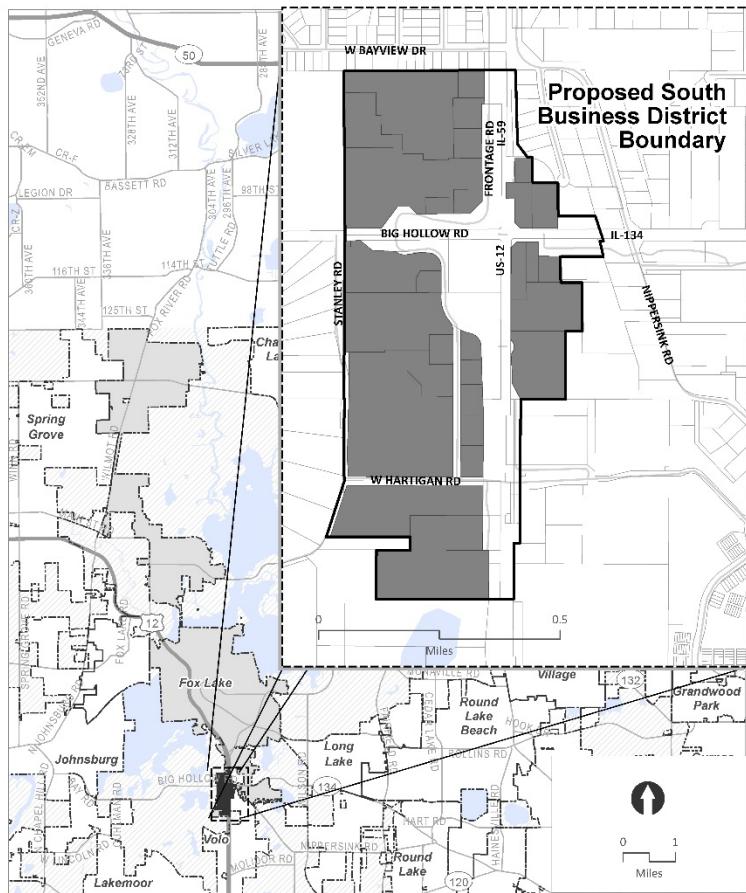


VILLAGE OF FOX LAKE, IL

South Business District Eligibility Study and Business District Plan

August 17, 2017



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South Business District
Eligibility Study and Business District Plan

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1. Introduction

The Village of Fox Lake, Illinois (the “Village”) engaged *SB Friedman Development Advisors* (“*SB Friedman*”) to conduct an Eligibility Study and prepare a Business District Plan for the designation of a commercial area in the Village (“Study Area” or “District”) as a Business District under the provisions of the Illinois Business District Development and Redevelopment Law (65 ILCS 5/11-74.3-1 et seq., as amended) (the “Act”). This Business District Plan (the “Plan”) includes a description of the Study Area, detailed information on the eligibility factors and other findings necessary to designate the Study Area as a Business District, a description of the proposed redevelopment project, and the financial plan for the District.

The Village has determined that economic development, and, specifically, infrastructure improvements and redevelopment within the Study Area will reduce or remove blighting influences within the Study Area and enhance the welfare of the Village and its residents by encouraging economic growth within the District.

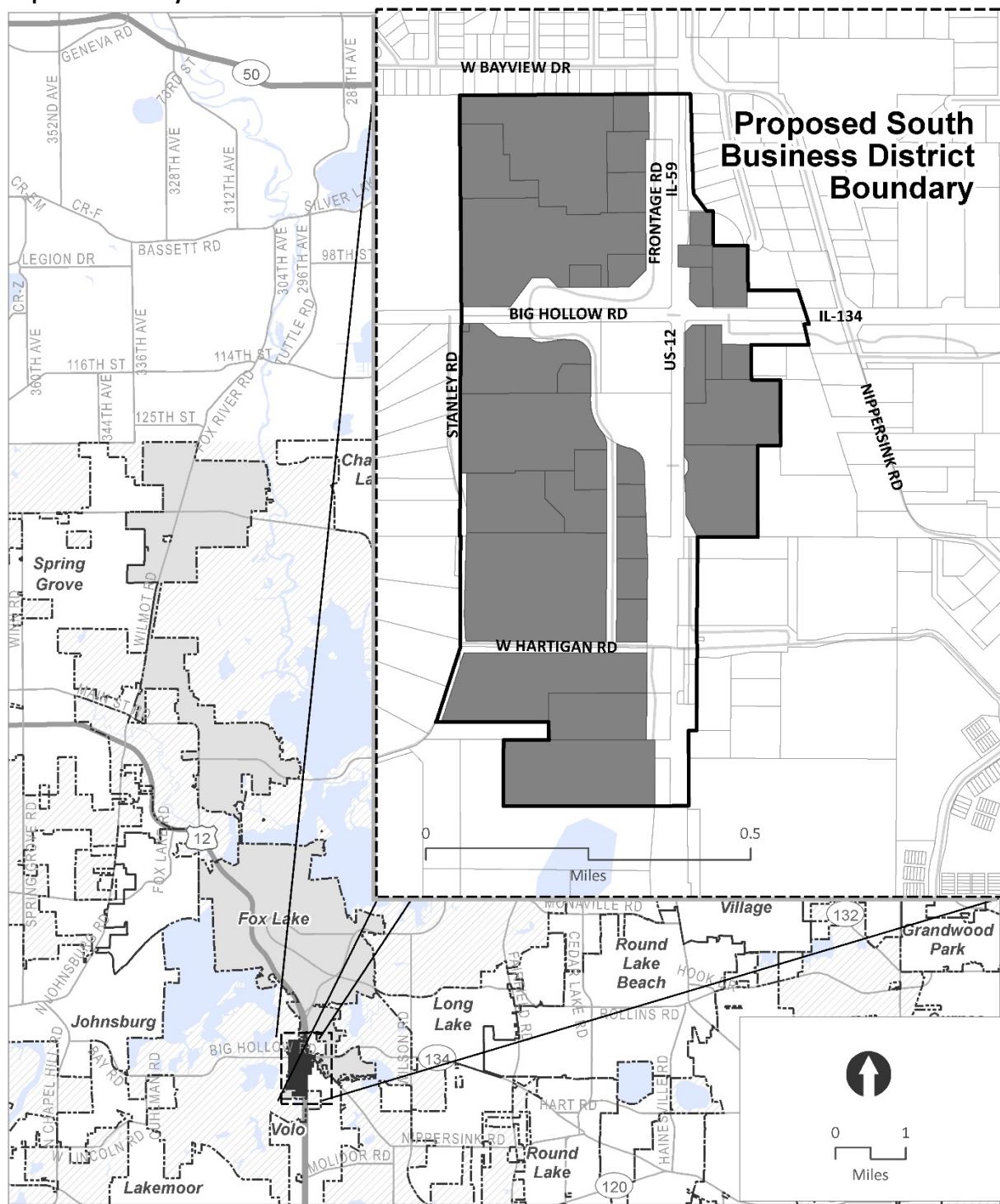
The Study Area

The Study Area for the proposed South Business District encompasses a major commercial cluster at the southern end of Fox Lake. The Study Area includes properties along or proximate to U.S. Route 12 near its intersection with Big Hollow Road, from just south of West Bayview Drive on the north to the boundary of the Village on the south.

The proposed South Business District consists of a total of 57 tax parcels and Parcel Index Numbers (PINs). There are 24 tax parcels which are public rights-of-way and were therefore excluded from the eligibility analysis. Eligibility was assessed for the remaining 33 tax parcels in the Study Area, which contain approximately 31 commercial buildings. The Study Area includes approximately 153 acres of land, of which approximately 107 acres are improved and 46 acres are rights-of-way.

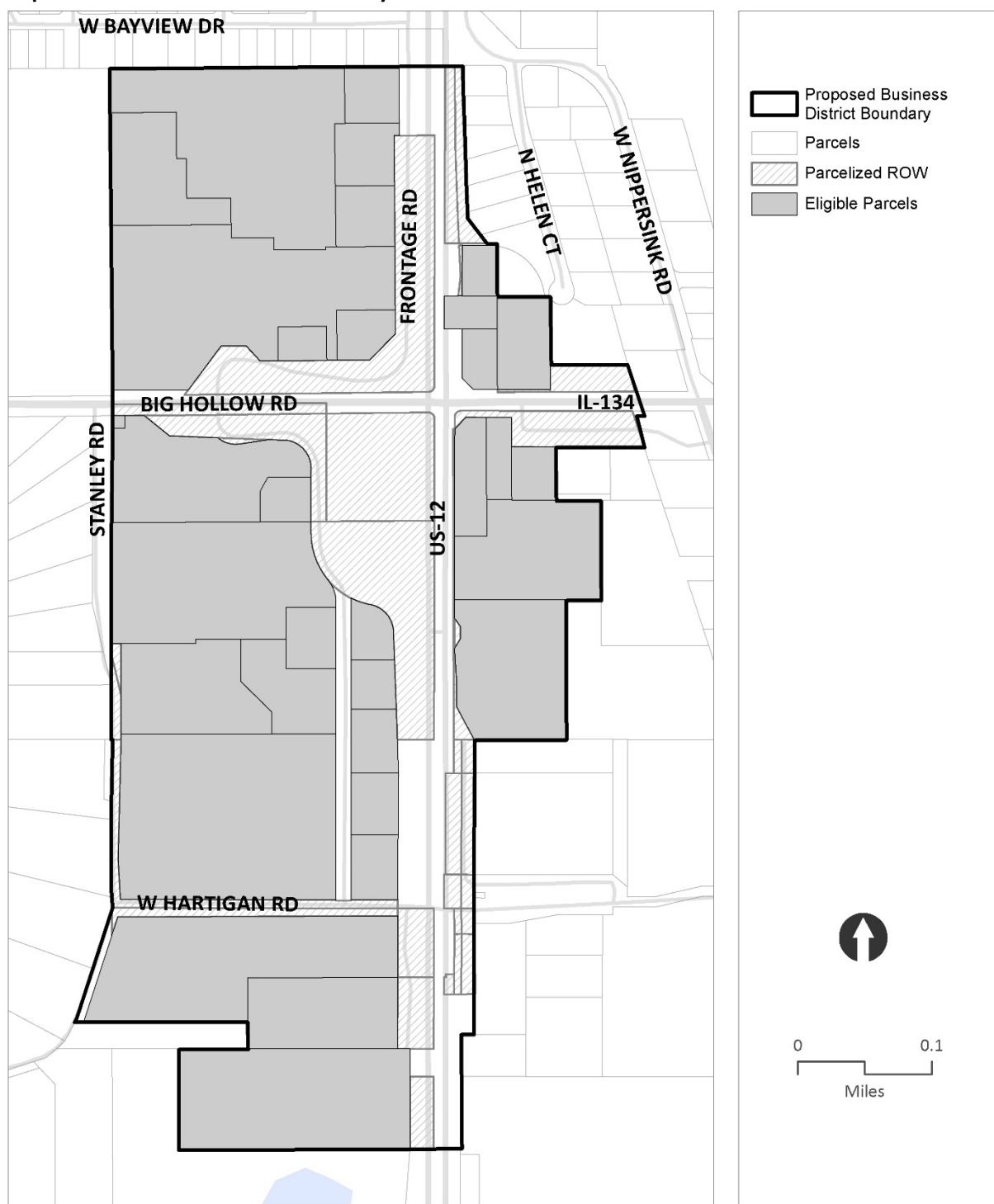
The general location of the Study Area is displayed in **Map 1** on the following page, with a more detailed boundary including parcels presented in **Map 2** on page 3. The legal description of the proposed South Business District and a list of PINs in the District are included in **Appendix 1** and **2**.

Map 1: Community Context



Source: Esri, Lake County, SB Friedman, Village of Fox Lake

Map 2: South Business District Boundary



Source: Esri, Lake County, SB Friedman, Village of Fox Lake

2. Eligibility Factors and Other Required Findings

The Study Area suffers from deteriorated site improvements and buildings, as well as improper subdivision and obsolete platting. These factors are hindering the economic potential of the South Business District. In order to enhance the economic viability of this commercial area, it is critical that the physical conditions of the Study Area be improved. Without buildings, infrastructure and platting that meet modern business and development standards, the economic viability of the South Business District will continue to be challenged. The Business District will benefit from a strategy that improves physical conditions and addresses deteriorating infrastructure, allowing for economic growth and redevelopment.

The eligibility findings presented here cover events and conditions that were determined to support the designation of the South Business District as a “blighted area” under the Act at the completion of *SB Friedman*’s research in July 2017 and not thereafter. These events or conditions include, without limitation, governmental actions and additional development. This report summarizes the analysis and findings of the consultant’s work, which, unless otherwise noted, are solely the responsibility of *SB Friedman*. The Village is entitled to rely on the findings and conclusions of this Plan in designating the South Business District under the Act.

SB Friedman has prepared this Plan with the understanding that the Village would rely on: (1) the findings and conclusions of this Plan in proceeding with the designation of the South Business District and the adoption and implementation of this Plan; and (2) the fact that *SB Friedman* obtained the necessary information, including, without limitation, information relating to the equalized assessed value of parcels comprising the District, so that this Plan will comply with the Act and that the Study Area can be designated a Business District in compliance with the Act.

Provisions of the Illinois Business District Development and Redevelopment Act

A proposed Business District in which a municipality seeks to impose taxes must meet the “blighted area” provision under the Act, in addition to satisfying several other findings and tests to qualify as a Business District. These eligibility criteria are summarized below.

“BLIGHTED AREA” DEFINITION

A study area can be considered a “blighted area” under the Act by the predominance of at least one of the following five factors:

- Defective, Non-Existent or Inadequate Street Layout
- Unsanitary or Unsafe Conditions
- Deterioration of Site Improvements
- Improper Subdivision or Obsolete Platting
- Existence of Conditions which Endanger Life or Property by Fire or Other Causes

In addition, the presence of the factor(s) must have one of the following four effects on the study area:

- Retard(s) the Provision of Housing Accommodations
- Constitute(s) an Economic or Social Liability
- Constitute(s) an Economic Underutilization of the Area
- Constitute(s) a Menace to the Public Health, Safety, Morals or Welfare

OTHER REQUIRED FINDINGS AND TESTS

In addition to the “blighted area” finding requirement for areas in which taxes will be imposed, the Act specifies four separate findings and tests required for designation of a Business District, including:

1. **Lack of Growth and Development through Private Investment.** The Village is required to evaluate whether or not the study area has been subject to growth and private investment and must substantiate a finding of lack of such investment prior to establishing a Business District.
2. **“But For” the Business District, Study Area Would Not Be Redeveloped.** The Village must find that the study area would not reasonably be anticipated to be redeveloped without the adoption of the Business District.
3. **Contiguity of Parcels.** The boundaries of the Business District must contain contiguous parcels that are directly and substantially benefited by the proposed Plan.
4. **Conformance to the Plans of the Village.** The Plan must conform to the comprehensive plan of the Village.

Methodology Overview

SB Friedman conducted the following analyses to determine whether the Study Area qualifies as a “blighted area,” as defined by the Act:

- Parcel-by-parcel fieldwork documenting external property conditions of commercial spaces;
- Analysis of historic trends in equalized assessed value for the last six years (five year-to-year periods) for which data are available and final (2011-2016) from the Lake County Assessor’s Office;
- Review of building permit records (January 2012-May 2017);
- Review of GIS parcel shapefile data from Lake County;
- Review of traffic accident data (2012-2016) provided by the Village Police Department;
- Review of the Village’s current comprehensive plan (2012).

All properties were examined for qualification factors consistent with the “blighted area” requirements of the Act. Based upon these criteria, *SB Friedman* concluded that the properties within the Study Area exhibit the necessary eligibility factors to qualify for Business District designation.

To arrive at this designation, *SB Friedman* calculated the number of eligibility factors present on a parcel-by-parcel basis, and analyzed the spatial distribution of the eligibility factors. When appropriate, the presence of eligibility factors was calculated on adjacent infrastructure and ancillary properties associated

with the structures. The eligibility factors were correlated to tax parcels and buildings using aerial photographs, property files created from field observations, and record searches. The information was then graphically plotted on a parcel map of the Study Area to establish the distribution of eligibility factors, and to determine which factors were present to a major extent and reasonably distributed throughout the Study Area.

Eligibility Findings

BLIGHTED AREA FINDING

Our research indicates the Study Area would qualify as a “blighted area” due to the predominance of two factors:

1. Deterioration of Site Improvements
2. Improper Subdivision or Obsolete Platting

SB Friedman observed deterioration on a majority of structures and parcels throughout the Study Area. Improper subdivision and obsolete platting are also present to a significant extent throughout the Study Area. **Maps 3 and 4** on pages 8 and 9 display the distribution of the eligibility factors.

DETERIORATION

Physical deterioration of surface improvements and/or buildings was observed on 27 of 33 (82%) tax parcels in the Study Area. The most common form of deterioration was on surface improvements, including streets, parking lots and walkways. Catalogued surface improvement deterioration included cracks in infrastructure, alligatoring of pavement, and crumbling curbs. Building deterioration included stairstepping in brick or cinderblock, water-damaged facades, and cracked foundations. Deterioration of buildings and surface improvements make it appear as though the Study Area lacks investment and can make it more difficult to attract new businesses or consumers. This factor was found to be meaningfully present and reasonably distributed throughout the Study Area.

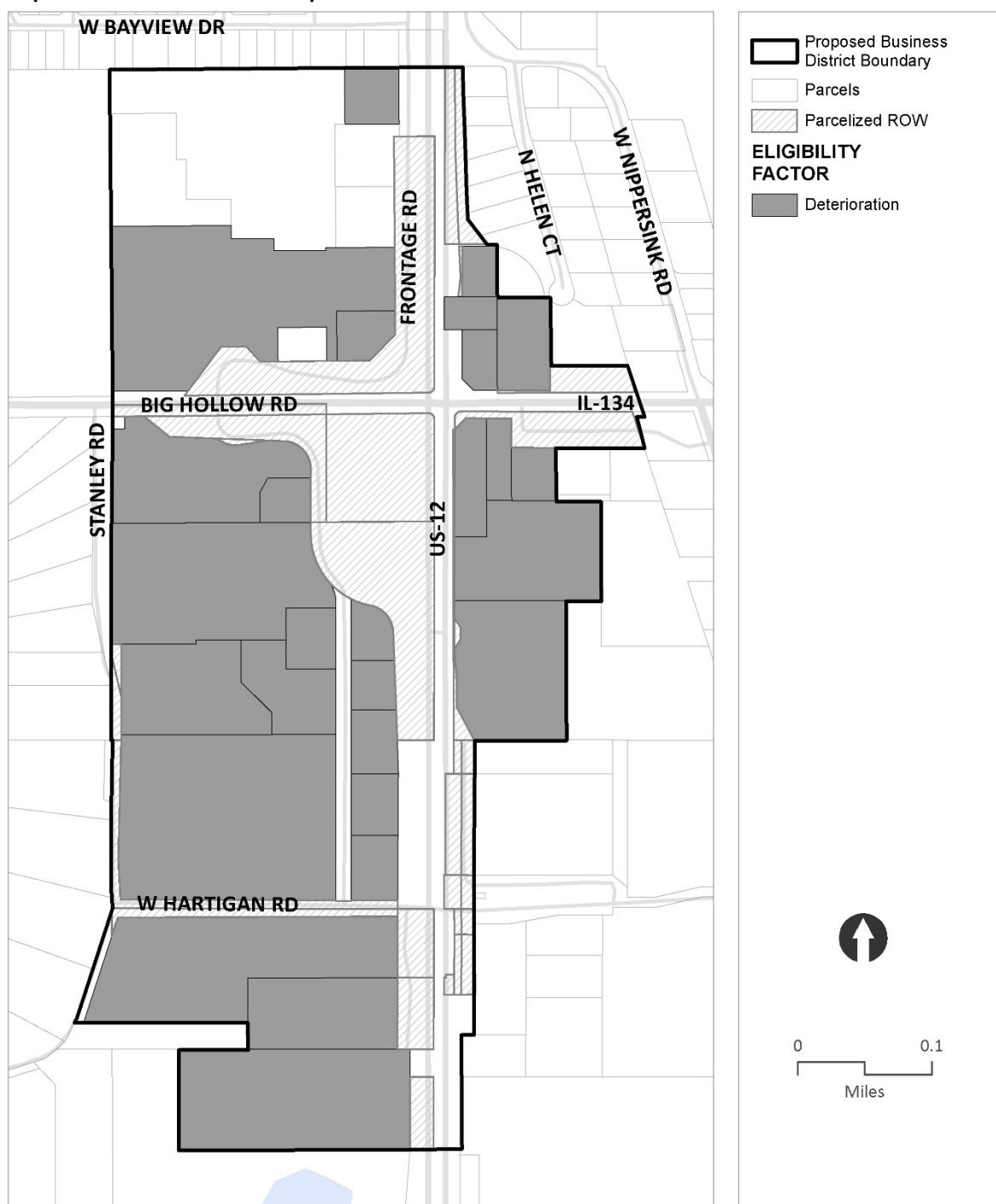
IMPROPER SUBDIVISION OR OBSOLETE PLATTING

A substantial portion of the parcels within the Study Area (14 of 33 tax parcels, or 42%) are characterized by improper subdivision or obsolete platting. The existing platting for the parcels does not meet current standards or the needs of contemporary commercial users, making the area difficult to redevelop on a planned basis. Characteristics that indicate improper subdivision or obsolete platting are described further below:

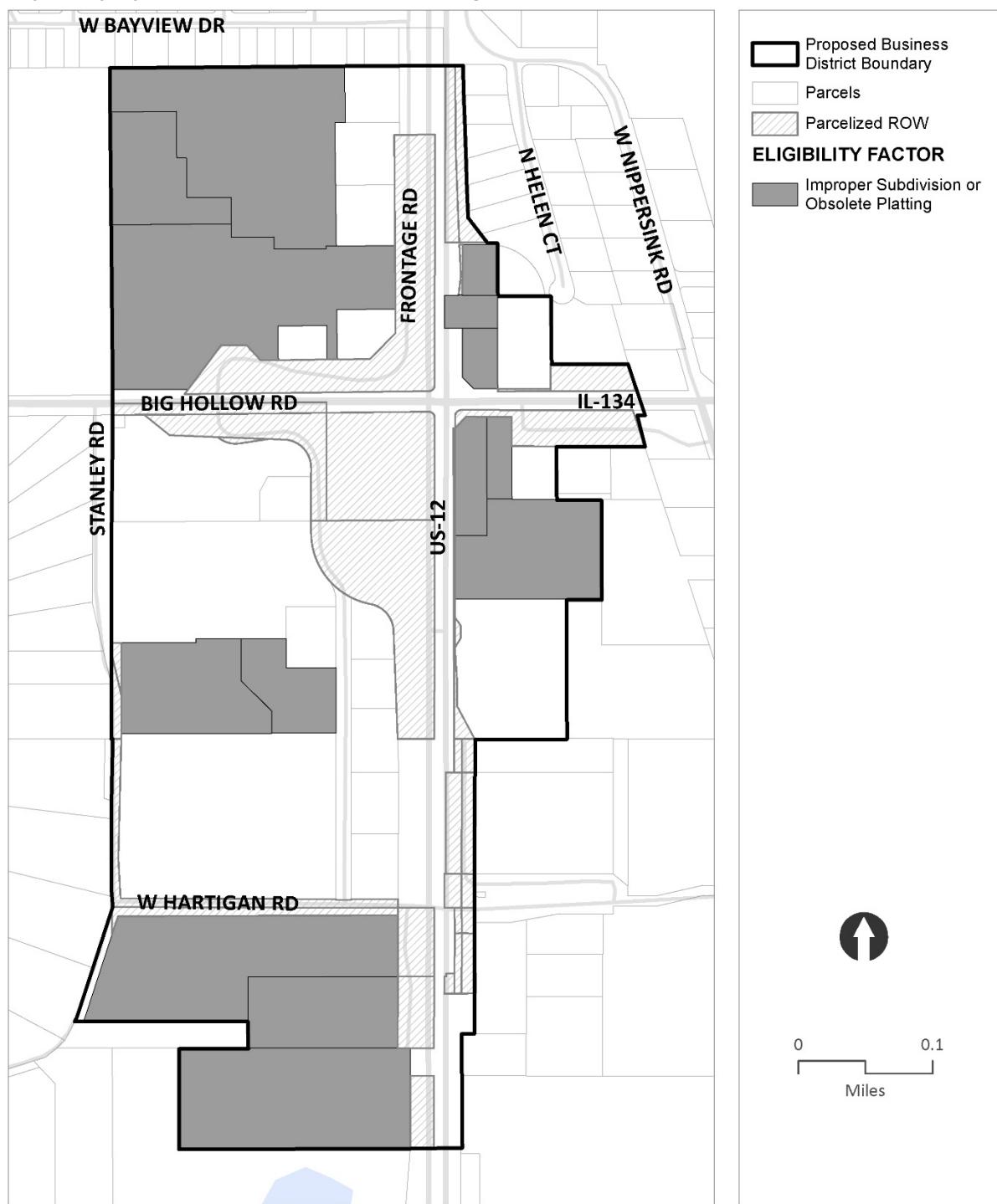
- The platting in some parts of the Study Area failed to create rights-of-way for streets adjacent to parcels, leaving several parcels without access to rights-of-way. This is most notable on the west side of U.S. Route 12. In addition, some rights-of-way, while appearing to offer access to adjacent parcels when viewed on a two-dimensional map, are actually physically separated from parcels due to significant elevation differences or limited access from U.S. Route 12. For example, parcels located along the east side of U.S. Route 12, a limited-access highway, near Big Hollow Road are adjacent to the right-of-way, but cannot be accessed and lack a public frontage road.

- Several parcels along the west side of U.S. Route 12 south of West Hartigan Road, given their point of access, do not have suitable street frontage to meet modern business and development preferences.

Based on these findings, a significant portion of parcels throughout the Study Area do not meet contemporary development standards and are characterized by improper subdivision and obsolete platting. This factor was found to be present and meaningfully distributed throughout the Study Area.

Map 3: Deterioration of Site Improvements

Source: Esri, Lake County, SB Friedman, Village of Fox Lake

Map 4: Improper Subdivision or Obsolete Platting

Source: Esri, Lake County, SB Friedman, Village of Fox Lake

Findings Regarding Effect of Blighting Factors on Study Area

It appears that the blighting factors have one effect on the Study Area:

1. Constitutes an Economic Underutilization of the Area

ECONOMIC UNDERUTILIZATION OF THE AREA

Based on an analysis of Lake County assessment data, the equalized assessed value ("EAV") of the properties in the Study Area has declined in four of the past five year-to-year periods. The Study Area has also grown more slowly or declined more quickly than the consumer price index for the Chicago-Gary-Kenosha area in four of the past five periods, as showing in **Table 1** below. Both of these trends indicate a lack of growth in the Study Area.

Table 1: Growth of Equalized Assessed Value in Study Area and Balance of Fox Lake

| | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|
| Study Area Growth (%) | -3.3% | -3.1% | -6.8% | 5.5% | -21.5% |
| Decline in Study Area EAV | YES | YES | YES | NO | YES |
| Change in CPI (%) | 1.5% | 1.1% | 1.7% | -0.3% | 0.7% |
| Growth Less than CPI | YES | YES | YES | NO | YES |

Source: Bureau of Labor Statistics, CPI: Chicago-Gary-Kenosha metro area, Lake County Assessor, *SB Friedman*

The lack of growth and recent declines in property value suggest that deterioration and obsolete platting are affecting the economic potential of the area, reducing the appeal of the commercial area for both businesses and consumers. These existing challenges hinder the ability of the District to attract new commerce, investment or development. Therefore, the deterioration of structures and surfaces and the obsolete platting constitute an *economic underutilization of the area*.

Other Required Findings and Tests

In addition to the "blighted area" finding, the Act specifies four separate required findings and tests for designation. Our research, as described below, indicates that the Study Area will satisfy these requirements.

LACK OF GROWTH AND DEVELOPMENT THROUGH PRIVATE INVESTMENT

The Village is required to evaluate whether or not the Study Area has been subject to growth and private investment and must substantiate a finding of lack of such investment prior to establishing a Business District.

As described above and shown in **Table 1**, the EAV of the properties in the Study Area has declined and has also grown more slowly or declined more quickly than the consumer price index for the Chicago-Gary-Kenosha area in four of the past five periods. Both of these trends indicate a lack of growth and private investment in the Study Area.

A second key indicator of private investment is construction-related permit activity. According to Village data, no new construction permits were issued in the Study Area from January 2012 to May 2017. During the five-and-a-half-year period, seven commercial alteration permits were issued for properties within the Study Area, with average annual construction value of just \$85,000 for the entire Study Area, indicating relatively low levels of investment for an area of this size. Despite renovation or maintenance of certain properties, overall EAV has declined over the five-and-a-half-year period. Thus, the Study Area has not been subject to growth and private investment.

“BUT FOR” BUSINESS DISTRICT, STUDY AREA WOULD NOT BE REDEVELOPED

The Village is required to find that, but for the designation of the Business District, it is unlikely that significant investment would occur in the proposed South Business District.

Without the support of public resources, the redevelopment objectives for the Study Area would most likely not be realized. The area-wide improvements and development assistance resources needed to upgrade infrastructure, rehabilitate properties, and support redevelopment are extensive and costly, and the private market, on its own, has shown little ability to absorb all such costs. The Village has limited capacity to fund capital improvements of the sort that appear necessary to remove blighting factors.

Given the lack of growth and recent declines in property value, the lack of new private investment, existing building and surface deterioration, and the considerable deficiencies in platting, it appears unlikely that private investment would occur in the Study Area without creation of the Business District. Accordingly, but for the designation of a Business District, projects which would contribute substantially to area-wide redevelopment and economic growth are unlikely to occur.

CONTIGUITY OF PARCELS

No Business District can be designated unless a plan is approved prior to the designation of the district; and the district can only include those contiguous parcels that are to be directly and substantially benefited by the proposed Business District.

All parcels in the Study Area are contiguous, and are expected to directly and substantially benefit from the Plan.

CONFORMANCE TO THE PLANS OF THE VILLAGE

The Plan must conform to the Village’s comprehensive plan and other Village strategic plans, or include land uses that have been approved by the Village.

Based on a review of the 2012 Comprehensive Plan, the proposed South Business District Plan conforms to the Village’s Comprehensive Plan.

3. Redevelopment Plan and Project

Redevelopment Needs of Business District

The economic potential of the South Business District is currently hampered by deterioration of buildings and surface improvements, as well as obsolete platting. Investment in buildings and improvements in roadways, parking and other public infrastructure in the Study Area are necessary to increase the economic viability within and adjacent to the South Business District. The existing conditions of the Study Area suggest four (4) major redevelopment needs for the South Business District:

1. Rehabilitation of existing buildings;
2. Infrastructure and capital improvements;
3. Resources for new commercial development; and
4. Site preparation.

This Redevelopment Plan identifies tools for the Village to support the improvement of the Study Area through provision of necessary infrastructure improvements and support of other public and private improvements to best serve the interests of the Village, local business owners and residents.

The public and private improvements outlined in this Redevelopment Plan will create an environment conducive to economic growth and development within the South Business District and the Village overall. The goals and objectives discussed below have been developed to address these needs and facilitate the sustainable redevelopment of the District.

Goals and Objectives

The overall goal of this Redevelopment Plan is to reduce or eliminate conditions that qualify the Study Area as a blighted area under the Act and to provide the direction and mechanisms necessary to create a vibrant commercial district that will strengthen the economic base and enhance the quality of life of the Study Area and Village as a whole.

Seven (7) objectives support the overall goal of area-wide revitalization of the South Business District:

1. Enhance the Village's tax base by encouraging investment and redevelopment within the District;
2. Improve the flow of traffic to, from and within the District;
3. Foster the replacement, repair, construction and/or improvement of the public infrastructure where needed;
4. Increase safety of vehicles and pedestrians moving through the District;
5. Increase and promote beautification within the District;
6. Promote the improvement of façades and signage within the District; and
7. Promote private investment within the Village.

Redevelopment Project

The proposed Redevelopment Project is intended to ameliorate deterioration of site improvements and obsolete platting to promote economic growth in the South Business District and the Village overall. Public and private improvements along or proximate to U.S. Route 12 near Big Hollow Road, from just south of West Bayview Drive on the north to the boundary of the Village on the south will increase the economic viability of businesses within and adjacent to the South Business District. The anticipated components of the Redevelopment Project are as follows:

- Support improvements to public and private property, including improvements to existing structures within the Study Area; and
- Facilitate and encourage development of underutilized properties within the Study Area; and

The Redevelopment Project is expected to affect each of the properties in the proposed Business District.

4. Financial Plan

Eligible Costs

Under the Act, eligible Business District Project Costs include all costs incurred by the municipality, other governmental entity or nongovernmental entity in the furtherance of the Plan, and may include:

- Costs of studies, surveys, development of plans and specifications, implementation and administration of a Plan, and personnel and professional service costs including architectural, engineering, legal, market, financial, planning, or other professional services, provided no charges for professional services may be based on a percentage of tax revenues received by the municipality;
- Property assembly costs, including but not limited to, acquisition of land and other real or personal property or rights or interests therein, and specifically including payments to developers or other nongovernmental persons as reimbursement for property assembly costs incurred by that developer or other nongovernmental person;
- Site preparation costs including but not limited to, clearance, demolition or removal of any existing buildings, structures, fixtures, utilities, and improvements, and clearing and grading of land;
- Costs of installation, repair, construction, reconstruction, extension, or relocation of public streets, public utilities, and other public site improvements within or without the Business District which are essential to the preparation of the Business District for use in accordance with the Plan, and specifically including payments to developers or other nongovernmental persons as reimbursement for site preparation costs incurred by the developer or nongovernmental person;
- Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of any existing buildings, improvements and fixtures within the Business District, and specifically including payments to developers or other nongovernmental persons as reimbursement for costs incurred by such developer or nongovernmental person;
- Costs of installation or construction within the Business District of buildings, structures, works, streets, improvements, equipment, utilities, or fixtures, and specifically including payments to developers or other nongovernmental persons as reimbursements for such costs incurred by such developer or nongovernmental person;
- Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations, payment of any interest on any obligations issued under the Act that accrues during the estimated period of construction of any redevelopment project for which obligations are issued and for not exceeding 36 months thereafter, and any reasonable reserves related to the issuance of those obligations; and

- Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law.

Anticipated Project Costs

The estimated eligible costs of this Redevelopment Plan are shown in **Table 2** below. The Total Business District Project Costs shown in **Table 2** provides an upper limit on expenditures that are to be funded using Business District revenues, exclusive of capitalized interest, issuance costs, interest, and other financing costs. Additional funding in the form of county, state and federal grants, private developer contributions and other outside sources may be pursued by the Village as a means of financing improvements and facilities that are of benefit to the general community.

Table 2. Total Business District Project Costs

| Eligible Cost Categories [1] | Budget |
|--|---------------------|
| Professional Services (including analysis, administration, studies, surveys, legal, marketing, etc.) | \$500,000 |
| Property Assembly (including acquisition, reimbursement for developer assembly costs) | \$500,000 |
| Site Preparation (including clearance, demolition, clearing & grading) | \$500,000 |
| Public Works or Improvements (within or without Business District, which are essential to Plan, including streets, utilities and other public site improvements) | \$15,000,000 |
| Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements (including renovation, relocation, repair and remodeling) | \$8,000,000 |
| Construction or Installation of Buildings, Improvements, Fixtures, Equipment or Utilities | \$8,000,000 |
| Financing Costs (including expenses related to issuance, interest and reserves related to obligations) | \$400,000 |
| Relocation Costs (to the extent municipality deems necessary) | \$100,000 |
| TOTAL BUSINESS DISTRICT PROJECT COSTS [2] [3] | \$33,000,000 |

[1] Costs are shown in 2017 dollars and shall be adjusted from time to time to reflect changes in the cost of living, as measured by the U. S. Department of Labor's Consumer Price Index.

[2] Increases in estimated Total Business District Project Costs of more than 5%, after adjustment for inflation from the date this Redevelopment Plan is approved, are subject to the amendment procedures as provided under the Act.

[3] Adjustments may be made among line items in the budget without amendment, as provided under the Act.

Each individual Business District Project Cost will be reevaluated in light of Business District goals as it is considered for public financing under the provisions of the Act. The totals of line items set forth in **Table 2** are not intended to place a limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs because of changed redevelopment costs and needs. Within the Total Business District Project Costs limit, adjustments to the estimated line

item costs in **Table 2** are expected and may be made by the Village without amendment to this Redevelopment Plan.

The Business District Project Costs described above are intended to further the goals outlined in this Plan, and will benefit the owners and tenants of commercial businesses in the South Business District, as well as Village residents and patrons of local businesses.

Anticipated Sources of Funds to Pay Project Costs

As required by the Act, the Village shall establish and maintain a South Business District Tax Allocation Fund (“the Fund”) to which Business District revenues generated through the Business District Retailers’ Occupation Tax, Business District Service Occupation Tax and Business District Hotel Operator’s Occupation Tax shall be deposited or credited. The Business District Taxes shall be administered as provided in the Act. Eligible Business District Project Costs are to be paid from these sources of revenue, as described below.

BUSINESS DISTRICT RETAILERS’ OCCUPATION TAX

A Business District Retailers’ Occupation Tax will be imposed upon persons engaged in the business of selling tangible personal property at retail (excluding property titled or registered with an agency of the State of Illinois government) in the District at a rate of 1.0% of the gross receipts from the sales made in the course of such business. The tax may not be imposed on food for human consumption that is to be consumed off the premises from which it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purposes of rendering it usable by a disabled person, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use.

BUSINESS DISTRICT SERVICE OCCUPATION TAX

A Business District Service Occupation Tax will be imposed upon all persons in the District engaged in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the Business District, either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. This tax will be imposed at a rate of 1.0% and may not be imposed on food for human consumption that is to be consumed off the premises from which it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purposes of rendering it usable by a disabled person, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use.

BUSINESS DISTRICT HOTEL OPERATOR’S OCCUPATION TAX

A Business District Hotel Operator’s Occupation Tax will be imposed upon all persons in the District engaged in the business of renting, leasing or letting rooms in a hotel, at a rate of one (1) percent of the gross rental receipts, excluding from gross rental receipts, the proceeds of such renting, leasing or letting to permanent residents of that hotel.

OTHER SOURCES OF FUNDS

Other sources of funds that may be used to pay for development costs and associated obligations issued or incurred include land disposition proceeds, state and federal grants, investment income, private investor and financial institution funds, and other sources of funds and revenues as the municipality and developer from time to time may deem appropriate.

Issuance of Obligations

To finance Business District Project Costs, the Village may issue bonds or obligations secured by the anticipated Business District Retailers' Occupation Tax, Business District Service Occupation Tax and Business District Hotel Operator's Occupation generated within the South Business District, or such other bonds or obligations as the Village may deem as appropriate.

All obligations issued by the Village pursuant to this Redevelopment Plan and the Act shall be retired in the manner provided in the ordinance authorizing issuance of such obligations, by the receipts of taxes from the South Business District and by any other revenue designated or pledged by the Village. The final maturity date of any such obligations that are issued may not be later than 20 years from their respective dates of issue or the dissolution of the Business District, whichever is earlier.

In addition to paying Business District Project Costs, Business District revenues may be used for the scheduled and/or early retirement of obligations, as provided in the ordinance issuing such obligations. As provided in the Act, following payment or reimbursement for all Business District Project Costs, any surplus funds in the Fund will be deposited into the Village's general corporate fund.

5. Establishment and Term of District

Pursuant to the Act, the term of the South Business District shall not exceed 23 years from the date the ordinance approving this Plan and designating the District is approved. The Business District Retailers' Occupation Tax, Business District Service Occupation Tax and Business District Hotel Operator's Occupation Tax will be imposed for no longer than the term of the District.

6. Provisions for Amending Plan

This Plan may be amended pursuant to the provisions of the Act.

Appendix 1: Boundary Legal Description

A part of the Northwest, Northeast, Southeast and Southwest fractional Quarters of Section 22, Township 45 North, Range 9 East of the Third Principal Meridian described as follows:

Beginning at the Northwest corner of Lot 7 in Fox Lake Crossing, being a subdivision of part of the Northeast Quarter of the Northwest Quarter of said Section 22, according to the plat thereof recorded February 5, 2002 as Document No. 4852341; thence South along the West line of said Northeast Quarter of the Northwest Quarter and the West line of the Southeast Quarter of said Northwest Quarter to the centerline line of a roadway easement per Document No. 514982, also known as Stanley Road and Hartigan Road; thence Southerly along said centerline to the Southerly line of a parcel of land described by Document No. 2782678; thence Easterly along said Southerly line to the Westerly line of a parcel of land described by Document No. 3420663; thence Southerly along said Westerly line to the Northerly line of a parcel of land described as "Parcel 4" per Document No. 3892128; thence Westerly along said Northerly line to the Northwest corner thereof; thence Southerly along the Westerly line of said parcel to the Southwest corner thereof; thence Easterly along the Southerly line of said parcel and the Easterly extension thereof to the Easterly Right of Way line of US Route 12; thence Northerly along said Easterly line to the Northwest corner of Outlot A in Volo Home Depot Subdivision, being a subdivision of part of the Northwest Quarter of the Southeast Quarter of said Section 22, according to the plat thereof recorded August 28, 2002 as Document No. 4997015; thence Easterly along the Northerly line of said Outlot A to the Southwest corner of Outlot C in said Volo Home Depot Subdivision; thence Northerly along the Westerly lines of Outlot C, Outlot D and Outlot F in said Volo Home Depot Subdivision and the Easterly lines of parcels of land taken for US Route 12 right of way per Document Nos. 949111 and 949113 to the Northerly line of a parcel of land described by Document No. 4913813; thence Easterly along said Northerly line to a line 473.80 feet East of and parallel with the West line of the Southwest Quarter of the Northeast Quarter of said Section 22; thence Northerly along said parallel line to the Southerly line of a parcel of land described as "Parcel 1" per Document No. 4872803; thence Easterly along said Southerly line to the Southeast corner thereof; thence Northerly along the Easterly line of said parcel to a line 384.0 feet South of and parallel with the North line of the Southwest Quarter of the Northeast Quarter of said Section 22; thence Westerly along said parallel line to the Easterly line of a parcel of land labeled as PIN 05-22-200-018 per Document No. 4872803; thence Northerly along said Easterly line to the Southerly line of Big Hollow Road per Document No. 979866; thence Easterly along said Southerly line to the Easterly line of a parcel of land described by Document No. 5574259; thence Northerly along the Northerly extension of said Easterly line to the North line of the Southwest Quarter of the Northeast Quarter of said Section 22; thence Easterly along said North line to the Southerly extension of the Easterly line of Lot 10 in Jones' Subdivision, being a subdivision of part of the Northwest Quarter of the Northeast Quarter of said Section 22, according to the plat thereof recorded September 22, 1956 in Book 1483 of Deeds Page 187; thence Northerly along said Southerly extension to the Southeast corner of said Lot 10; thence Westerly along the Southerly line of Lots 9 & 10 in said Jones' Subdivision to the East line of Lot 10 in Dalziel's Subdivision, being a subdivision of part of the Northwest Quarter of the Northeast Quarter of said Section 22, according to the plat thereof recorded July 8, 1955 in Book 33 of Plats Page 38; thence Northerly along the Easterly line of said Lot 10 to the Northeast corner thereof; thence Westerly along the Northerly line of said Lot 10 to the Northwest corner thereof said point also being the Southwest corner of Lot A in said Dalziel's Subdivision; thence Northerly along the Westerly line of said Lot A to the Southwesterly line of Lot 23 in said Jones' Subdivision; thence Westerly, Northwesterly and Northerly along said Southwesterly line and along the Westerly lines of Lots 22, 21, 8, 7, 6 and 5 in said Jones'

Subdivision to the Northwest corner of said Lot 5; thence Westerly to the Northeast corner of Lot 6 in said Fox Lake Crossing; thence Westerly along the Northerly line of said Lot 6 and Lot 7 in said Fox Lake Crossing to the Point of Beginning, all in Lake County, Illinois.

Appendix 2: List of PINs in Business District

| PIN in South BD | 2016 EAV |
|------------------------|-----------------|
| 05-22-100-006* | \$ - |
| 05-22-100-017* | \$ - |
| 05-22-100-027 | \$ - |
| 05-22-100-029 | \$ - |
| 05-22-100-030 | \$ 356,631 |
| 05-22-100-035* | \$ - |
| 05-22-100-037* | \$ - |
| 05-22-101-001 | \$ 231,434 |
| 05-22-101-002 | \$ 223,542 |
| 05-22-101-003 | \$ 351,543 |
| 05-22-102-002 | \$ 632,861 |
| 05-22-102-003 | \$ 236,310 |
| 05-22-102-004 | \$ 31,760 |
| 05-22-102-005 | \$ 61,333 |
| 05-22-102-006 | \$ 81,616 |
| 05-22-102-007 | \$ 357,277 |
| 05-22-102-008 | \$ 173,218 |
| 05-22-102-009 | \$ 3,282,297 |
| 05-22-103-006 | \$ 160,741 |
| 05-22-103-007* | \$ 243 |
| 05-22-103-008 | \$ 110,384 |
| 05-22-103-009 | \$ 1,877,428 |
| 05-22-103-010 | \$ 181,220 |
| 05-22-200-015 | \$ - |
| 05-22-200-016 | \$ - |
| 05-22-200-017* | \$ - |
| 05-22-200-018 | \$ - |
| 05-22-200-021 | \$ - |
| 05-22-200-023 | \$ - |

| PIN in South BD | 2016 EAV |
|------------------------|---------------------|
| 05-22-200-057* | \$ 54 |
| 05-22-200-059* | \$ - |
| 05-22-200-060 | \$ 28,391 |
| 05-22-200-061 | \$ 33,919 |
| 05-22-200-062 | \$ 34,075 |
| 05-22-201-008* | \$ - |
| 05-22-201-025* | \$ 54 |
| 05-22-201-026 | \$ 18,084 |
| 05-22-300-012 | \$ 65,909 |
| 05-22-300-015 | \$ 183,050 |
| 05-22-300-021 | \$ 298,324 |
| 05-22-300-023 | \$ 500,000 |
| 05-22-300-026* | \$ 54 |
| 05-22-300-027* | \$ 54 |
| 05-22-300-028* | \$ 54 |
| 05-22-300-029* | \$ - |
| 05-22-302-001 | \$ 374,228 |
| 05-22-302-002 | \$ 359,577 |
| 05-22-400-015* | \$ 54 |
| 05-22-400-016* | \$ 54 |
| 05-22-400-017* | \$ 54 |
| 05-22-400-018* | \$ 54 |
| 05-22-400-019* | \$ 54 |
| 05-22-400-020* | \$ 54 |
| 05-22-400-021* | \$ 54 |
| 05-22-400-022* | \$ 54 |
| 05-22-400-023* | \$ 54 |
| 05-22-400-024* | \$ 54 |
| Total EAV | \$10,246,205 |

* Parcelized rights-of-way excluded from analysis.

Source: Lake County, SB Friedman