



TRACY CROSS & ASSOCIATES, INC.

April 28, 2021

Mr. Paul Swanson
Paul Swanson Associates, Inc.
401 E. Prospect Avenue
Suite 201
Mount Prospect, IL 60056

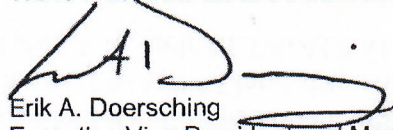
Dear Mr. Swanson:

As further clarification to our professional opinion letter dated April 7, 2021, it is our contention that the development of 68 luxury apartments at 2305 Sokol Court in Darien will have **no negative impact** on nearby property values, namely the townhome residences to the east and the condominiums to the south. This objective and unbiased opinion is by no means arbitrary. In fact, it is based upon years of experience conducting residential market studies, feasibility reports and case study analyses throughout the greater Chicago region (and elsewhere throughout the country for that matter). Specifically, we have yet to see a luxury apartment community like that proposed for Darien have any type of negative impact on the value of nearby ownership units, especially considering the types of homes within close proximity of the site. As a luxury apartment community, the 2305 Sokol development will appeal to professional singles and couples, empty-nesters, and a number of other market segments, all of which will support higher income levels considering the product that is being proposed. As such, the tenant profile of the luxury apartment community will actually be complimentary to ownership households nearby.

Let me know if I can be of further assistance.

Respectfully submitted,

TRACY CROSS & ASSOCIATES, INC.



Erik A. Doersching
Executive Vice President and Managing Partner



TRACY CROSS & ASSOCIATES, INC.

April 7, 2021

Mr. Paul Swanson
Paul Swanson Associates, Inc.
401 E. Prospect Avenue
Suite 201
Mount Prospect, IL 60056

Dear Mr. Swanson:

At your request, Tracy Cross & Associates, Inc. reviewed the development proposal for 68 luxury apartments to be introduced within the 2305 Sokol Court property in Darien, Illinois – to assess the potential impact of this new community on home values nearby, namely the townhome residences to the east and the condominiums to the south. Based upon our extensive experience conducting residential market studies and feasibility analyses throughout the Chicago region, which has included numerous evaluations very similar to that being conceptualized for 2305 Sokol Court, it is our professional opinion that this development initiative will have *no negative impact* on nearby property values. In fact, the introduction of high-quality rental apartments within similar situations throughout the Chicago region have often helped solidify nearby values, simply on the basis of the improvement to the area(s).

Let me know if you have any questions or need anything further.

Respectfully submitted,

TRACY CROSS & ASSOCIATES, INC.

Erik A. Doersching
Executive Vice President and Managing Partner

AN OVERVIEW OF CREDENTIALS

Tracy Cross & Associates, Inc. is a professional consulting group serving the real estate industry in the areas of market analysis, strategy development, product planning and market positioning. From population demographics and psychographics, through economic variables, area comparables and locational factors, to growth and absorption projections, the firm's primary goal is to identify development opportunities where they exist, and to define what the market *is* and what it *is not*, and most importantly, *where the market is heading* – thereby guiding its client base each step of the way along a rational, workable path to success.

Tracy Cross & Associates, Inc. was founded in 1980 and represents national, regional and local developers, builders and their financial partners as well as public agencies and governmental bodies. On a national scale, the firm's expertise in consumer buying and renting trends in the housing sector has led the company into the planning framework of larger-scale master-planned, mixed-use communities, numerous suburban developments, local redevelopment initiatives, and infill endeavors in urban cores and in mature, built-up suburban areas. Geographic areas of specialized focus include the Midwest, South Atlantic, South Central, and Mountain regions of the country.

Headquartered in Schaumburg, Illinois, Tracy Cross & Associates, Inc. offers a full range of services including but not limited to....

SERVICES OFFERED BY TRACY CROSS & ASSOCIATES, INC.

Service	Description
Strategic Planning	Insights to a market, metropolitan area, or region.
Product Planning	Developing the right mix with the right product, with the right features, at the right price or rent.
Master-Planned, Golf Course, and Traditional Neighborhood Development	What to plan, what to build, and how to price.
Urban and Infill Communities	Grasping the complexity of this highly segmented lifestyle market.
Municipal, County, and Regional Applications	Transferring to governmental bodies, an understanding of the residential market and how it applies to revitalization, gentrification, and other forms of housing or mixed-use development.
Action Plans for the Suburban Environment	Design, pricing, and absorption analyses for the single family, townhome, and condominium builder.
Keeping Pace in the Rental Sector	Meeting the consumer head-on with the right product at economically viable rents.
Custom Home and Luxury Development	Competing for the discretionary consumer.
Active Adult and Age-Targeted Opportunities	Developing the discipline needed to successfully sell to this most fickle market.
Second Home and Resort Development	Bringing the buyer to ocean, mountain, lake, and other recreational retreats.
Senior, Congregate, and Continuing-Care Communities	Recognizing the depth of the complex elderly market.
Affordable and Subsidized Housing	Making a development work in your community.
Distressed Asset Analyses	Market based solution-oriented repositioning strategies providing corrective action plans for underperforming assets.
Retail/Commercial/Lodging Analyses	The art and science of market research applied to the retail, commercial and lodging sectors, defining true market demand for various potential uses.



Paul Swanson Associates, Inc.
401 E Prospect Ave
Suite 201
Mt Prospect, Illinois
Phone: (847) 670-6710
Email: paul@psa-inc.biz

RE: Darien Heights Residences: 2305 Sokol Court, Darien, IL 60561

Date: April 28, 2021

Dear Mr. Swanson,

My name is Kevin Micheli, and I am the President and COO of Charles Hall Construction. My company specializes in owning, developing, constructing, and operating multi-family apartments and senior housing communities across the United States.

From 2012 to present, I have overseen the development and construction of over 2,500 multi-family, apartment units in the Chicagoland area totaling almost \$500 Million in construction costs.

I have thoroughly reviewed the preliminary site plan, conceptual elevations, and unit floor plans for the proposed 68-unit luxury apartment complex located at 2305 Sokol Court in Darien, IL., commonly referred to as the Darien Heights Residences. It is my professional opinion that this project **will not have any negative impacts** to any of the adjacent, existing nearby property values. It is also my professional opinion that the Darien Heights Residences will increase the property values of the existing townhomes to the east and the condominiums to the south.

In my experience, these types of luxury rental apartments will appeal to the blue collar, middle age, working class individual or couple, as well as other higher income level demographics, that can afford the higher rental rate that this project will demand.

If you have any comments, questions, or need any additional information, please do not hesitate to contact me.

Respectfully,

A handwritten signature in cursive script that reads "Kevin J. Micheli".

Kevin Micheli, P.E.
President & Chief Operating Officer
CHARLES HALL CONSTRUCTION LLC
444 East Roosevelt Road, Suite 302
Lombard, IL 60148
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RE: Darien Heights Residences: 2305 Sokol Court, Darien, IL 60561

Date: April 28, 2021

To Whom It May Concern,

My name is Kevin Micheli, and I am the President and COO of Charles Hall Construction. My company specializes in owning, developing, constructing, and operating multi-family apartments and senior housing communities across the United States.

From 2012 to present, I have overseen the development and construction of over 2,500 multi-family, apartment units in the Chicagoland area totaling almost \$500 Million in construction costs.

The following is a summary of our recently completed multi-family projects within the Chicagoland area:

- Vernon Hills, IL. – 425 Units
- Wheeling, IL. – 332 Units
- Orland Park, IL. – 231 Units
- Deer Park, IL. – 236 Units
- Evanston, IL. – 72 Units
- Lincolnshire, IL. – 302 Units
- Chicago, IL. – 120 Units
- Mount Prospect, IL. – 97 Units
- Lisle, IL. – 202 Units
- Glen Ellyn, IL. – 48 Units
- Deerfield, IL. – 15 Units
- Park Ridge, IL – 72 Units
- Barrington, IL. – 16 units

What do these multi-family apartment communities all have in common?

Every one of our communities were constructed in an affluent market, within zip codes that can support and justify higher rents, offers close proximity to public transportation, and have great school districts.

The development concept for the Darien Heights Residences falls within the same parameters and demographic as the communities that I have owned, developed, constructed, and operate. The proposed building, podium, 4 stories wood frame, over 1 story of concrete parking deck, commands high construction costs. For a project to be successful given these high construction costs, the Owner / Developer needs to be able to generate high rents to offset the high construction costs.

The typical, average resident living in these communities is a blue collar, middle age, working class individual that can afford \$2.10 - \$2.30 / S.F. rental rates. These types of projects do not attract the clientele that the Darien community would have a concern because those type of residents could not afford to live in this development.

Being an owner and operator of over 25+ communities across the United States, allows me to provide my educated opinion about the management and operations of such a development. The average length of time we own and manage a community is 3 -5 years after project stabilization. The buyers of these types of apartment complexes are well-known, high net worth organizations with a larger multi-family portfolio with a very reputable management company already in place. To be a successful management company, that management company would oversee several thousand apartment units. This company would have the proper policy, procedures, and staff already in place to facilitate a smooth transition and operate this asset well into the future.

These apartment complexes attract residents that the Darien community would be proud to represent. Gone are the days of the NIMBY's, Not In My Back Yard, neighbors that see apartments as bad for the community. These high end apartments provide an alternative lifestyle to buying and will become a stable part of the Neighborhood.

If you have any comments, questions, or need any additional information, please do not hesitate to contact me.

Respectfully,



Kevin Micheli, P.E.
President & Chief Operating Officer
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