Local/Long Distance – Voice	6,896	7,658
	Telecomm – Data & Fax	10,704	29,220
Equipment Rental, Repair & Maintenance			
	Equipment Rental	27	1,389
	Equipment Repair & Maintenance		2,179
	Maintenance Agreement	6,556	463
	Computer Hardware Insurance		
Professional Services			
	Legal	2,292	175
	Accounting	--	5,504
	Consulting	--	5,454
	Contractual Staff	--	
Contractual Services			
	Information Services (bibliographic databases, online subscriptions, etc)	17,823	39,242
	Contractual Agreements	538,241	534,520
	Outside Printing		
Interlibrary Loan Charges		--	--

*Where applicable, financial information for four separately-budgeted LLSAPs are combined.

Table 2**LLSAP Annual Revenues**

Revenues	Revenue Item	Actual FY2012*	Actual FY2013
State Grants		--	266,984
Federal Grants		--	--
Other Grants		--	--
LLSAP Participation / Service Fees			
	Annual Participation Fees (from all categories of participants)	1,560,771	165,643
	One-Time Startup Fees	--	--
	Other (please describe)	--	--
Interest Income		7,000	3,367
Other Revenue		--	23,716

*Where applicable, financial information for four separately-budgeted LLSAPs are combined.

Tables B-O: LLSAP Supplemental Information

B. LLSAP Participation Information – Full Fee-Paying Participant	
B.1 Number of all public libraries (agencies)	173
B.2 Number of all public libraries (buildings)	191
B.3 Number of all academic libraries (agencies)	9
B.4 Number of all academic libraries (buildings)	9
B.5 Number of all school libraries (agencies)	96
B.6 Number of all school libraries (buildings)	207
B.7 Number of all special libraries (agencies)	18
B.8 Number of all special libraries (buildings)	18
B.9 Number of all other types	0
Total Full Fee-Paying Participants	296 Agencies/425 Buildings
Is RLS an LLSAP participant?	Yes
Does RLS pay participation fees as others?	No

C. LLSAP Participation Information – Partial Fee-Paying Participant	
C.1 Number of all public libraries (agencies)	11
C.2 Number of all public libraries (buildings)	11
C.3 Number of all academic libraries (agencies)	0
C.4 Number of all academic libraries (buildings)	0
C.5 Number of all school libraries (agencies)	8
C.6 Number of all school libraries (buildings)	11
C.7 Number of all special libraries (agencies)	0
C.8 Number of all special libraries (buildings)	0
C.9 Number of all other types	0
Total Partial Fee-Paying Participants	19 agencies/22 buildings

D. LLSAP Participation Information – Holdings Only Represented	
D.1 Number of all public libraries (agencies)	0
D.2 Number of all public libraries (buildings)	0
D.3 Number of all academic libraries (agencies)	0
D.4 Number of all academic libraries (buildings)	0
D.5 Number of all school libraries (agencies)	0
D.6 Number of all school libraries (buildings)	0
D.7 Number of all special libraries (agencies)	0
D.8 Number of all special libraries (buildings)	0
D.9 Number of all other types	0
Total Holdings Only Represented	0

F. LLSAP Participant Trends		
F.1	Full participants as of June 30, 2003	384
F.2	Full participants as of June 30, 2004	389
F.3	Full participants as of June 30, 2005	401
F.4	Full participants as of June 30, 2006	418
F.5	Full participants as of June 30, 2007	428
F.6	Full participants as of June 30, 2008	440
F.7	Full participants as of June 30, 2009	440
F.8	Full participants as of June 30, 2010	449
F.9	Full participants as of June 30, 2011	455
F.10	Full participants as of June 30, 2012	455
F.11	Full participants as of June 30, 2013	425

I. Bibliographic Record Information		
I.1	Total number of bibliographic records in database	1,928,106
I.2	Total number of item records in database	8,991,402
I.3	Total number of patrons listed in patron database	784,028

J. LLSAP Use by All Participants		
J.1	Total search transactions in past 12 months (FY2013)	27,737,710
J.2	Total circulation transactions in past 12 months (FY2013)	10,964,738
J.3	Total interlibrary loan transactions in FY2013	1,399,448,
J.4	Total reciprocal borrowing transactions in FY2013	,38,567

K. Cost and Revenue Information	Actual FY 2012*	Actual FY 2013
K.1 Annual Total Fees Received From Full Members	1,524,254	165,643
K.2 Annual Total Fees Received From Partial Members	35,271	--
K.3 Annual Fees/Support Received From RLS	452,908	230,000
K.4 FTEs Charged to LLSAP Operating Expenses	13.9	10.4
K.5 FTEs Supporting LLSAP but Not Charged to LLSAP operating costs	--	--
K.6 Annual Total Cost of Operating the LLSAP	2,012,433	1,785,888

***Where applicable, financial information for four separately-budgeted LLSAPs are combined.**

L. Cost Components of Operating the LLSAP	Actual FY2012*	Actual FY2013
Personnel	911,532	1,009,631
Library Materials	382	40
Building & Grounds	615	--
Vehicle Expense	--	--
Travel & CE	7,692	12,389
Liability Insurance	--	--
Supplies, Postage & Printing	17,822	13,950
Telephone & Telecommunications	17,614	36,878
Equipment Rental & Repair	3,489	4,031
Professional Services	1,719	11,133
Information Services	13,623	39,242
Contractual Services	545,396	534,520
Miscellaneous, including Depreciation	21,281	124,074
Total All Expenditures	1,541,165	1,785,888

M. Cost Components to Participate in the LLSAP—Startup	Actual FY2012	Actual FY2013
SHARE		N/A Not allowed in FY13
eICat	N/A	
GateNet – Licensing fee	1,750	
GateNet – Staff user license (per user)	1,500	
GateNet – Scoping fee	500	
LINC – Port/License	4,000	
SILNet – Licensing (per port)	975	
SILNet -- Circ/Cat/PAC set up	Quote from SirsiDynix	
SILNet – Acquisitions	Quote from SirsiDynix	
SILNet – Serials	Quote from SirsiDynix	
SILNet – IPac for home users	Quote from SirsiDynix	
SILNet -- Receipt Printer	50	
SILNet – Homebound	Quote from SirsiDynix	
SILNet – Item/Patron Barcodes	36 (per thousand)	

***Where applicable, financial information for four separately-budgeted LLSAPs are combined.**

N. Cost Components to Participate in the LLSAP—Ongoing	Actual FY2012*	Actual FY2013
SHARE – Academic Libraries		\$1xfull-time enrollment \$1500 minimum
SHARE – Public Libraries		1-1 ½% of budget \$1,000 minimum-
SHARE – School Libraries		Set by housing counts \$600 min/\$3500 max
SHARE – Special Libraries		\$1500 1 st port/\$1000
		For each additional
SHARE -- Bibliographic Services		Choice of either \$100 or 14% of material budget
See attached for details		
elCat – Per login	1,548	
GateNet -- Formula based on # of computers used, EAV, & FTE	3,000 to 69,000	
LINC – Formula based on several components including ports, circulation and holdings	.33 ports .33 circulation .33 holdings	
SILNet – Port Maintenance	162.25	
SILNet – Circ/Cat/PAC Maintenance	370.98	
SILNet – Central Site Maintenance	284.62	
SILNet – Participation Fee (based on ports)	550 – 2,756	
SILNet – Acquisitions Maintenance (Optional)	342.23	
SILNet – Serials Maintenance (Optional)	136.35	
SILNet – Branch Account Maintenance (Optional)	67.44	
SILNET – Ipac Maintenance (Optional)	58.99	
SILNet – Receipt Printer Maintenance (Optional)	24.69	
SILNet – Homebound Maintenance (Optional)	176.44	

***Where applicable, financial information for four separately-budgeted LLSAPs are combined.**

FY14 SHARE Fee Schedule

Basic Fee

This fee includes the following modules: Circulation, Cataloging, Serials, OPac, Mobile Pac, Inventory, and Reports. Libraries are charged differently depending on their library type.

Library Type	Basis	Formula	Minimum
Academic	FTE *	100% of Full-Time Enrollment	\$1,500
Public	Budget* *	Budget 0-59,999=\$1,000 Budget 60,000-499,999=1.5% of Budget Budget 500,000-699,999=Graduated from 1.5% - 1% Budget 700,000+=1% of Budget	\$1,000 \$1,500
	Branch	\$200 per branch	
School	Housing	0-199	\$600

	Count***	200-399 400-599 600-799 800-999 1000-1199 1200-1399 1400-1599 1600+	\$800 \$1,000 \$1,200 \$1,500 \$2,000 \$2,500 \$3,000 \$3,500
Special	Ports	\$1500 for the 1st port \$1000 for each additional port	\$1,500

*Academic Full-Time Enrollment from iccb.org (except East St. Louis CC/Blackburn College/Lakeview College of Nursing)

**Budget from Annual Report: 9.1 Local government, 9.2 Per capita grant, 9.3 Equalization aid, and 9.4 Personal property replacement tax only

***Fall Housing Count taken from isbe.net: http://www.isbe.net/research/htmls/fall_housing.htm

Here are the percentage rates used for public libraries.

Public Budget	Percentage of Budget	Minimum
\$0-\$59,999		\$1,000
\$60,000-\$499,999	1.5	\$1,500
\$500,000-\$509,999	1.477	
\$510,000-\$519,999	1.454	
\$520,000-\$529,999	1.431	
\$530,000-\$539,999	1.408	
\$540,000-\$549,999	1.385	
\$550,000-\$559,999	1.362	
\$560,000-\$569,999	1.339	
\$570,000-\$579,999	1.316	
\$580,000-\$589,999	1.293	
\$590,000-\$599,999	1.27	
\$600,000-\$609,999	1.247	
\$610,000-\$619,999	1.224	
\$620,000-\$629,999	1.201	
\$630,000-\$639,999	1.178	
\$640,000-\$649,999	1.155	
\$650,000-\$659,999	1.132	
\$660,000-\$669,999	1.109	
\$670,000-\$679,999	1.086	
\$680,000-\$689,999	1.063	
\$690,000-\$699,999	1.04	
\$700,000+	1	

O. Other Information	
O.1 Do you have a disaster recovery plan for LLSAP hardware, software, data?	Yes
O.2 Do you have a formal plan for recruiting new LLSAP members?	Yes
O.5 Is use of LLSAP shared database limited to full or partial fee-paying participants?	No