

GOODMAN APPRAISAL CONSULTANTS LLC

APPRAISAL REPORT

of the

North Maine Utilities

Water and Wastewater System Assets

located in the

Village of Glenview, IL

Pertinent Dates

Retrospective Effective Date	May 6, 2014
Field Inspection Date	May 21, 2014
Date of the Appraisal Report	July 31, 2014

Prepared for:
Aqua Illinois, Inc.
Illinois Commerce Commission

Prepared by:
Elizabeth K Goodman, ASA
Goodman Appraisal Consultants, LLC
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July 31, 2014

James Bilotta
Director, Corporate Development
Aqua Illinois, Inc.
1000 S Schuyler Avenue
Kankakee, IL 60901

Illinois Commerce Commission
527 East Capital Avenue
Springfield, IL 62701

RE: Village of Glenview - North Maine Utilities Valuation

Goodman Appraisal Consultants, LLC is pleased to provide you with a valuation of the North Maine Utilities water and wastewater system as of May 6, 2014.

This report describes the method of appraisal, contains data gathered in the investigation and explains the analyses used in arriving at the final value opinion. It is prepared in conformance with the Scope of Work. Please refer to this section to understand the complexity and important facts affecting the final value opinion.

The purpose of this appraisal is to develop a fair market value opinion of the North Maine Utilities water and wastewater system assets. Market Value is defined by the Appraisal Institute 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. 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 each acting in what he or she considers his or her own best interest;*
- 3. a reasonable time is allowed for exposure in the open market;*
- 4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*

5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

Goodman Appraisal Consultants' value of the three land parcels is \$625,000.

Goodman Appraisal Consultants' Valuation	
Real Property (Land)	
	<u>Value</u>
2612 Victor Avenue	\$150,000
4208 Central Road	\$65,000
10001 Potter Road - Harrison Street	<u>\$410,000</u>
Total Land Value	\$625,000^c

AUS Consultants provided a valuation of the water and wastewater systems assets, not including land, easements and rights-of-way². A confirmation of value was provided by Anthony Malone, P.E.³ The value of these assets is \$23,908,301, separated into water and wastewater values as follows:

AUS Consultants Valuation	
Personal Property	
	<u>Value</u>
Water System	\$21,401,940
Wastewater System	<u>\$2,506,361</u>
Total Water and Wastewater System	\$23,908,301 ^c
Total Water and Wastewater System (rnd)	\$23,900,000^c

Goodman Appraisal Consultants reviewed the AUS appraisal and determined it reasonably reflects the value of the assets as described in their report. I concur with the water and wastewater utility system assets value as presented in AUS Consultants' report of \$23,908,301.

¹ *The Appraisal of Real Estate*, 14th Edition (Chicago: Appraisal Institute, 2013), 59

² The AUS Consultants report is included in Appendix E to this report.

³ The confirmation letter from Anthony Malone, P.E. is included in Appendix B to this report.

^A real property value per Goodman Appraisal Consultants

personal property value per AUS Consultants' report dated 7-21-2014

^B and letter dated 7-29-2014

^C excluding easements and rights-of-way

The value of the North Maine Utilities water system assets, excluding easements and rights-of-way, as of May 6, 2014 is Twenty Two Million Dollars (\$22,000,000), as shown on the following table:

Water System Assets	
	<u>Value</u>
Land	\$625,000 ^A
Personal Property	<u>\$21,401,940</u> ^B
Total Water System	\$22,026,940 ^C
Total Water System (rnd)	\$22,000,000 ^C

The value of the North Maine Utilities wastewater system assets, excluding easements and rights-of-way, as of May 6, 2014 is Two Million Five Hundred Thousand Dollars (\$2,500,000), as shown on the following table:

Wastewater System Assets	
	<u>Value</u>
Land	\$0 ^A
Personal Property	<u>\$2,506,361</u> ^B
Total Wastewater System	\$2,506,361 ^C
Total Wastewater System (rnd)	\$2,500,000 ^C

The value of the North Maine Utilities water and wastewater system, excluding easements and rights-of-way, as of May 6, 2014 is **Twenty Four Million Five Hundred Thousand Dollars (\$24,500,000)**.

Total Water and Wastewater System Assets	
	<u>Value</u>
Water System Assets	\$22,000,000
Wastewater System Assets	<u>\$2,500,000</u>
Total Water and Wastewater System	\$24,500,000 ^C

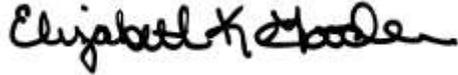
Easements and rights-of-way were not valued and are excluded from this appraisal. The industry and the appraiser recognize there is value to these items. The appraiser is not an expert on valuation of easements and rights-of-way and therefore excluded them from the appraisal.

The appraisal is subject to the following extraordinary assumptions: The data provided by Aqua Illinois, Inc. and the Village of Glenview is accurate; Comparable land sale data provided by Edward J Batis & Associates is accurate. Use of these extraordinary assumptions may have affected the assignment results. The conclusion may not be credible if the extraordinary assumptions are materially inaccurate.

It has been a pleasure to serve you. If you have any questions concerning this report or if we may be of further service, please contact us.

Sincerely,

Goodman Appraisal Consultants, LLC

A handwritten signature in black ink that reads "Elizabeth K. Goodman". The signature is written in a cursive style with a large initial "E" and a stylized "K".

Elizabeth K Goodman, ASA

Illinois Certified General Real Estate Appraiser No. 553-001973
Iowa Certified General Appraiser No. CG02980
Michigan Certified General Real Estate Appraiser No. 1201073697
Minnesota Certified General Real Property Appraiser No. 40232088
Wisconsin Certified General Appraiser No. 1586-010

SCOPE OF WORK

Purpose of the Appraisal

The purpose of the appraisal is to determine the fair market value of the North Maine water and wastewater utility if sold in a voluntary arms length transaction between and willing buyer and seller, in fee simple estate interest as of the retrospective effective date, May 6, 2014.

Intended Use of the Appraisal

The function of the appraisal is to assist in a sale transaction.

Client and Intended Users

The client is Aqua Illinois, Inc. The intended users of the appraisal are Aqua Illinois, Inc. and Illinois Commerce Commission

Type of Appraisal

The appraisal is presented in narrative format. Some findings and analyses of the appraiser are summarized in this report. However, the basis of these summaries is included in the appraiser's notes.

Compliance Standards

This appraisal complies with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, and meets or exceeds the requirements set forth by Illinois Public Act 98-0213 (PA 0213 originated as House Bill 1379), codified as 220 ILCS 5/9-210.5.

Property Rights Appraised

The property is appraised in fee simple estate.

Market Value Definition

Market Value is defined by the Appraisal Institute 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. 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 each acting in what he or she considers his or her own best interest;*
- 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.⁴*

⁴ *The Appraisal of Real Estate*, 14th Edition (Chicago: Appraisal Institute, 2013), 59

Pertinent Dates

Field Inspection Date: May 21, 2014

Date of the Report: July 31, 2014

Effective Date: May 6, 2014. The appraisal is retrospective with an effective date of May 6, 2014, the date of the Asset Purchase Agreement execution.

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.”*⁵ 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.

The appraisal is subject to the following extraordinary assumptions:

- The data provided by Aqua Illinois, Inc. and the Village of Glenview is accurate.
- Comparable land sale data provided by Edward J Batis & Associates is accurate.

Use of these extraordinary assumptions may have affected the assignment results. The conclusion may not be credible if the extraordinary assumptions are materially inaccurate.

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.”*⁶ Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

No hypothetical conditions are used in this appraisal.

⁵ 2014-2015 USPAP

⁶ 2014-2015 USPAP

Competency

USPAP requires the appraiser be competent before the completion of an appraisal assignment. The Competency Rule is as follows:⁷

“An appraiser must: (1) be competent to perform the assignment; (2) acquire the necessary competency to perform the assignment; or (3) decline or withdraw from the assignment. In all cases, the appraiser must perform competently when completing the assignment. The appraiser must determine, prior to accepting an assignment, that he or she can perform the assignment competently. Competency requires:

Being Competent

- 1. the ability to properly identify the problem to be addressed; and*
- 2. the knowledge and experience to complete the assignment competently; and*
- 3. recognition of, and compliance with, laws and regulations that apply to the appraiser or to the assignment.*

If an appraiser determines he or she is not competent prior to accepting an assignment, the appraiser must:

Acquiring Competency

- 1. disclose the lack of knowledge and/or experience to the client before accepting the assignment;*
- 2. take all steps necessary or appropriate to complete the assignment competently; and*
- 3. describe, in the report, the lack of knowledge and/or experience and the steps taken to complete the assignment competently.”*

Before acceptance of this assignment, the appraiser informed the client of her lack of geographic and land valuation competency. The appraiser acquired competency through personal study by the appraiser and discussions with William J Enright, MAI, an appraiser reasonably believed to have the necessary knowledge and experience.

Appraisal Process

- We have reviewed the data provided with the Request for Proposals for the appraisal of the North Maine Water and Wastewater Utility.
- On May 21, 2014, Elizabeth K Goodman inspected the subject property.
- Site sizes were determined using Cook Viewer.
- Public records were reviewed and analyzed.
- Comparable land sales, as provided by Edward J Batis & Associates, were analyzed.
- Only the Sales Comparison Approach is applicable in the appraisal of the real property that is the subject of the Goodman Appraisal Consultants appraisal. The Cost and Income Approaches were not applied because a probable market participant would not look to them to establish the value of vacant land; therefore the Cost and Income Approaches would not accurately mimic buyer calculus.
- AUS Consultants will prepare a valuation and condition assessment of the water and wastewater utility including an opinion of value of the personal property which will be incorporated into our

⁷ 2014-2015 USPAP Competency Rule

appraisal. The AUS Consultants valuation of the personal property will utilize the Cost, Sales Comparison and Income Approaches to value.

- Review system maps and related historical data provided by Aqua Illinois, Inc. and the Village of Glenview.
- Conduct interviews with system employees.
- Conduct a field observation of “exposed” appurtenances.
- The appraisal and appraisal report will meet or exceed the requirements set by Illinois Public Act 98-0213 (PA 0213 originated as House Bill 1379), codified as 220 ILCS 5/9-210.5 and will be in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).

Items excluded from this appraisal:

- Easements and rights-of-way were not valued and are excluded from this appraisal. The industry and the appraiser recognize there is value to these items. The appraiser is not an expert on valuation of easements and rights-of-way and therefore excluded them from the appraisal.
- A portion of the 4208 Central Road parcel is excluded from this appraisal because: it is excluded from the pending transaction; it is not part of the Asset Purchase Agreement. Further details are on Page 6 of this report.

TAX AND ASSESSMENT DATA

The subject property is currently exempt from real estate taxes because it is government-owned. Parcel numbers are as follows:

<u>Address</u>	<u>Parcel No.</u>
2612 Victor Ave	09-12-305-044-0000
4208 Central Rd	04-32-402-036-0000
10001 Potter Rd	09-10-104-057-0000

HISTORY OF THE SUBJECT PROPERTY

The subject property is pending sale at a price not to exceed \$22,000,000, based on the following

- Asset Purchase Agreement dated May 6, 2014
- Sale closing on or before July 1, 2015
- Grantor is Village of Glenview, IL
- Grantee is Aqua Illinois, Inc.
- The property to be sold includes the assets, properties and rights owned and used in connection with the North Maine Utility water and wastewater systems.
- A Water Purchase Agreement.

The Village of Glenview has owned, maintained and operated the North Maine Utility water and wastewater systems since 1997.

SUBJECT PROPERTY

The subject property is part of the North Maine Utility water and wastewater system.

“The Village of Glenview purchased the assets of the former North Suburban Public Utility Company, now known as North Maine Utilities (NMU), in September 1997. The NMU provides potable water service and sanitary sewage collection services to an unincorporated area located to the south and west of the Village of Glenview. The water supply and distribution system serves approximately 4,900 customers, a majority of which are residential with a number of commercial customers as well. The sanitary sewage collection system serves approximately 2,500 customers. The total population that is served by NMU is approximately 44,000 people.

NMU receives its potable water from the Village of Niles through a contract that runs through June 2020. All pumping is done by the Village of Niles at a booster pump station located at Greenwood Avenue, near Dempster Street in Niles. The NMU system consists of approximately 63 miles of water main that range in size from 3-inch diameter to 20-inch diameter, and approximately 20 miles of sanitary sewers that range in size from 6-inch diameter to 20-inch diameter. In addition, there are three (3) emergency booster pump stations that connect the NMU water system to the adjacent Morton Grove, Des Plaines and Glenview water systems. While the NMU water system is connected to the Glenview municipal water system in two locations, it is operated both physically and fiscally independent from the Village of Glenview system.”⁸

The property subject to appraisal by Goodman Appraisal Consultants, LLC includes three parcels of land (“subject property”).

2612 Victor Avenue:

This is a 7,736 square foot parcel located on a residential street. It is an essentially rectangular parcel zoned Single-Family Residence District.

4208 Central Avenue:

This is a 9,713 square foot flag-shaped parcel located on a main street. A 750,000 gallon hydropillar-type steel elevated water storage tank constructed in 1971 is located on this parcel. Zoning is General Residence District.

The 4208 Central Road parcel is appraised as if vacant with a portion of the parcel excluded. The water storage tank is valued within the AUS Consultants appraisal of the personal property. The

⁸ North Maine Utilities Evaluation and Assessment Study for the Village of Glenview, Illinois; September 23, 2008 (Consoer Townsend Envirodyne Engineers, Inc.), 6

excluded portion of the parcel is not included in the pending transaction or in the Asset Purchase Agreement. This parcel is shown in the picture below. The appraiser estimates the excluded portion is approximately 2.6% of the entire parcel. Calculation of the site size subject to appraisal is as follows:

4208 Central Avenue

	Square Feet	Source:
Site Size per GIS (SF)	9,713	Page A-6
Size of top right square of site, per GIS (SF)	4,183	Page A-7

Based on calculating using Pages A-6 and A-7, the appraiser estimates the excluded area (indicated in red in the following photo and on Page A-8) to be:

Horizontal exclusion	40%	Page A-7
Vertical exclusion	15%	Page A-7
Exclusion from top right square	-6.0%	
Exclusion size (SF)	2.6%	(251)
GIS size after exclusion (SF)		9,462



10001 Potter Road:

This parcel totals 28,825 square feet and is located in a residential neighborhood at the corner of Potter Road and Harrison Street. The parcel is a polygon that is essentially rectangular, zoned Single-Family Residence District.

These parcels were strategically purchased as part of the water system, intended for future water storage needs.

Valuation of the water and wastewater assets was performed by AUS Consultants and was confirmed by Anthony Malone, P.E., Registered Professional Engineer No. 62-49869 in Illinois. The AUS Consultants

report is included in on Pages E-1 through E-90. The confirmation of value letter from Anthony Malone, P.E. is included in Appendix B to this report.

EXPOSURE AND MARKETING TIME

Exposure time and marketing time are estimated at 6 to 12 months for each of the subject property parcels.

HIGHEST AND BEST USE

Highest and Best Use is defined by the Appraisal Institute, in *The Dictionary of Real Estate Appraisal*, Fifth Edition, 2010, published by the Appraisal Institute, as:

“The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”

As indicated by the above definition, the Highest and Best Use of any parcel of land relates to the needs or demands of potential users. It is a consideration which is made to determine what the maximum desirable potential of the property is or could be. Historical data relative to a site may not reflect the future potential of the property, but can act as an aid in analyzing past trends and thus help in determining the present or future usefulness of the property. Determination of the potential or future benefits from property ownership is the objective of most appraisal assignments. After the potential or the Highest and Best Use of the property has been determined, data providing support for the valuation can be reconciled to provide the basis for a logical value conclusion.

This appraisal analysis takes into account considerations of the economic trends for the subject market area and community, the proximity of amenities, financial capabilities of the typical buyers, etc., and considers limitations of these items. In determining the Highest and Best Use as if Vacant, there are four basic criteria. The use must be legally permissible, physically possible, financially feasible and maximally productive. Of the financially feasible uses, the maximally productive use is that which will bring the greatest value or return to the land.

Highest and Best Use, As Vacant

Highest and Best Use of land or a site as though vacant is defined by the Appraisal Institute, in *The Dictionary of Real Estate Appraisal*, Fifth Edition, 2010, published by the Appraisal Institute, as:

“Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.”

As stated above, this use must be legally permissible, physically possible, and financially feasible. The use that maximizes the return to the land under all of these tests will be the maximally productive, and the Highest and Best Use as Vacant.

Legally Permissible - The subject sites are zoned: Single-Family Residence District which allows single-family residential uses or General Residence District with allows single-family and multi-family residential uses. Based upon the current zoning, surrounding land uses, and development trends occurring in the area, it is unlikely that a zone change would occur. A residential use seems to be the most likely of the permitted uses for the sites.

Physically Possible - The size, shape and topographical features of each parcel are considered sufficient for development of a residential use. Overall, the physical features are considered sufficient to develop the sites into allowable uses under the current zoning.

Financially Feasible - The long-term feasibility of the subject is average. Based on this, a residential use appears to be financially feasible venture.

Maximally Productive - Considering a maximally productive use, a residential use maximizing the development potential of each of the parcels and based on that which is legally permissible and supported by the market appears reasonable based off of the success of properties in the subject's area.

Conclusion - Development of the sites to a residential use is a legally permissible, physically possible, financially feasible and maximally productive use.

VALUATION METHODOLOGY

The valuation of any parcel of real estate is derived principally through three basic approaches to value. They are the Cost, Sales Comparison, and Income Approaches. From the indications of these analyses and the weight that is accorded to each, a value opinion is reached based upon expert judgment within the outline of the appraisal process. The methodology involving the appraisal of the subject includes the following:

Cost Approach

The Cost Approach is based on the recognition that market participants relate value to cost. The value of a property is the costs to develop a similar property, once the costs are adjusted for all forms of applicable depreciation.

Developing a Cost Approach involves four major steps.

1. Develop an opinion of the site as though vacant and available for development to its highest and best use.
2. Estimate all costs to replace or reproduce the existing improvements, including direct costs, indirect costs, and entrepreneurial incentive.
3. Estimate all forms of depreciation evident in the improvements.
4. Subtract the total estimated depreciation from the total estimated reproduction or replacement costs and add the site value opinion to derive an indication of value from the cost approach.

Sales Comparison Approach

The Sales Comparison Approach is based upon the principle of substitution; that is, when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property.

Developing a Sales Comparison Approach involves four major steps.

1. Research the market and find information about comparable property sales.
2. Analyze the comparable sales to derive market-supported adjustments that reflect the significant differences between the sales and the subject.
3. Apply the adjustments to the comparable sale or unit prices.
4. Reconcile the adjusted sale or unit prices into an indication of value for the subject.

Income Approach

The Income Approach is based on the recognition that the value of a property is related to its income-generating potential. Based on the subject data, a direct capitalization approach is applicable in the valuation of the subject.

Developing an Income Approach involves four major steps.

1. Determine the potential gross income of a property based upon either contract rental rates or market rental rates, based upon rental rates of comparable properties.
2. Estimate the stabilized vacancy and collection loss based upon market factors and apply it to the subject's potential gross income to yield an effective gross income.
3. Analyze the property's expense and reconcile them with typical expenses of properties in the market. Deduct applicable operating expenses from the effective gross income to arrive at the net operating income of the property.
4. Estimate an appropriate capitalization rate for the subject property based upon market data, surveys, and the band-of-investment method and apply it to the net operating income to arrive at the estimated value of the subject.

Conclusion

Only the Sales Comparison Approach was analyzed in the appraisal of the real property that is the subject of the Goodman Appraisal Consultants appraisal.. Although the approaches are inter-related, the property type and use determines which approach or approaches are most appropriate. In the case of the subject property, a probable market participant would not look to the Cost or Income Approaches to establish the value of vacant land.

AUS Consultants performed a valuation and condition assessment of the water and wastewater utility including an opinion of value of the personal property which is incorporated into our appraisal within the Reconciliation. The AUS Consultants valuation of the personal property utilized the Cost, Sales Comparison and Income Approaches to value.

SALES COMPARISON APPROACH

Eleven comparable vacant land sales were analyzed to arrive at the value opinion of each parcel via the Sales Comparison Approach. Data sheets for each land sale are included in Appendix C to this report.

Sale #	Address	Date of Sale	Sale Price	Site Size (sf)	Sale Price per SF	Zoning	Distance from Subject (miles)	Location: Residential vs Main St
1	715 Greenwood Rd, Glenview, IL	May-2014	\$190,000	14,426	\$13.17	SF	1.140	Main
2	1411 Tuscany Ct, Glenview, IL	Sep-2013	\$555,000	22,169	\$25.03	SF	4.030	Residential
3	1410 Tuscany Ct, Glenview, IL	Sep-2013	\$560,000	23,690	\$23.64	SF	4.030	Residential
4	2127 Tuscany Ct, Glenview, IL	Jun-2013	\$495,000	21,826	\$22.68	SF	4.120	Residential
5	3601 Glenview Rd Lot 1, Glenview, IL	Jun-2013	\$180,000	13,220	\$13.62	SF	1.560	Main
6	1413 Tuscany Ct, Glenview, IL	May-2013	\$570,000	23,118	\$24.66	SF	4.030	Residential
7	711 Elmgate Dr, Glenview, IL	May-2013	\$189,000	9,486	\$19.92	SF	0.733	Residential
8	3605 Liberty Ln Lot 2, Glenview, IL	Dec-2012	\$195,000	14,333	\$13.60	SF	1.560	Residential
9	1406 Greenwood Rd, Glenview, IL	Nov-2012	\$114,000	15,810	\$7.21	SF	1.770	Main
10	2935 Landwehr Rd, Glenview, IL	Oct-2013	\$199,500	9,993	\$19.96	R4		Residential
11	3233 Thornwood Ave, Glenview, IL	Aug-2013	\$210,000	14,538	\$14.44	R3		Residential

As indicated above, comparable vacant land sale data was provided by Edward J Batis & Associates. The appraiser applied an extraordinary assumption that this data is accurate. The value per square foot is used in this analysis.

2612 Victor Avenue

The Sales Comparison Approach for the 2612 Victor Avenue parcel used Sales #1, #6, #7, #8 and #9. The comparable vacant land sales utilized were chosen based on site size, location and zoning. Quantitative adjustments were considered for the following factors:

Expenditures after Sale

Sale #1 included a 72-year-old house. Demolition expenses were estimated at \$20,000.

Market Conditions

A market conditions adjustment of 1% per month or 12% per year was determined using two sales of the same property.

	Sale Price	Expenditures after Sale	Adjusted Sale Price
711 Elmgate Dr, Glenview, IL May-2013	\$189,000	\$0	\$189,000
711 Elmgate Dr, Glenview, IL Feb-2012	\$145,000	\$20,000	<u>\$165,000</u>
	Sale Price Increase (\$)		\$24,000
	Sale Price Increase (%)		14.55%
	Number of Months		15
	Sale Price Increase per Month (%)		0.97%
	Sale Price Increase per Month, Rounded (%)		1.0%

Site Size

This adjustment reflects the differences in price relative to the size of the subject. Larger parcels tend to sell for less per square foot than smaller parcels. The comparable land sales are similar sizes so no adjustment was made.

Location

The subject parcel is located on a residential street. Based on the subject property's zoning, a location on a residential street is superior to a main street. A +25% adjustment was made to Sales #1, #5 and #9 because they are located on main streets.

Zoning

The comparable land sales and subject parcel had similar zoning. No adjustments were made.

Adjustment Grid

Sale #	Subject Property	1	5	7	8	9
Address	2612 Victor Ave, Glenview, IL	715 Greenwood Rd, Glenview, IL	3601 Glenview Rd Lot 1, Glenview, IL	711 Elmgate Dr, Glenview, IL	3605 Liberty Ln Lot 2, Glenview, IL	1406 Greenwood Rd, Glenview, IL
Date of Sale	May-2014	May-2014	Jun-2013	May-2013	Dec-2012	Nov-2012
Sale Price		\$190,000	\$180,000	\$189,000	\$195,000	\$114,000
Site Size (sf)	7,736	14,426	13,220	9,486	14,333	15,810
Sale Price per SF		\$13.17	\$13.62	\$19.92	\$13.60	\$7.21
Zoning	SF	SF	SF	SF	SF	SF
Distance from Subject Property (miles)		1.140	1.560	0.733	1.560	1.770
Residential vs Main St	Residential	Main	Main	Residential	Residential	Main
Grantee		Chicago Title Land Trust Co	Trieu Ha	William Ryan Homes	Peter Kappos	Krzysztof Schabowski & Monika Kropornicka
Grantor		John Majewski	GVH LLC	Turk & Turk Inc	GVH LLC	Wells Fargo Bk
Parcel No.		04-33-406-001	04-33-300-118	04-34-415-009	04-33-300-119	04-33-101-038
Sale Price		\$190,000	\$180,000	\$189,000	\$195,000	\$114,000
Expenditures after Sale		\$20,000	\$0	\$0	\$0	\$0
Sale Price Adj for Expenditures after Sale		\$210,000	\$180,000	\$189,000	\$195,000	\$114,000
Site Size (sf)		14,426	13,220	9,486	14,333	15,810
Sale Price per SF (Adj for Expend. after Sale)		\$14.56	\$13.62	\$19.92	\$13.60	\$7.21
Months Since Sale		0	11	12	17	18
Market Conditions	1% per month	0%	11%	12%	17%	18%
Site Size		0%	0%	0%	0%	0%
Location		25%	25%	0%	0%	25%
Zoning		<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Total Adjustments		25%	36%	12%	17%	43%
Adjusted Sale Price per SF		\$18.20	\$18.52	\$22.31	\$15.91	\$10.31

The adjusted price per square foot ranged from \$10.31 to \$22.31 averaging \$17.05 per square foot. Weight was placed on Sales #1, #5 and #7 based on date of sale ranging from \$18.20 to \$22.31 per square foot, averaging \$19.68 per square foot. The subject property's value of \$19.75 per square foot is within this range and near the average.

Concluded Value per SF	\$19.75
x	
Subject Property Size (SF)	<u>7,736</u>
Concluded Value	\$152,786
Concluded Value (rnd)	\$150,000

The value opinion of the parcel located at 2612 Victor Avenue, via the Sales Comparison Approach in fee simple estate, is **One Hundred Fifty Thousand Dollars (\$150,000)**.

4208 Central Road

The Sales Comparison Approach for the 4208 Central Road parcel used Sales #1, #6, #7, #8, #9, #10 and #11. The comparable vacant land sales utilized were chosen based on site size, location and zoning. Quantitative adjustments were considered for the following factors:

Expenditures after Sale

Sale #1 included a 72-year-old house. Demolition expenses were estimated at \$20,000.

Market Conditions

A market conditions adjustment of 1% per month or 12% per year was determined using two sales of the same property.

	Sale Price	Expenditures after Sale	Adjusted Sale Price
711 Elmgate Dr, Glenview, IL May-2013	\$189,000	\$0	\$189,000
711 Elmgate Dr, Glenview, IL Feb-2012	\$145,000	\$20,000	<u>\$165,000</u>
	Sale Price Increase (\$)		\$24,000
	Sale Price Increase (%)		14.55%
	Number of Months		15
	Sale Price Increase per Month (%)		0.97%
	Sale Price Increase per Month, Rounded (%)		1.0%

Site Size

This adjustment reflects the differences in price relative to the size of the subject. Larger parcels tend to sell for less per square foot than smaller parcels. The comparable land sales are similar sizes so no adjustment was made.

Location

The subject parcel is located on a busier main street. Based on the subject property's zoning, a location on a residential street is superior to a main street. A -25% adjustment was made to Sales #7, #8, #10 and #11 for superior location because they are located on residential streets. A -10% adjustment was made to Sales #1, #5 and #9 for superior location because they are located on less busy main streets.

Functional Utility / Shape

The subject parcel is flag-shaped which restricts utility. A -40% adjustment for superior functional utility / shape was made to all the comparable vacant land sales. This adjustment is reasonable based on the subject parcel's limited utility.

Zoning

The comparable land sales and subject parcel had similar zoning. No adjustments were made.

Adjustment Grid

Sale #	Subject Property	1	5	7	8
Address	4208 Central Rd, Glenview, IL	715 Greenwood Rd, Glenview, IL	3601 Glenview Rd Lot 1, Glenview, IL	711 Elmgate Dr, Glenview, IL	3605 Liberty Ln Lot 2, Glenview, IL
Date of Sale	May-2014	May-2014	Jun-2013	May-2013	Dec-2012
Sale Price		\$190,000	\$180,000	\$189,000	\$195,000
Site Size (sf)	9,462	14,426	13,220	9,486	14,333
Sale Price per SF		\$13.17	\$13.62	\$19.92	\$13.60
Zoning	General Residence	SF	SF	SF	SF
Distance from Subject Property (miles)		0.856	0.686	1.900	0.651
Residential vs Main St	Main	Main	Main	Residential	Residential
Grantee		Chicago Title Land Trust Co Tr	Trieu Ha	William Ryan Homes	Peter Kappos
Grantor		John Majewski	GVH LLC	Turk & Turk Inc	GVH LLC
Parcel No.		04-33-406-001	04-33-300-118	04-34-415-009	04-33-300-119
Sale Price		\$190,000	\$180,000	\$189,000	\$195,000
Expenditures after Sale		\$20,000	\$0	\$0	\$0
Sale Price Adj for Expenditures after Sale		\$210,000	\$180,000	\$189,000	\$195,000
Site Size (sf)		14,426	13,220	9,486	14,333
Sale Price per SF (Adj for Expend. after Sale)		\$14.56	\$13.62	\$19.92	\$13.60
Months Since Sale		0	11	12	17
Market Conditions	1% per month	0%	11%	12%	17%
Site Size		0%	0%	0%	0%
Location		-10%	-10%	-25%	-25%
Functional Utility / Shape		-40%	-40%	-40%	-40%
Zoning		<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Total Adjustments		-50%	-39%	-53%	-48%
Adjusted Sale Price per SF		\$7.28	\$8.31	\$9.36	\$7.07
Sale #	Subject Property	9	10	11	
Address	4208 Central Rd, Glenview, IL	1406 Greenwood Rd, Glenview, IL	2935 Landwehr Rd, Glenview, IL	3233 Thornwood Ave, Glenview, IL	
Date of Sale	May-2014	Nov-2012	Oct-2013	Aug-2013	
Sale Price		\$114,000	\$199,500	\$210,000	
Site Size (sf)	9,462	15,810	9,993	14,538	
Sale Price per SF		\$7.21	\$19.96	\$14.44	
Zoning	General Residence	SF	R4	R3	
Distance from Subject Property (miles)		1.240			
Residential vs Main St	Main	Main	Residential	Residential	
Grantee		Krzysztof Schabowski & Monika Kropornicka	Ray Nehmzow Trust	Bledar Alickolli & Mariana Turlakova	
Grantor		Wells Fargo Bk	J&L Gurnee LLC	Jose Thomas	
Parcel No.		04-33-101-038	04-20-400-048	04-28-401-044	
Sale Price		\$114,000	\$199,500	\$210,000	
Expenditures after Sale		\$0	\$0	\$0	
Sale Price Adj for Expenditures after Sale		\$114,000	\$199,500	\$210,000	
Site Size (sf)		15,810	9,993	14,538	
Sale Price per SF (Adj for Expend. after Sale)		\$7.21	\$19.96	\$14.44	
Months Since Sale		18	7	9	
Market Conditions	1% per month	18%	7%	9%	
Site Size		0%	0%	0%	
Location		-10%	-25%	-25%	
Functional Utility / Shape		-40%	-40%	-40%	
Zoning		<u>0%</u>	<u>0%</u>	<u>0%</u>	
Total Adjustments		-32%	-58%	-56%	
Adjusted Sale Price per SF		\$4.90	\$8.38	\$6.35	

The adjusted price per square foot ranged from \$4.90 to \$9.36 averaging \$7.38 per square foot. Weight was placed on Sales #1, #5 and #9 based on location ranging from \$4.90 to \$8.31 per square foot, averaging \$6.83 per square foot. The subject property's value of \$6.75 per square foot is within this range and near the average.

Concluded Value per SF	\$6.75
x	
Subject Property Size (SF)	<u>9,462</u>
Concluded Value	\$63,869
Concluded Value (rnd)	\$65,000

The value opinion of the parcel located at 4208 Central Road, via the Sales Comparison Approach in fee simple estate, is **Sixty-Five Thousand Dollars (\$65,000)**.

10001 Potter Road - Harrison Street

The Sales Comparison Approach for the 10001 Potter Road - Harrison Street parcel used Sales #2, #3, #4 and #6. The comparable vacant land sales utilized were chosen based on site size, location and zoning. Quantitative adjustments were considered for the following factors:

Expenditures after Sale

No adjustment was indicated.

Market Conditions

A market conditions adjustment of 1% per month or 12% per year was determined using two sales of the same property.

	Sale Price	Expenditures after Sale	Adjusted Sale Price
711 Elmgate Dr, Glenview, IL May-2013	\$189,000	\$0	\$189,000
711 Elmgate Dr, Glenview, IL Feb-2012	\$145,000	\$20,000	<u>\$165,000</u>
	Sale Price Increase (\$)		\$24,000
	Sale Price Increase (%)		14.55%
	Number of Months		15
	Sale Price Increase per Month (%)		0.97%
	Sale Price Increase per Month, Rounded (%)		1.0%

Site Size

This adjustment reflects the differences in price relative to the size of the subject. Larger parcels tend to sell for less per square foot than smaller parcels. The comparable land sales are smaller than the subject parcel. A -10% adjustment was made to each sale.

Location

The subject parcel is located on a residential street. The comparable vacant land sales are all located on a cul-de-sac, a superior location for a residential property. A -40% adjustment was made to each sale for superior location.

Zoning

The comparable land sales and subject parcel had similar zoning. No adjustments were made.

Adjustment Grid

Sale #	Subject Property	2	3	4	6
Address	10001 Potter Rd, Glenview, IL	1411 Tuscany Ct, Glenview, IL	1410 Tuscany Ct, Glenview, IL	2127 Tuscany Ct, Glenview, IL	1413 Tuscany Ct, Glenview, IL
Date of Sale	May-2014	Sep-2013	Sep-2013	Jun-2013	May-2013
Sale Price		\$555,000	\$560,000	\$495,000	\$570,000
Site Size (sf)	28,825	22,169	23,690	21,826	23,118
Sale Price per SF		\$25.03	\$23.64	\$22.68	\$24.66
Zoning	SF	SF	SF	SF	SF
Distance from Subject Property (miles)		4.030	4.030	4.120	4.030
Residential vs Main St	Residential	Residential	Residential	Residential	Residential
Grantee		Peter & Gayle Nicioli	Istina Morariu	George & Nancy Vizer	Arthur & Dorothy Nadolny
Grantor		Firstmerit Bk	Firstmerit Bk	Earl Dodge Trust	Firstmerit Bk
Parcel No.		04-26-200-143	04-26-200-145	04-26-200-131	04-26-200-144
Sale Price		\$555,000	\$560,000	\$495,000	\$570,000
Expenditures after Sale		\$0	\$0	\$0	\$0
Sale Price Adj for Expenditures after Sale		\$555,000	\$560,000	\$495,000	\$570,000
Site Size (sf)		22,169	23,690	21,826	23,118
Sale Price per SF (Adj for Expend. after Sale)		\$25.03	\$23.64	\$22.68	\$24.66
Months Since Sale		8	8	11	12
Market Conditions	1% per month	8%	8%	11%	12%
Site Size		-10%	-10%	-10%	-10%
Location		-40%	-40%	-40%	-40%
Zoning		0%	0%	0%	0%
Total Adjustments		-42%	-42%	-39%	-38%
Adjusted Sale Price per SF		\$14.52	\$13.71	\$13.83	\$15.29

The adjusted price per square foot ranged from \$13.71 to \$15.29 averaging \$14.34 per square foot. The subject property's value of \$14.25 per square foot is within this range and near the average.

Concluded Value per SF	\$14.25
x	
Subject Property Size (SF)	28,825
Concluded Value	\$410,756
Concluded Value (rnd)	\$410,000

The value opinion of the parcel located at 10001 Potter Road - Harrison Street, via the Sales Comparison Approach in fee simple estate, is **Four Hundred Ten Thousand Dollars (\$410,000)**.

RECONCILIATION AND FINAL VALUE OPINION

In previous sections of this report, the subject property was described and analyzed.

In this appraisal, the appraiser valued three land parcels in fee simple estate. Only the Sales Comparison Approach was utilized in valuing the land, as discussed previously. The value of each parcel is as follows:

Goodman Appraisal Consultants' Valuation	
Real Property (Land)	
	<u>Value</u>
2612 Victor Avenue	\$150,000
4208 Central Road	\$65,000
10001 Potter Road - Harrison Street	<u>\$410,000</u>
Total Land Value	\$625,000^c

The purpose of this appraisal was to develop a fair market value opinion of the subject property's three land parcels. The value of the three parcels in fee simple estate interest as of the retrospective effective date of May 6, 2014 is **Six Hundred Twenty-Five Thousand Dollars (\$625,000)**. This value does not include the value of any easements or rights-of-way.

Valuation of additional water and wastewater utility assets was included within the scope of work requested of the appraiser by Aqua Illinois, Inc. AUS Consultants performed a valuation and condition assessment of the North Main Utility Water and Wastewater system personal property assets, including value opinion but not including easements and rights-of-way⁹, to be added to the appraiser's land value. A confirmation of value was provided by Anthony Malone, P.E.¹⁰ The appraiser reviewed the AUS Consultants appraisal and determined it reasonably reflects the value of the assets as described in their report. I concur with the water and wastewater utility system assets value of \$23,908,301 as presented in the AUS Consultants report.

⁹ The AUS Consultants report is included in Appendix E to this report.

¹⁰ The confirmation letter from Anthony Malone, P.E. is included in Appendix B to this report.

^A real property value per Goodman Appraisal Consultants

personal property value per AUS Consultants' report dated 7-21-2014

^B and letter dated 7-29-2014

^C excluding easements and rights-of-way

Per the AUS Consultants appraisal report, the value of these assets is \$23,908,301, separated into water and wastewater values as follows:

AUS Consultants Valuation	
Personal Property	
	<u>Value</u>
Water System	\$21,401,940
Wastewater System	<u>\$2,506,361</u>
Total Water and Wastewater System	\$23,908,301 ^c
Total Water and Wastewater System (rnd)	\$23,900,000 ^c

The value of the North Maine Utilities water system assets, excluding easements and rights-of-way, as of May 6, 2014 is Twenty Two Million Dollars (\$22,000,000), as shown on the following table:

Water System Assets	
	<u>Value</u>
Land	\$625,000 ^A
Personal Property	<u>\$21,401,940</u> ^B
Total Water System	\$22,026,940 ^C
Total Water System (rnd)	\$22,000,000 ^C

The value of the North Maine Utilities wastewater system assets, excluding easements and rights-of-way, as of May 6, 2014 is Two Million Five Hundred Thousand Dollars (\$2,500,000), as shown on the following table:

Wastewater System Assets	
	<u>Value</u>
Land	\$0 ^A
Personal Property	<u>\$2,506,361</u> ^B
Total Wastewater System	\$2,506,361 ^C
Total Wastewater System (rnd)	\$2,500,000 ^C

The value of the North Maine Utilities water and wastewater system, excluding easements and rights-of-way, as of May 6, 2014 is **Twenty Four Million Five Hundred Thousand Dollars (\$24,500,000)**.

Total Water and Wastewater System Assets	
	<u>Value</u>
Water System Assets	\$22,000,000
Wastewater System Assets	<u>\$2,500,000</u>
Total Water and Wastewater System	\$24,500,000^c

Gerald Hartman was hired by the Village of Glenview to provide a fairness opinion regarding the sale of the North Maine Utility Water and Wastewater System assets to Aqua Illinois, Inc. The value opinion as indicated above of Twenty Four Million Five Hundred Thousand Dollars (\$24,500,000) is in line with the value indications in the NMU Fairness Report¹¹.

Easements and rights-of-way were not valued and are excluded from this appraisal. The industry and the appraiser recognize there is value to these items. The appraiser is not an expert on valuation of easements and rights-of-way and therefore excluded them from the appraisal.

The appraisal is subject to the following extraordinary assumptions: The data provided by Aqua Illinois, Inc. and the Village of Glenview is accurate; Comparable land sale data provided by Edward J Batis & Associates is accurate. Use of these extraordinary assumptions may have affected the assignment results. The conclusion may not be credible if the extraordinary assumptions are materially inaccurate.

¹¹Village of Glenview: Fairness Opinion Concerning the Sale of North Maine Utilities Water and Wastewater Systems; Hartman Consultants, LLC, March 28, 2014; included in this report on pages D-1 through D-91.

CONTINGENT AND LIMITING CONDITIONS

The certification of the appraiser and conclusions of value contained herein are subject to the following conditions and to such other specific and limiting conditions as are set forth by the appraiser in the report.

- This appraisal report is intended to comply with the general reporting requirements set forth under Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice (USPAP). This report contains only a synopsis of the data, opinions and reasoning used by the appraisers in concluding the market value. Additional information is retained within the appraisers' file.
- The appraisers assume no responsibility for legal matters affecting the property appraised or the title thereto, nor do the appraisers render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
- Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The appraisers have made no survey of the property.
- The appraisers are not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made. Therefore, a fee of \$250.00 per hour per appraiser is to be paid by you for such appearances and the preparation necessitated thereby.
- Any distribution of valuation in the report between land and improvements applies only under the existing program of utilization.
- The appraisers assume there are no hidden or unapparent conditions of the property subsoil or structures that would render it more or less valuable. The appraisers assume no responsibility for such conditions, or for engineering which might be required to discover such factors.
- Information, estimates and opinions furnished to the appraisers and contained in the report, were obtained from sources considered reliable and believed true and correct. However, the appraisers assume no responsibility for accuracy of such items furnished.
- The Appraisal Institute governs disclosure of contents in this appraisal report by by-laws and regulations.
- This report assumes that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
- It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in this report.
- It is assumed that all required licenses, certificates of occupancy, or other legislative or administrative authority from any local, state, or national governmental, private entity or organization have been or can be obtained or renewed for any use on which the value conclusions contained in this report are based.
- The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraisers that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous wastes and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. Unless otherwise stated in this report, the appraisers' value conclusion is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraisers' descriptions and resulting comments are the result of a routine observation made during the appraisal process.

CERTIFICATION

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

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

The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this appraisal report and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

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

I have no bias with respect to the property that is the subject of this appraisal report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this appraisal report or from its use.

My compensation for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favor the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal report.

My analyses, opinions, and conclusions were developed and this appraisal report was prepared in conformity with the *Uniform Standards of Professional Appraisal Practice* and meets or exceeds the requirements set forth by Illinois Public Act 98-0213 (PA 0213 originated as House Bill 1379), codified as 220 ILCS 5/9-210.5.

Elizabeth K Goodman made a personal inspection of the property that is the subject of this appraisal report on May 21, 2014.

The following individual provided significant real property appraisal assistance to the person signing this certification: William J Enright, MAI assisted Elizabeth K Goodman in acquiring competency.

My engagement for this assignment, and my conclusions as well as other opinions expressed herein are not based on a required minimum value, a specific value, or approval of a loan.

Elizabeth K Goodman has performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this appraisal report within the past three-year period immediately preceding acceptance of this assignment.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.

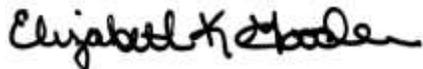
The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, Elizabeth K Goodman has completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.

As of the date of this report, Elizabeth K Goodman has completed the continuing education programs of the State of Illinois and the State of Wisconsin.

In the State of Michigan, appraisers are required to be licensed and are regulated by the Michigan Department of Labor & Economic Growth, P.O. Box 30018, Lansing, MI 48909. Elizabeth K Goodman is Certified General Real Estate Appraiser #1201073697.

All individuals who participated in the preparation of this report and who are Senior Members of the American Society of Appraisers are recertified as required by the mandatory recertification as set out in the constitution by-laws and administrative rules of the American Society of Appraisers.



Elizabeth K. Goodman, ASA

July 31, 2014
Date of Appraisal Report

Illinois Certified General Real Estate Appraiser No. 553-001973
Iowa Certified General Appraiser No. CG02980
Michigan Certified General Real Estate Appraiser No. 1201073697
Minnesota Certified General Real Property Appraiser No. 40232088
Wisconsin Certified General Appraiser No. 1586-010

APPENDIX

Appendix:

A – Subject Property Information

B – Illinois PE Certification

C – Comparable Land Sales

D – NMU Fairness Report by Gerald Hartman

E – AUS Consultants Valuation Report

F – Fully Executed Purchase and Sale Agreement

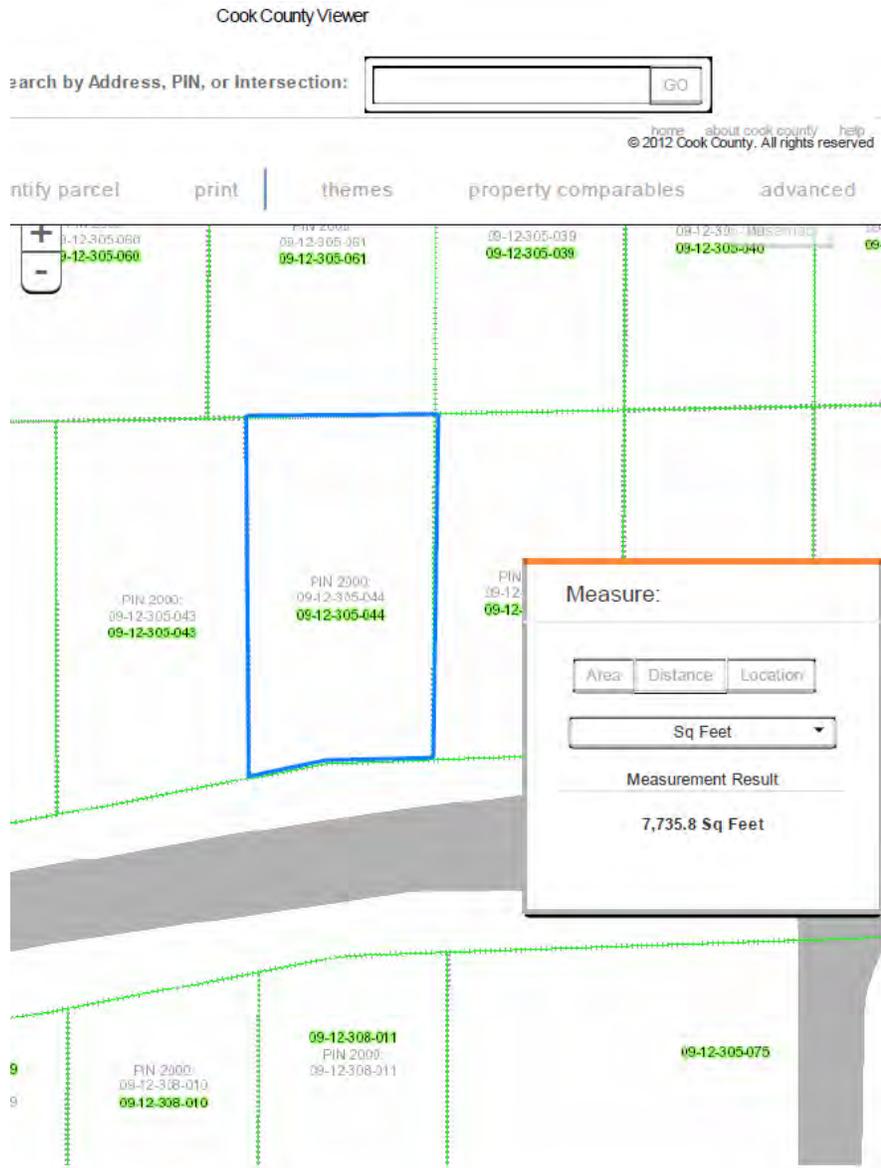
G – Appraiser Qualifications

APPENDIX A

2612 Victor Avenue, Glenview, IL

Per title policy provided by Aqua Illinois, the legal description is as follows:

Lot 126 in Eugenia, being a subdivision in Section 12, Township 41 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois.



Aerial view of subject property:

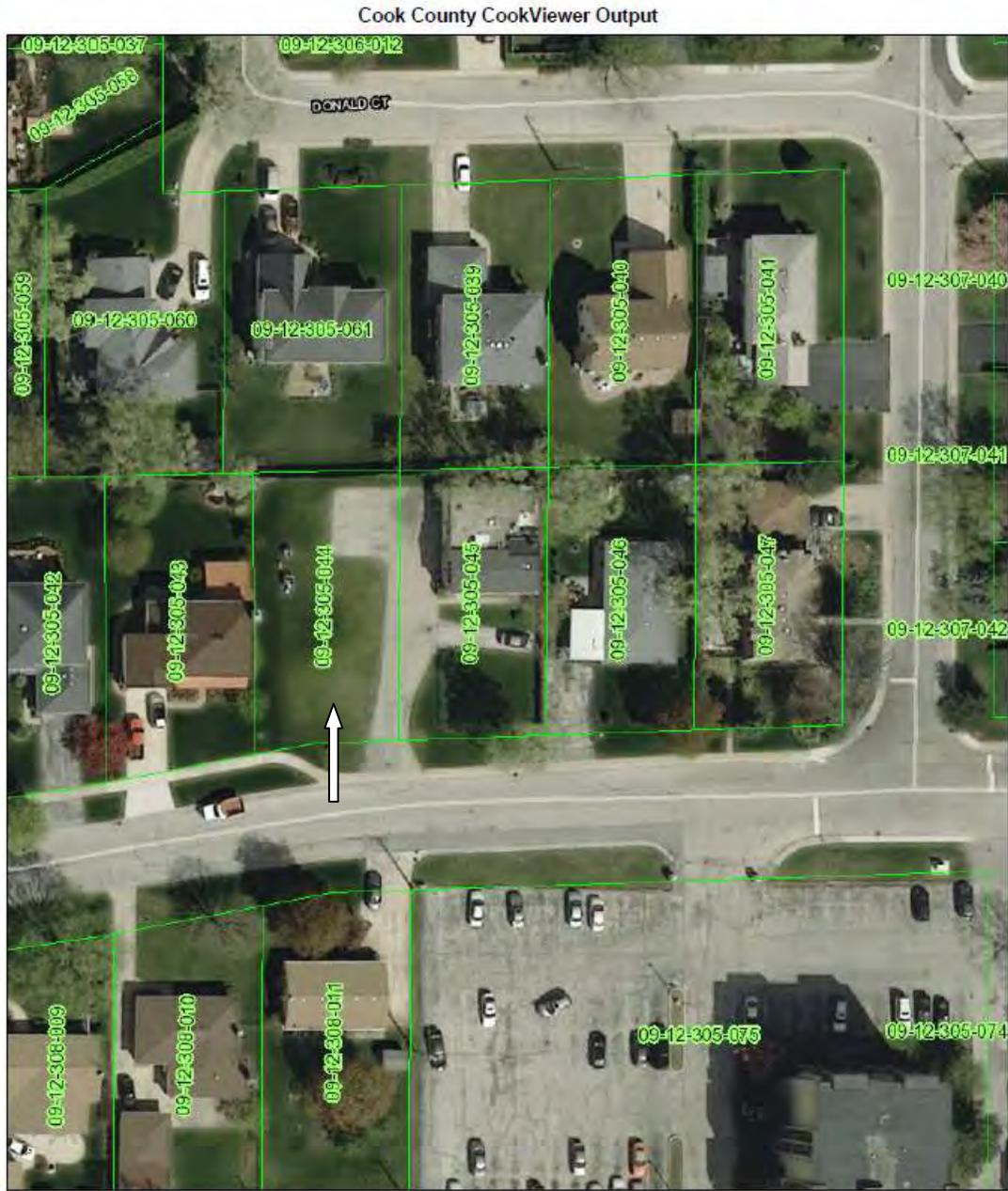


1:500

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Aerial view of subject property:



1:1200

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Property viewed by Elizabeth K Goodman on May 21, 2014. Photo provided by James Bilotta, Aqua Illinois.



Victor Avenue Parcel



Victor Avenue Street View – Looking East



Victor Avenue Street View – Looking West

4208 Central Road, Glenview, IL

Per title policy provided by Aqua Illinois, the legal description is as follows:

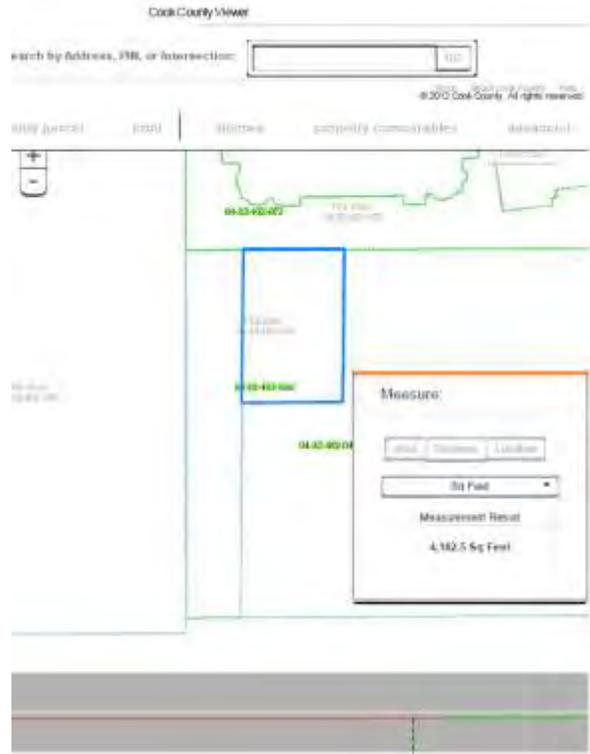
That part of the South half of the Southeast quarter of Section 32, Township 42 North, Range 12, East of the Third Principal Meridian, described as follows:

Beginning at the intersection of the East line of the West 30 acres of the South half of the Southeast quarter of said Section 32, with the North line of Cenral Road, said North line of Central Road being a line 50 feet North of and parallel to the South line of said Section 32; thence North along the East line of said West 30 acres, 190 feet; thence East along a line parallel to the South line of said Section 32, 80 feet; thence South along a line parallel to the East line of said West 30 acres, 80 feet; thence West along a line parallel to the South line of said Section 32, 51 feet; thence South along a line parallel to the East line of said West 30 acres, 110 feet to the North line of Central Road; thence West along the North line of Central Road, 29 feet to the point of beginning, in Cook County, Illinois.

Site size per GIS:



Calculation of full parcel size



This measurement is used in the calculation of the portion of the property subject to exclusion.

Aerial view of subject property:

Cook County CookViewer Output



1:500

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Property viewed by Elizabeth K Goodman on May 21, 2014. Photos provided by James Bilotta, Aqua Illinois.



Central Road Tower Site



Central Road Tower



Central Road Street View – Looking East



Central Road Street View – Looking West

10001 Potter Road, Glenview, IL

Per title policy provided by Aqua Illinois, the legal description is as follows:

THE EAST 150 FEET OF LOT 16 IN CENTRAL ROAD ACRES FIRST ADDITION, BEING A SUBDIVISION OF THE WEST 14.3 ACRES (EXCEPT THE WEST 33 FEET THEREOF HERETOFORE DEDICATED AS A PUBLIC ROAD) OF THE EAST 1/2 OF THE NORTHWEST FRACTIONAL 1/4 OF SECTION 10, TOWNSHIP 41 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS;

ALSO,

THE EAST 150 FEET OF LOT 15 (EXCEPT THAT PART OF THE EAST 150 FEET OF LOT 15 DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF THE EAST 150 FEET OF LOT 15; THENCE EAST ALONG THE NORTH LINE OF LOT 15, A DISTANCE OF 60 FEET; THENCE SOUTHWESTERLY TO A POINT ON THE WEST LINE OF THE EAST 150 FEET OF LOT 15, SAID POINT BEING 60 FEET SOUTH OF THE NORTHWEST CORNER OF THE EAST 150 FEET OF LOT 15; THENCE NORTH ALONG THE WEST LINE OF THE EAST 150 FEET OF LOT 15 A DISTANCE OF 60 FEET TO THE POINT OF BEGINNING) IN CENTRAL ROAD ACRES FIRST ADDITION, BEING A SUBDIVISION OF THE WEST 14.3 ACRES (EXCEPT THE WEST 33 FEET THEREOF HERETOFORE DEDICATED AS A PUBLIC ROAD) ACCORDING TO THE PLAT THEREOF RECORDED APRIL 2, 1947 AS DOCUMENT 14025841, IN COOK COUNTY, ILLINOIS.

Site size per GIS:



Aerial view of subject property:



1:1200

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Property viewed by Elizabeth K Goodman on May 21, 2014. Photos provided by James Bilotta, Aqua Illinois.



Potter Road – Harrison Street Parcel.



Potter Road – Harrison Street View – Looking East



Potter Road – Harrison Street View – Looking West

APPENDIX B



July 21, 2014

Mr. Gary Shambaugh
Principal & Director
AUS Consultants
275 Grandview Avenue, Suite 100
Camp Hill, PA 17011

Mr. James Bilotta
Director of Corporate Development
Aqua Illinois, Inc.
1000 South Schuyler Avenue
Kankakee, Illinois 60901

Re: Village of Glenview - North Maine Utilities
Review of Business Enterprise Valuation

Gentlemen:

EIS Consultants, Ltd. has review the Business Enterprise Valuation as prepared by AUS Consultants dated June 30, 2014 for the water and wastewater systems currently known as the North Maine Utilities. I concur with the methodology and analysis used to determine the market value. It is my opinion that the recommendation concluding that the market value of \$23,908,301 for the assets associated with these systems is accurate as presented. It does not include the fair market value of land, easements or rights-of-way.

Should you have any questions, please call me.

Sincerely,
ESI Consultants, Ltd.

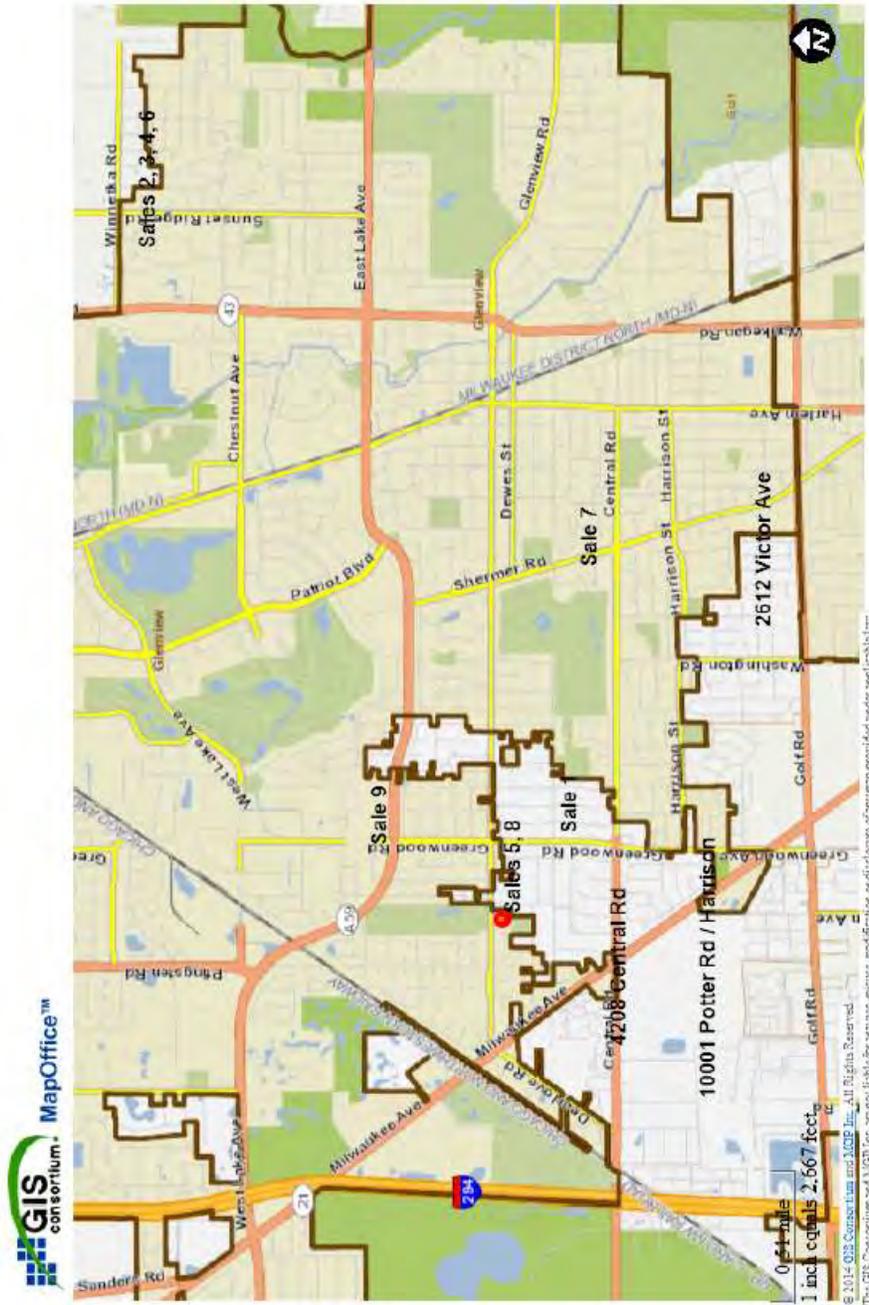
Anthony Malone, P.E.
Vice President



APPENDIX C

Location Map

2612 Victor Avenue
4208 Central Road
10001 Potter Road
Comparable Vacant Land Sales



Land Sale #1



Photo source: Zillow

715 Greenwood Road, Glenview, IL

Date of Sale: May 2014

Site Size: 14,426 square feet

Sale Price: \$190,000

Sale Price per SF: \$13.17

Grantor: John Majewski

Grantee: Chicago Title Land Trust Company

Parcel No: 04-33-406-001

Zoning: Single Family

Notes: The sale included an existing 72-year-old house. Potential tear down. Appraiser estimated cost of demolition at \$20,000. Located on a busier corner in a residential neighborhood.

Land Sale #2



Photo source: Trulia

1411 Tuscany Court, Glenview, IL

Date of Sale: September 2013

Site Size: 22,169 square feet

Sale Price: \$555,000

Sale Price per SF: \$25.03

Grantor: Firstmerit Bank

Grantee: Peter & Gayle Nicioli

Parcel No: 04-26-200-143

Zoning: Single Family

Notes: Vacant lot located in a residential cul-de-sac.

Land Sale #3



Photo source: Trulia

1410 Tuscany Court, Glenview, IL

Date of Sale: September 2013

Site Size: 23,690 square feet

Sale Price: \$560,000

Sale Price per SF: \$23.64

Grantor: Firstmerit Bank

Grantee: Istina Morariu

Parcel No: 04-26-200-145

Zoning: Single Family

Notes: Vacant lot located in a residential cul-de-sac.

Land Sale #4



Photo source: Trulia

2127 Tuscany Court, Glenview, IL

Date of Sale: June 2013

Site Size: 21,826 square feet

Sale Price: \$495,000

Sale Price per SF: \$22.68

Grantor: Earl Dodge Trust

Grantee: George & Nancy Vizer

Parcel No: 04-26-200-131

Zoning: Single Family

Notes: Vacant lot located in a residential cul-de-sac.

Land Sale #5



Photo source: Zillow

3601 Glenview Rd Lot 1, Glenview, IL

Date of Sale: June 2013

Site Size: 13,220 square feet

Sale Price: \$180,000

Sale Price per SF: \$13.62

Grantor: GVH LLC

Grantee: Trieu Ha

Parcel No: 04-33-300-118

Zoning: Single Family

Notes: Vacant lot located on a busy road.

Land Sale #6



Photo source: Trulia

1413 Tuscany Court, Glenview, IL

Date of Sale: May 2013

Site Size: 23,118 square feet

Sale Price: \$570,000

Sale Price per SF: \$24.66

Grantor: Firstmerit Bank

Grantee: Arthur & Dorothy Nadolny

Parcel No: 04-26-200-144

Zoning: Single Family

Notes: Vacant lot located in a residential cul-de-sac.

Land Sale #7



Photo source: Zillow

711 Elmgate Dr, Glenview, IL

Date of Sale: May 2013

Site Size: 9,486 square feet

Sale Price: \$189,000

Sale Price per SF: \$19.92

Grantor: Turk & Turk Inc

Grantee: William Ryan Homes

Parcel No: 04-34-415-009

Zoning: Single Family

Notes: Vacant lot located on a residential cul-de-sac.

This property previously sold in February 2012 for \$145,000. This sale included a 60-year-old house. After purchase, the house was torn down and trees were cleared. Grantor was Laverne Stamer. Grantee was Turk & Turk Inc.

Land Sale #8



Photo source: Google

3605 Liberty Lane Lot 2, Glenview, IL

Date of Sale: December 2012

Site Size: 14,333 square feet

Sale Price: \$195,000

Sale Price per SF: \$13.60

Grantor: GVH LLC

Grantee: Peter Kappos

Parcel No: 04-33-300-119

Zoning: Single Family

Notes: Vacant lot located on a residential street.

Land Sale #9

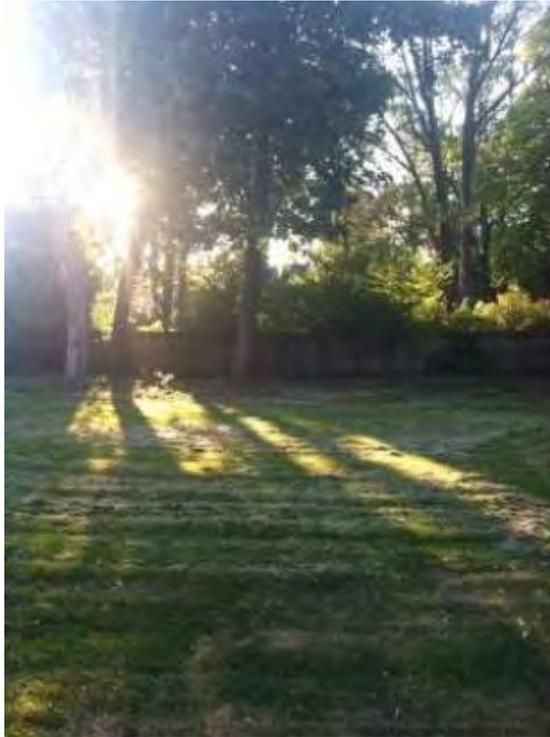


Photo source: Zillow

1406 Greenwood Road, Glenview, IL

Date of Sale: November 2012

Site Size: 15,810 square feet

Sale Price: \$114,000

Sale Price per SF: \$7.21

Grantor: Wells Fargo Bank

Grantee: Krzysztof Schabowski & Monika Kropornicka

Parcel No: 04-33-406-001

Zoning: Single Family

Notes: Vacant lot located on a busy street.

Land Sale #10

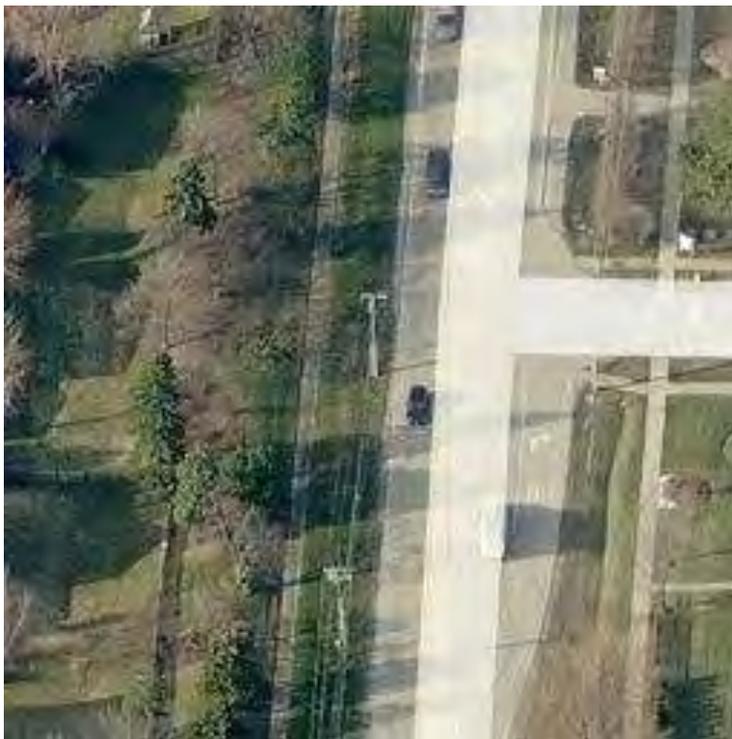


Photo source: Zillow

2935 Landwehr Road, Glenview, IL

Date of Sale: October 2013

Site Size: 9,993 square feet

Sale Price: \$199,500

Sale Price per SF: \$19.96

Grantor: J&L Gurnee LLC

Grantee: Ray Nehmzow Trust

Parcel No: 04-20-400-048

Zoning: R4

Notes: Vacant lot located on a main street.

Land Sale #11



Photo source: Trulia

3233 Thornwood Avenue, Glenview, IL

Date of Sale: August 2013

Site Size: 14,538 square feet

Sale Price: \$210,000

Sale Price per SF: \$14.44

Grantor: Jose Thomas

Grantee: Krzysztof Schabowski & Monika Kropornicka

Parcel No: 04-28-401-044

Zoning: R3

Notes: Vacant lot located on a busier residential corner.

APPENDIX D