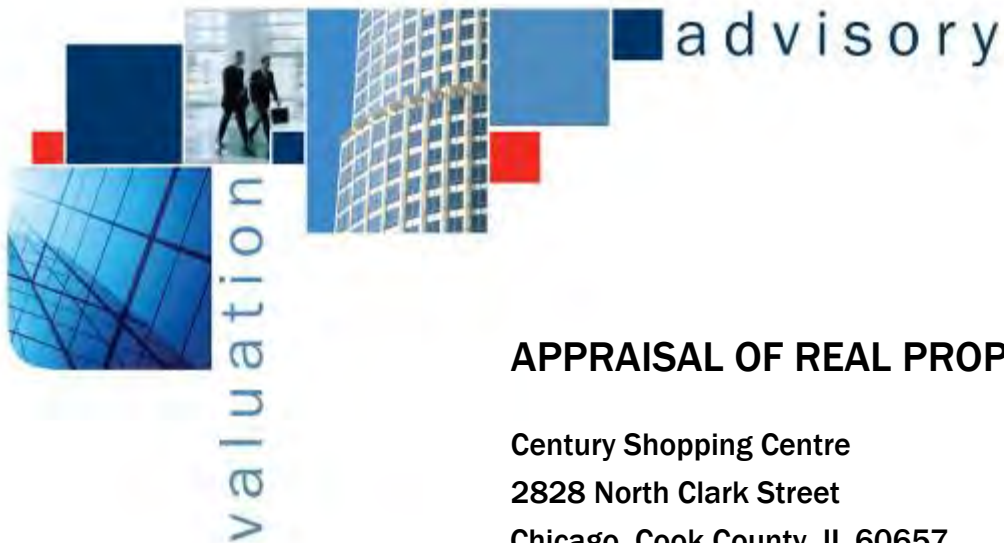




APPRAISAL OF REAL PROPERTY

**Century Shopping Centre
2828 North Clark Street
Chicago, Cook County, IL 60657**

**IN AN APPRAISAL REPORT
As of December 31, 2013**

**Prepared For:
Aviv Arlon, Ltd.
7 Jobotinsky Street
Ramat Gan, Israel**



**Prepared By:
Cushman & Wakefield of Illinois, Inc.
Valuation & Advisory
9500 West Bryn Mawr Avenue, Suite 600
Rosemont, IL 60018
C&W File ID: 14-21002-900087-001**



Century Shopping Centre

2828 North Clark Street

Chicago, Cook County, IL 60657



9500 WEST BRYN MAWR AVENUE, SUITE 600
ROSEMONT, IL 60018

January 31, 2014

Mr. Eyal Bartov
CFO
Aviv Arlon, Ltd.
7 Jobotinsky Street
Ramat Gan, Israel

Re: Appraisal of Real Property
In an Appraisal Report

Century Shopping Centre
2828 North Clark Street
Chicago, Cook County, IL 60657

C&W File ID: 14-21002-900087-001

Dear Mr. Bartov:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our appraisal of the above property in an appraisal report dated January 31, 2014. The effective date of value is December 31, 2013.

This appraisal report has been prepared in accordance with our interpretation of your institution's guidelines, Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and the *Uniform Standards of Professional Appraisal Practice* (USPAP).

The subject property consists of an 8-story multi-tenant urban retail development that contains 170,265 square feet of gross leasable area. The improvements are situated on a 1.72 acre site. The subject also includes an adjacent 8-level parking structure with capacity for 408 vehicles. The improvements were completed in 1920, recently renovated in 2000 and are considered to be in good condition. There are a total of 25 tenant spaces, of which 14 spaces (82.27 percent of the GLA) are leased. The shopping center is anchored by an LA Fitness and Landmark's Century Centre Cinema along with major tenants of ITT Technical Institute, Aveda Institute, and CVS. The subject is located along the Clark Street retail corridor near the intersection with Diversey Parkway of the Lakeview neighborhood of Chicago, Illinois.

Based on the agreed-to Scope of Work, and as outlined in the report, we developed the following opinions of Market Value:

Value Conclusions			
Appraisal Premise	Real Property Interest	Date Of Value	Value Conclusion
Market Value As-Is	Leased Fee	12/31/2013	\$32,000,000
Prospective Market Value Upon Stabilization	Leased Fee	1/1/2016	\$34,400,000

Compiled by Cushman & Wakefield of Illinois, Inc.

The value opinions in this report are qualified by certain assumptions, limiting conditions, certifications, and definitions, as well as the following extraordinary assumptions and hypothetical conditions, if any.

EXTRAORDINARY ASSUMPTIONS

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

This appraisal does not employ any extraordinary assumptions.

HYPOTHETICAL CONDITIONS

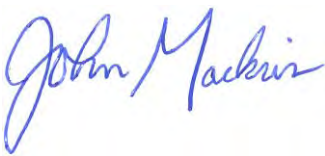
For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions. The use of hypothetical conditions, if any, might have affected the assignment results.

This appraisal does not employ any hypothetical conditions.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

CUSHMAN & WAKEFIELD OF ILLINOIS, INC.



John Mackris, MAI, MRICS
Senior Director
IL Certified General Appraiser
License No. 553.001360, expires 9/30/2015
john.mackris@cushwake.com
847-518-3214 Office Direct

CLIENT SATISFACTION SURVEY

As part of our quality monitoring campaign, attached is a short survey pertaining to this appraisal report and the service that you received. Would you please take a few minutes to complete the survey to help us identify the things you liked and did not like?

Each of your responses will be catalogued and reviewed by members of our national Quality Control Committee, and appropriate actions will be taken where necessary. Your feedback is critical to our effort to continuously improve our service to you, and is sincerely appreciated.

To access the questionnaire, please click on the link here:

[http://www.surveymonkey.com/s.aspx?sm= 2bZUxc1p1j1DWj6n_2fsw1KQ_3d_3d&c=14-21002-900087-001](http://www.surveymonkey.com/s.aspx?sm=2bZUxc1p1j1DWj6n_2fsw1KQ_3d_3d&c=14-21002-900087-001)

The survey is hosted by Surveymonkey.com, an experienced survey software provider. Alternatively, simply print out the survey attached in the Addenda of this report and fax it to (716) 852-0890.

Summary of Salient Facts and Conclusions

The subject property consists of an 8-story multi-tenant urban retail development that contains 170,265 square feet of gross leasable area. The improvements are situated on a 1.72 acre site. The subject also includes an adjacent 8-level parking structure with capacity for 408 vehicles. The improvements were completed in 1920, recently renovated in 2000 and are considered to be in good condition. There are a total of 25 tenant spaces, of which 14 spaces (82.27 percent of the GLA) are leased. The shopping center is anchored by an LA Fitness and Landmark's Century Centre Cinema along with major tenants of ITT Technical Institute, Aveda Institute, and CVS. The subject is located along the Clark Street retail corridor near the intersection with Diversey Parkway of the Lakeview neighborhood of Chicago, Illinois.

BASIC INFORMATION

Common Property Name:	Century Shopping Centre
Address:	2828 North Clark Street Chicago, IL 60657
County:	Cook
Property Ownership Entity:	BAI Century, LLC

SITE INFORMATION

Land Area:	Square Feet	Acres
Main Parcel	75,000	1.72
Total Land Area:	75,000	1.72
Site Shape:	Irregularly shaped	
Site Topography:	Level at street grade	
Frontage:	Good	
Site Utility:	Good	
Flood Zone Status:		
Flood Zone:	X	
Flood Map Number:	17031C0417J	
Flood Map Date:	8/19/08	

BUILDING INFORMATION

Type of Property: Shopping Center

Building Area

Gross Building Area: 170,265 SF
 Gross Rentable Area: 170,265 SF
 Land to Building Ratio: 0.44:1

Number of Buildings: One
 Number of Stories: Eight
 Actual Age: 93 Years
 Quality: Good
 Year Built: 1920
 Year Renovated: 2000
 Condition: Good

Parking:
 Number of Parking Spaces: 408
 Parking Ratio (per 1,000 sf): 2.40:1
 Parking Type: Structured

MUNICIPAL INFORMATION**Assessment Information:**

Assessing Authority: Cook County
 Assessor's Parcel Identification: 14-28-119-008, -024, -030 through -046
 Current Tax Year: 2012/2013
 Taxable Assessment: \$14,953,430
 Tax Assessment per square foot: \$87.82
 Current Tax Liability: \$816,301
 Taxes per square foot: \$4.79
 Are taxes current? Taxes are current
 Is a grievance underway? Not to our knowledge
 Subject's assessment is: At market levels

Zoning Information:

Municipality Governing Zoning: City of Chicago
 Current Zoning: PD-139
 Is current use permitted? Yes
 Current Use Compliance: Complying use
 Zoning Change Pending: No
 Zoning Variance Applied For: Not applicable

HIGHEST & BEST USE**As Though Vacant:**

A street retail development built to its maximum feasible building area

As Improved:

A street retail center as it is currently improved

TENANCY INFORMATION

Occupancy %:	82.3%
Occupied (SF):	140,082
Current Number of Tenants:	14
Vacant (SF):	30,183
Number of Vacant Spaces:	11

Base Rent Status:

Attained Rent (Occupied Space):	\$18.57
Market Rent:	\$19.75
Attained Rent is:	Below market

VALUATION INDICES	Market Value As-Is	Prospective Market Value Upon Stabilization
VALUE DATE	12/31/2013	1/1/2016
SALES COMPARISON APPROACH		
Indicated Value:	\$34,900,000	\$37,500,000
Per Square Foot (GLA):	\$204.97	\$220.24
INCOME CAPITALIZATION APPROACH		
Yield Capitalization		
Projection Period:	11 Years	9 Years
Holding Period:	10 Years	8 Years
Terminal Capitalization Rate:	9.00%	9.00%
Internal Rate of Return:	9.50%	9.00%
Indicated Value:	\$31,800,000	\$34,700,000
Per Square Foot (GLA):	\$186.77	\$203.80
Direct Capitalization		
Net Operating Income (stabilized):	\$2,897,315	\$2,897,315
Capitalization Rate:	8.50%	8.50%
Preliminary Value:	\$34,086,059	\$34,086,059
LESS FV-PV Spread:	(\$1,986,059)	N/A
Indicated Value:	N/A	\$34,086,059
Indicated Value Rounded:	\$32,100,000	\$34,100,000
Per Square Foot (GLA):	\$188.53	\$200.28
Income Capitalization Approach		
Indicated Value:	\$32,000,000	\$34,400,000
Per Square Foot (GLA):	\$187.94	\$202.04
FINAL VALUE CONCLUSION		
Real Property Interest:	Leased Fee	Leased Fee
Concluded Value:	\$32,000,000	\$34,400,000
Per Square Foot (GLA):	\$187.94	\$202.04
Implied Capitalization Rate:	N/A	8.42%
EXPOSURE AND MARKETING TIME		
Exposure Time:	12 Months	
Marketing Time:	12 Months	

EXTRAORDINARY ASSUMPTIONS

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

This appraisal does not employ any extraordinary assumptions.

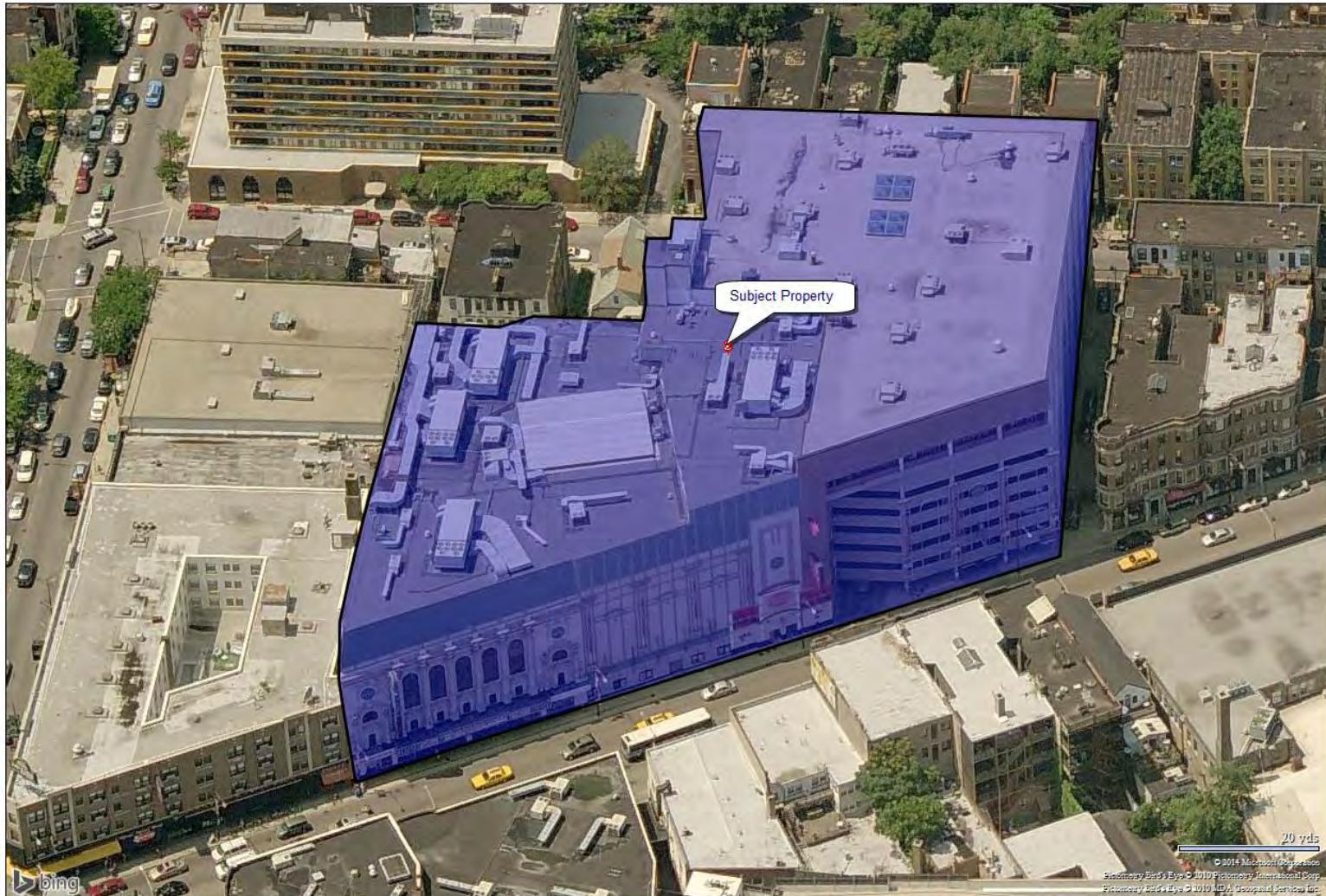
HYPOTHETICAL CONDITIONS

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions. The use of hypothetical conditions, if any, might have affected the assignment results.

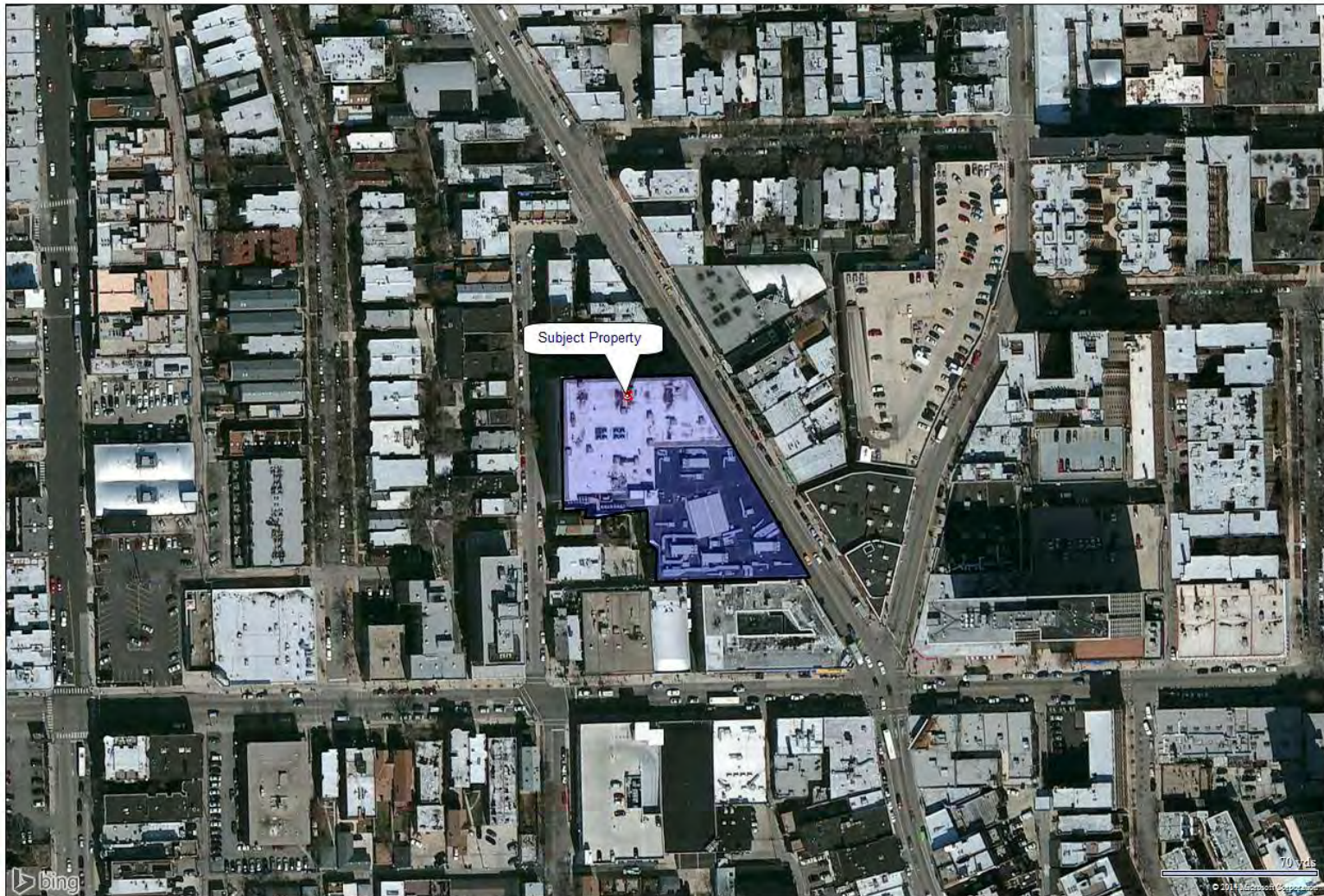
This appraisal does not employ any hypothetical conditions.

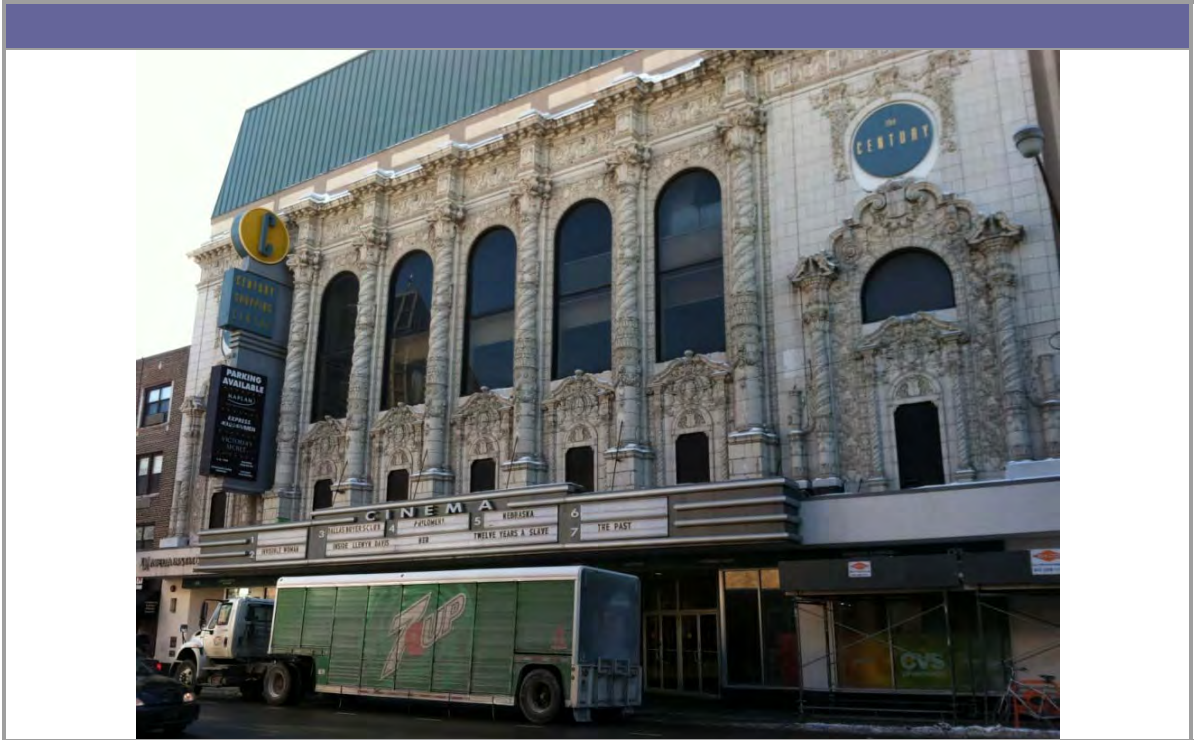
Property Photographs

AERIAL PHOTOGRAPH

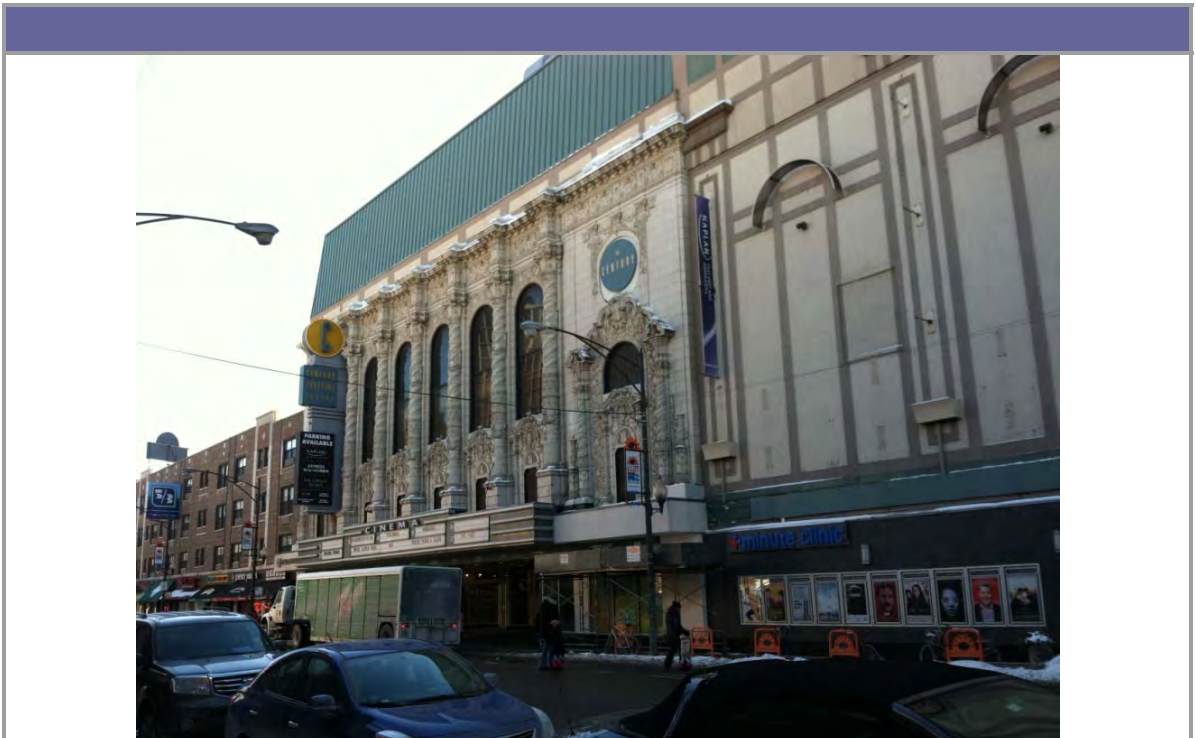


AERIAL PHOTOGRAPH





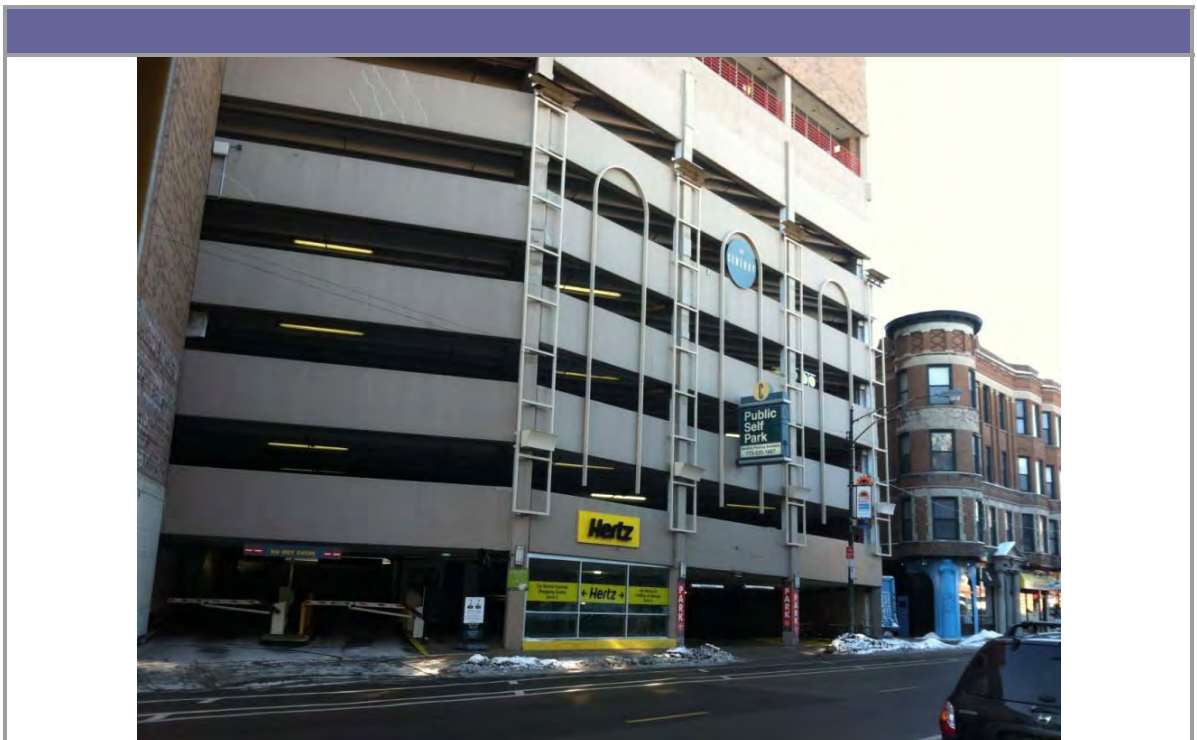
Exterior View: Front Entrance Facade



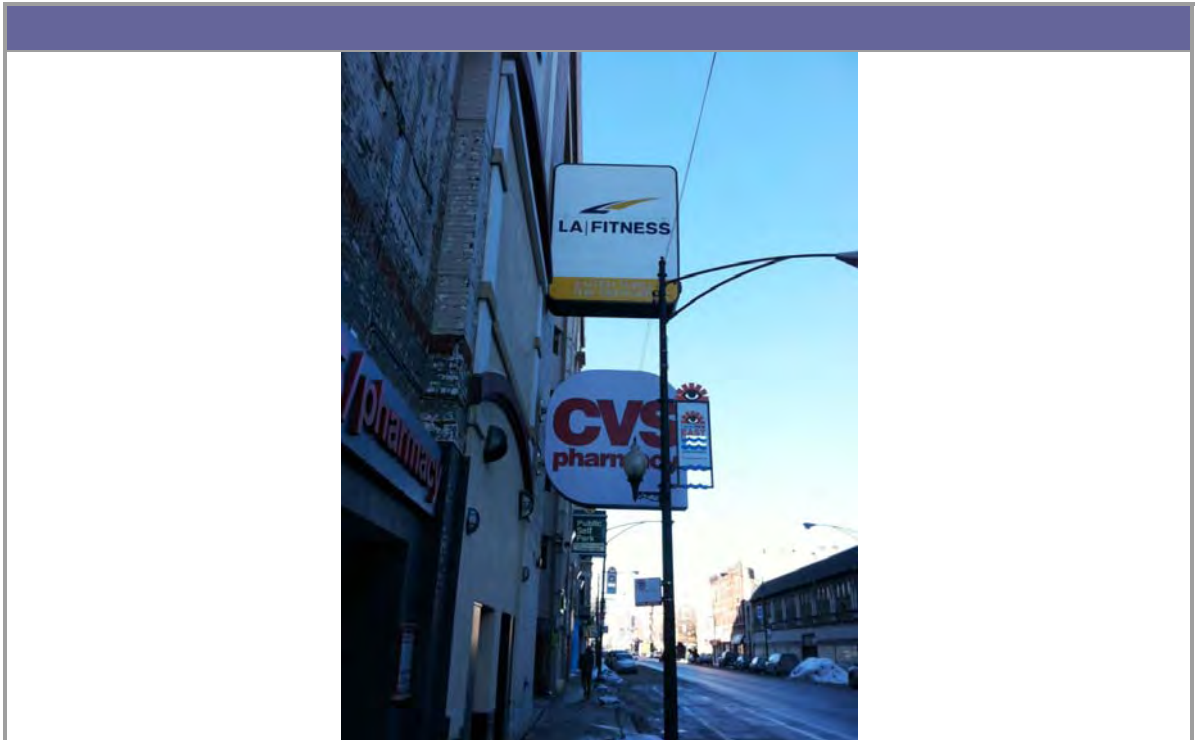
Exterior View: Facing Southwest



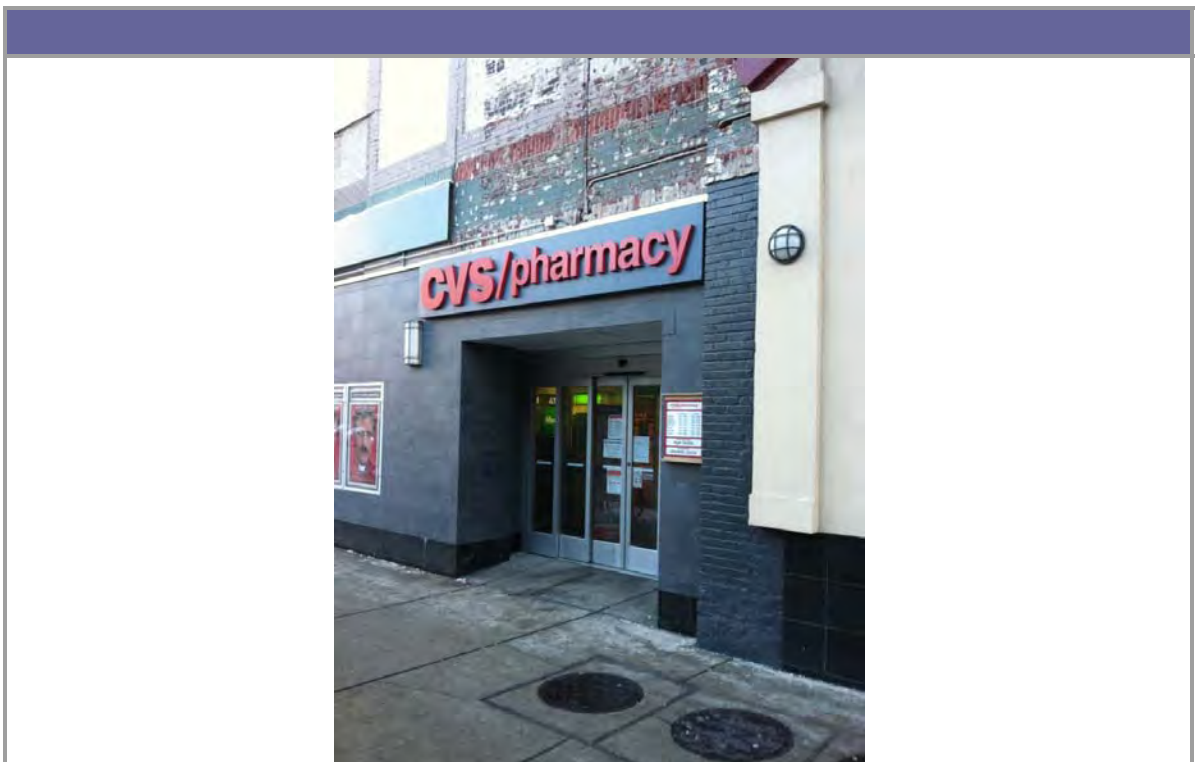
Exterior View: Facing Northwest



Exterior View: Parking Garage



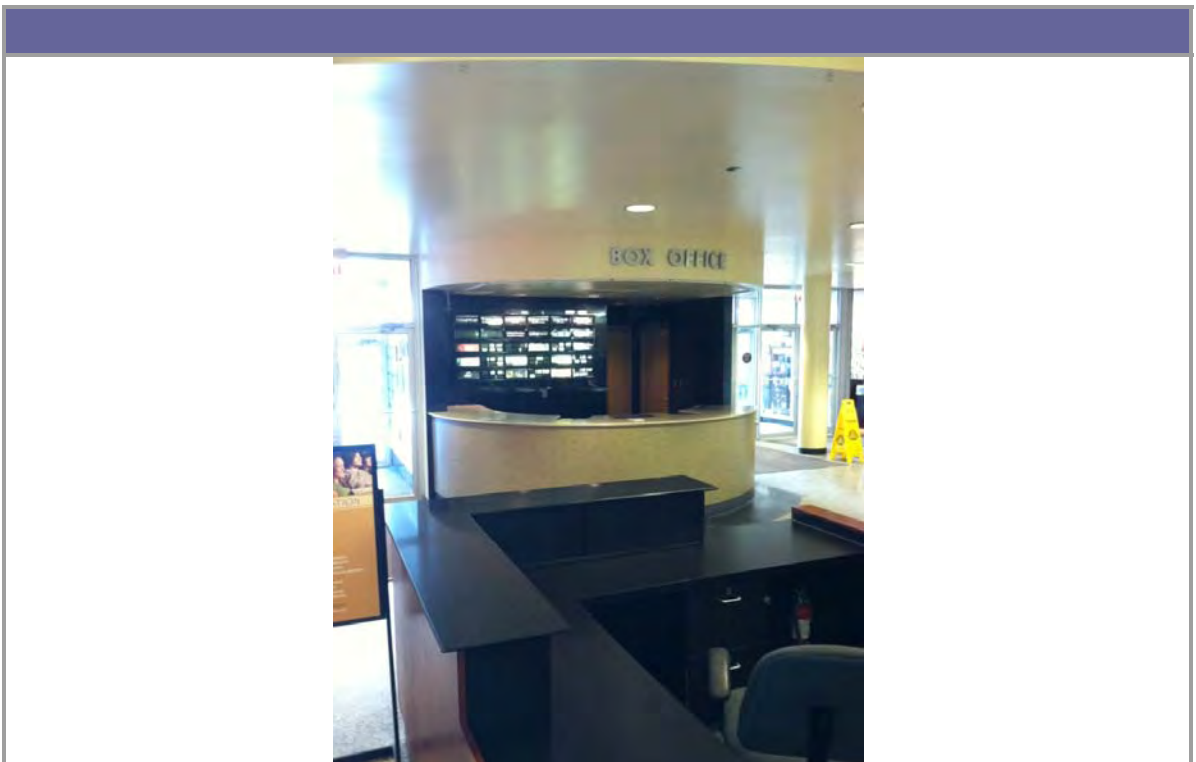
Exterior View: Signage Along Clark Street



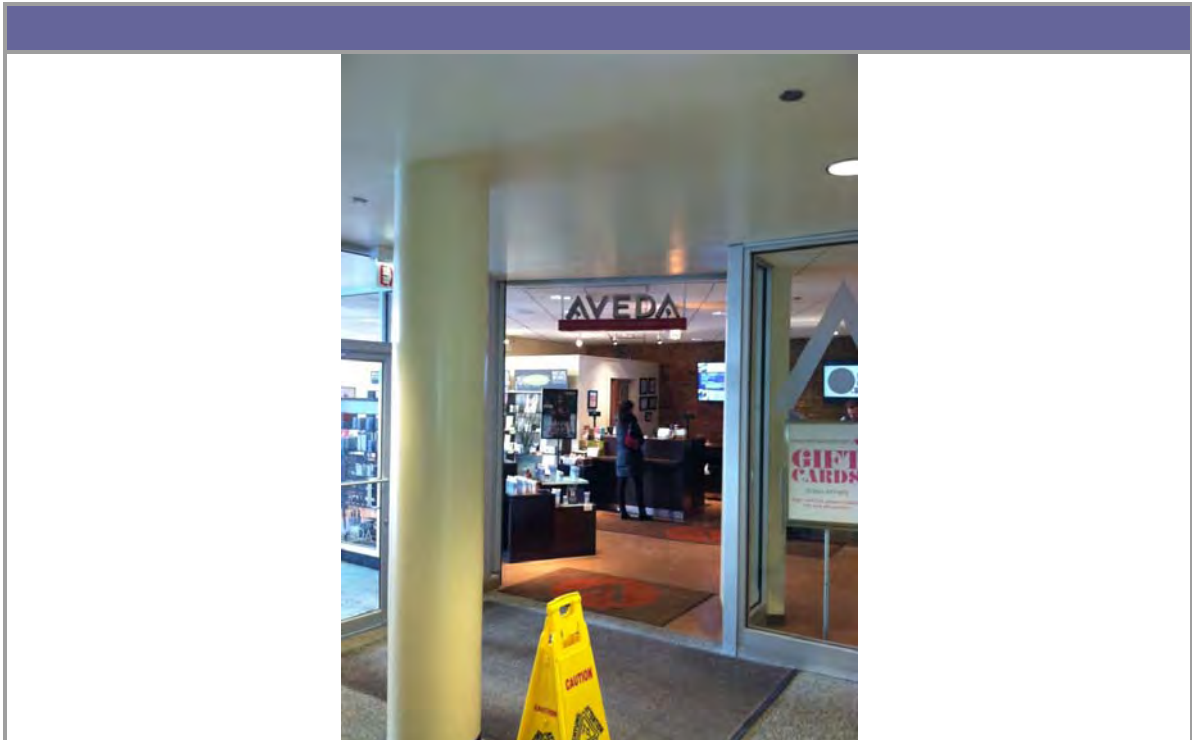
Exterior View: Drugstore Street Entrance



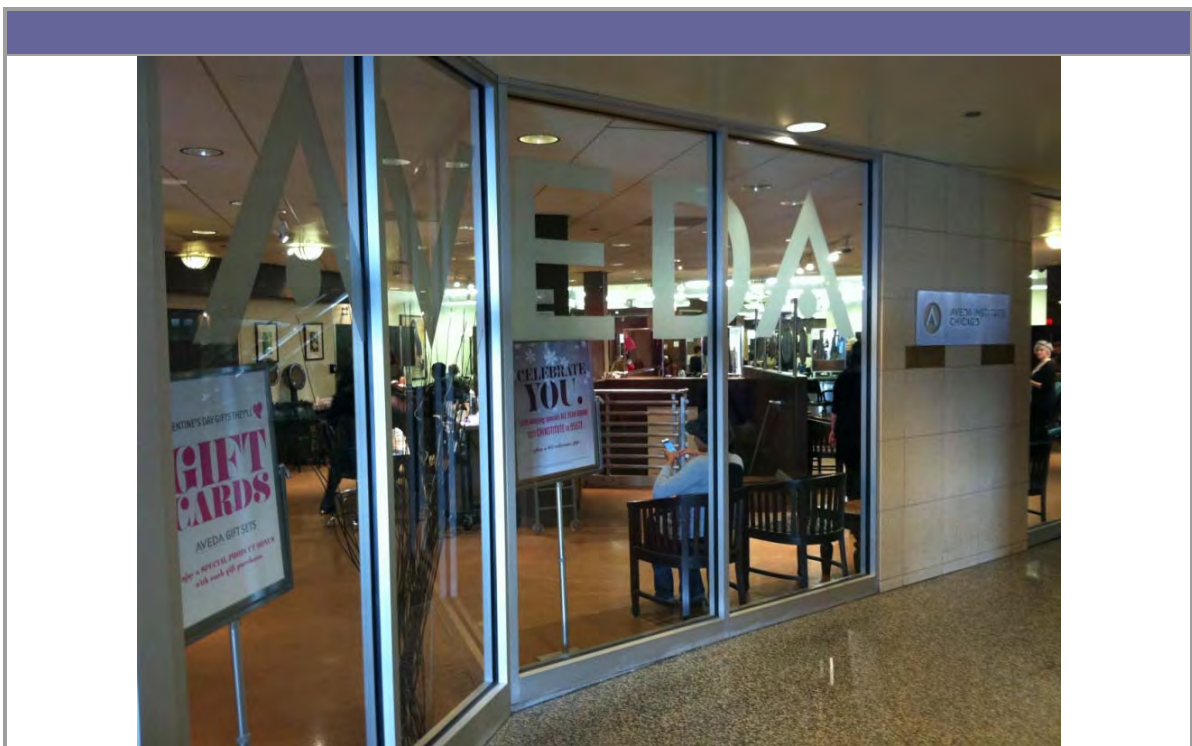
Exterior View: Street Entrance to Lower Level



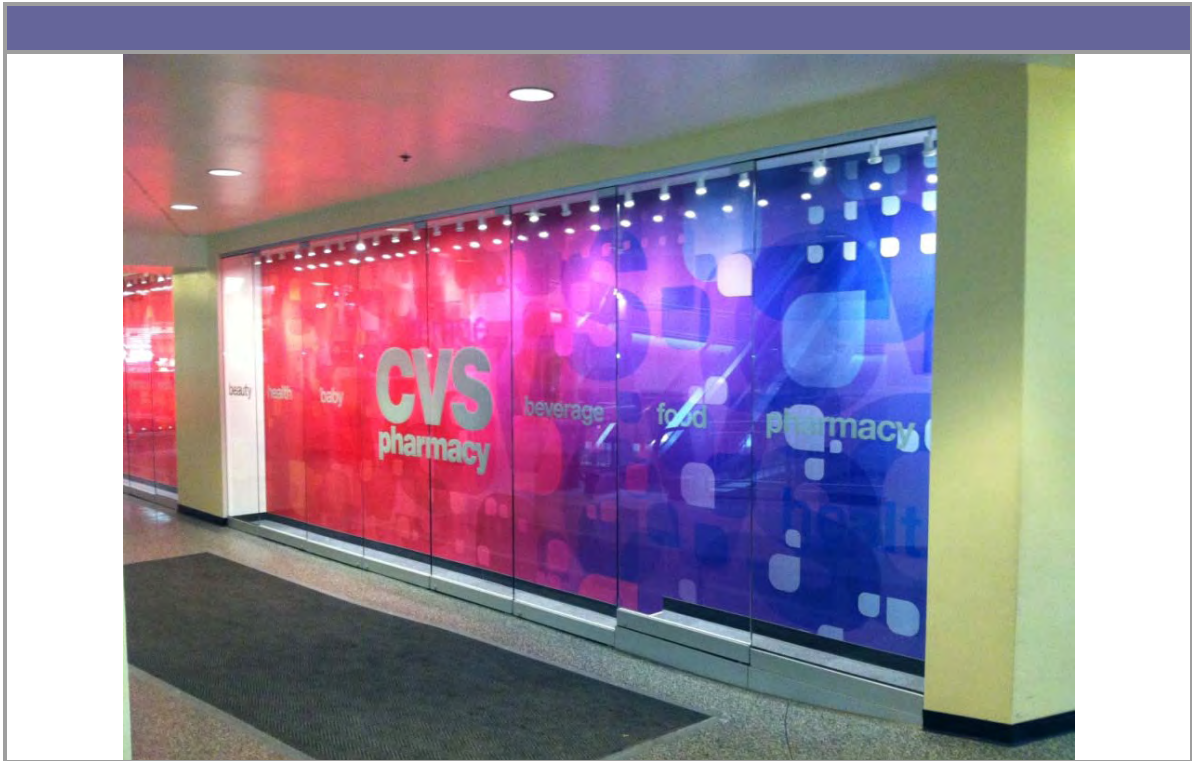
Front Entry to Mall and Box Office



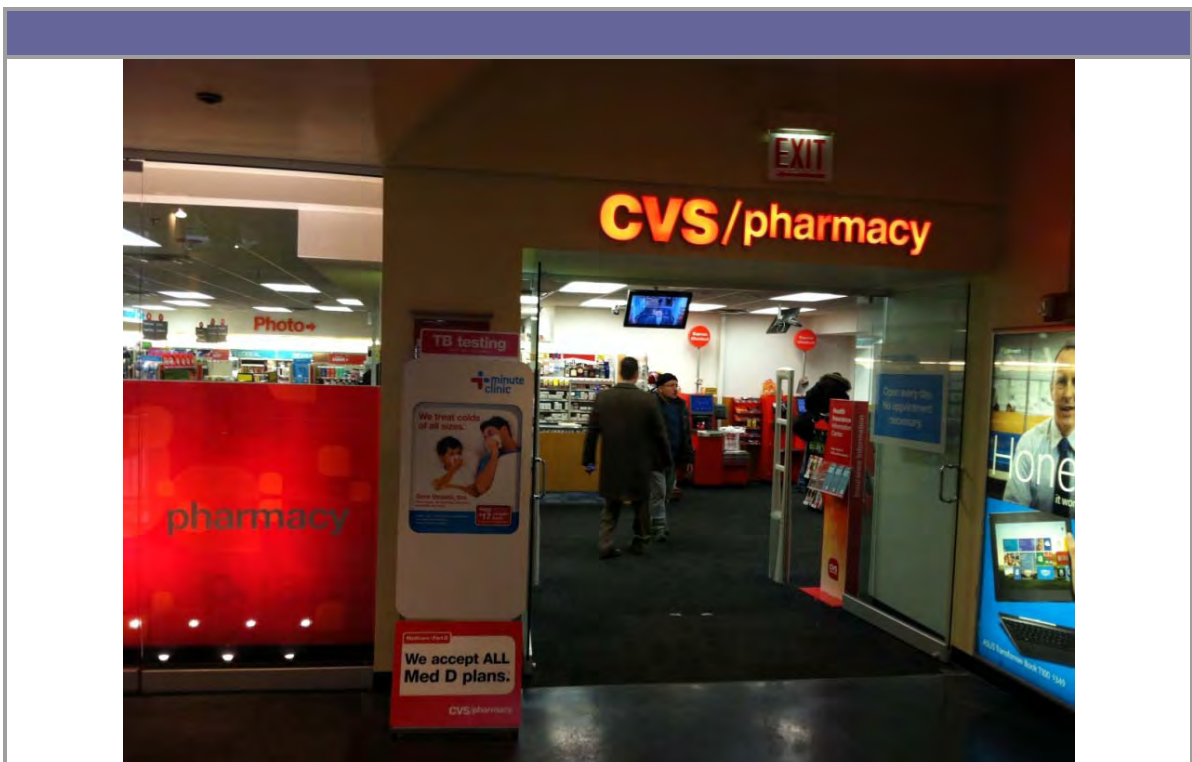
Major Tenant: Front Entrance



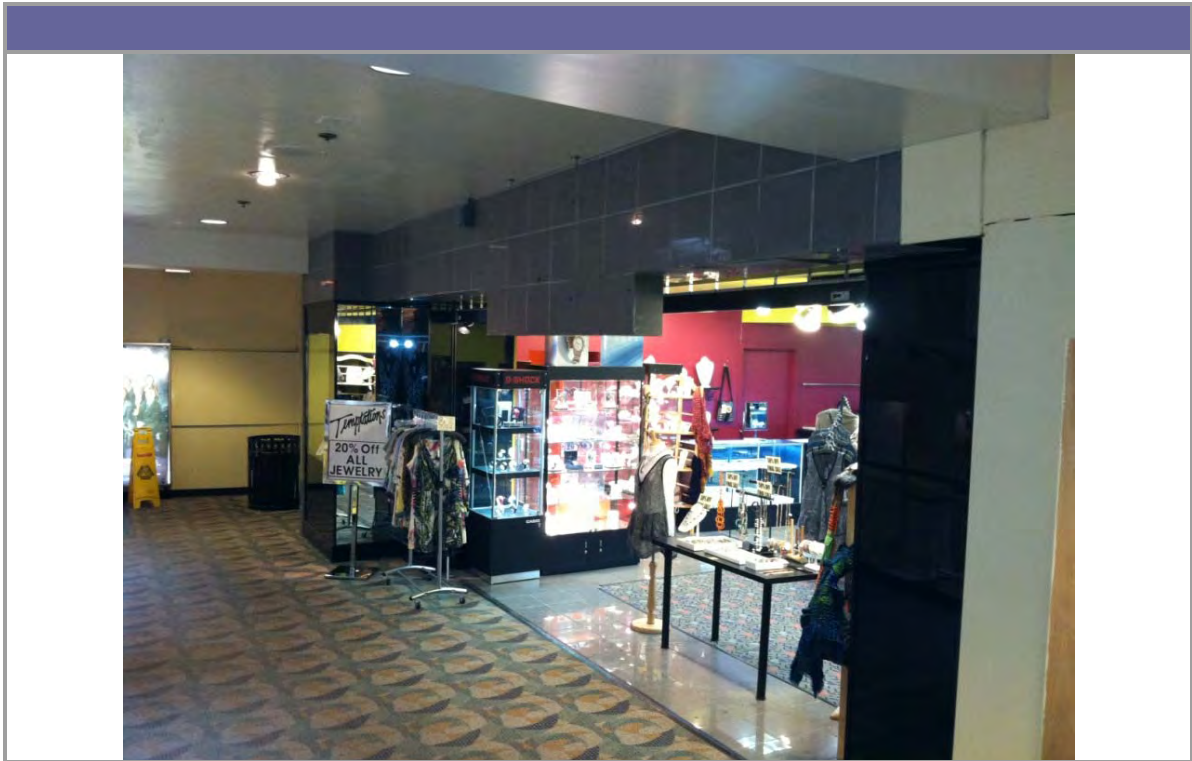
Major Tenant: First Floor Space



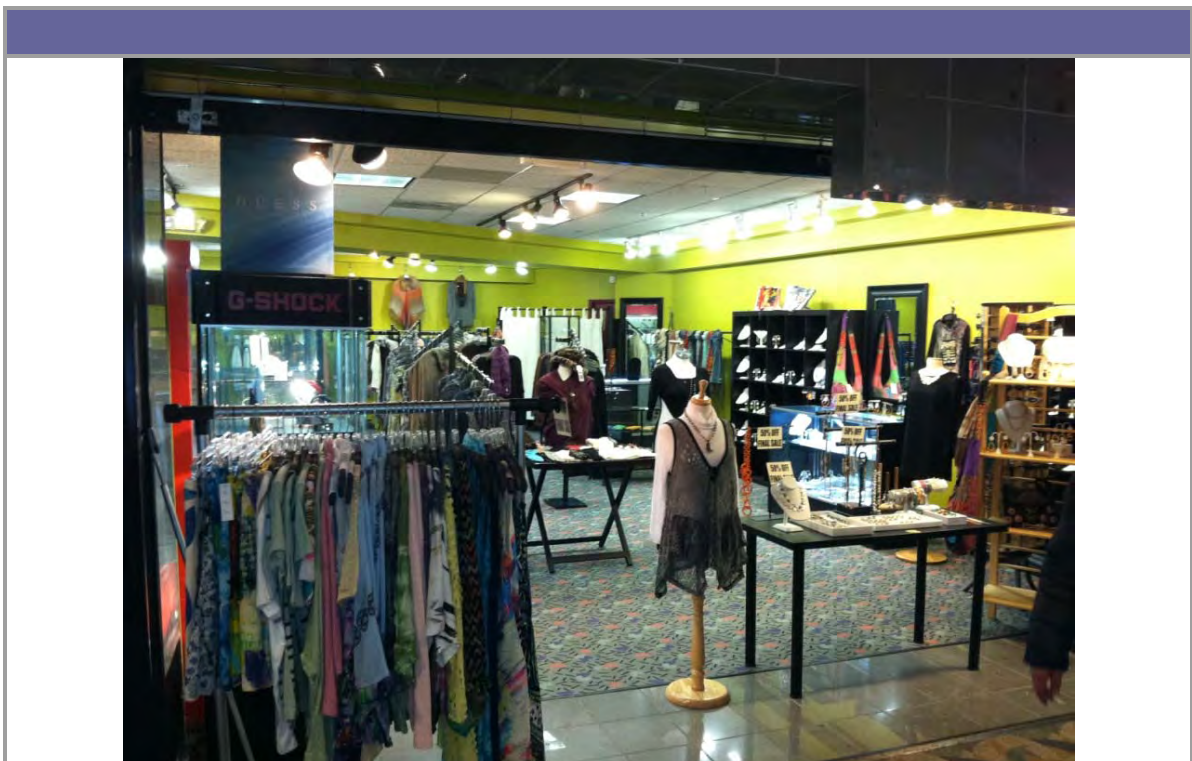
Major Tenant: Partition Wall



Major Tenant: Interior Entrance



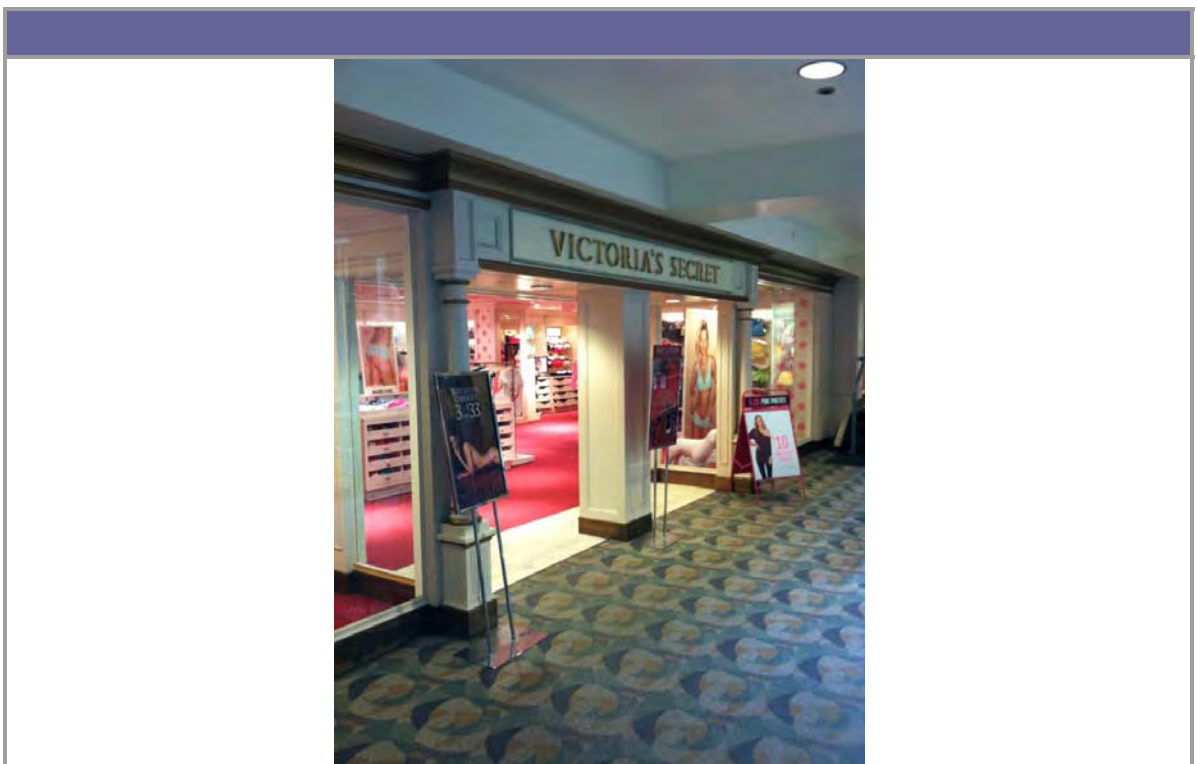
Typical Inline Tenant Entrance



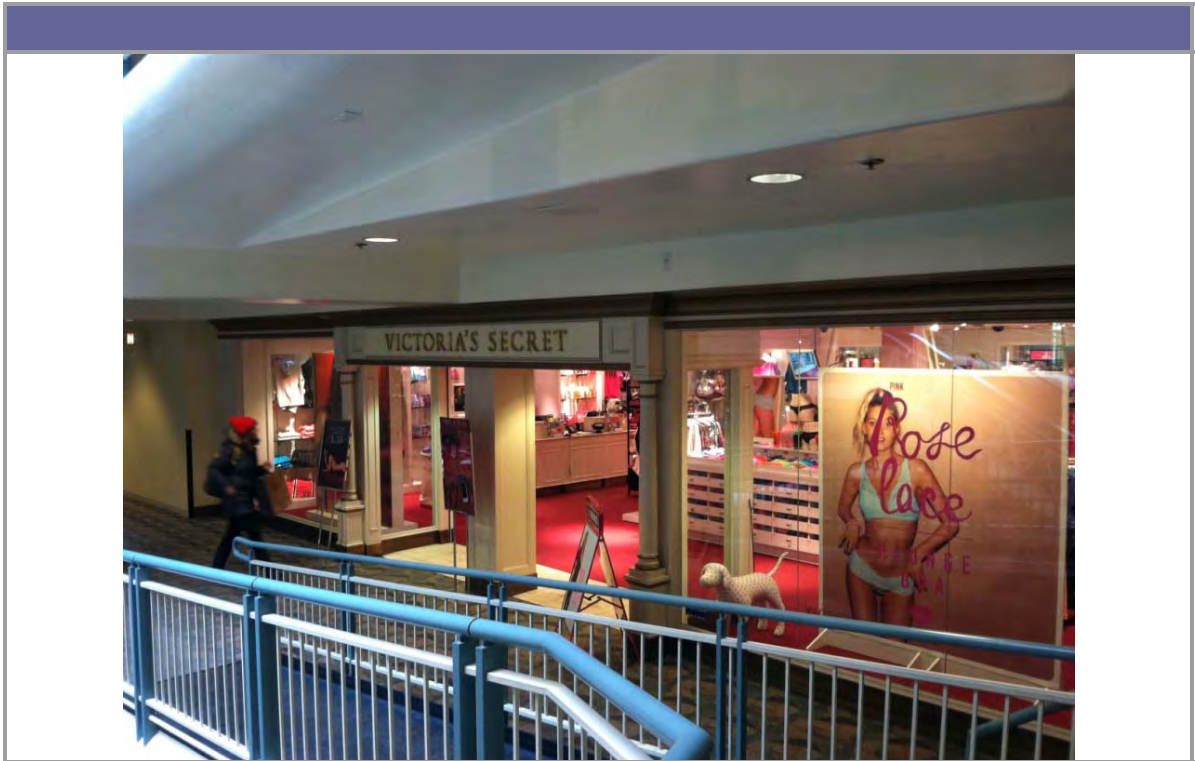
Interior View: Typical Inline Tenant



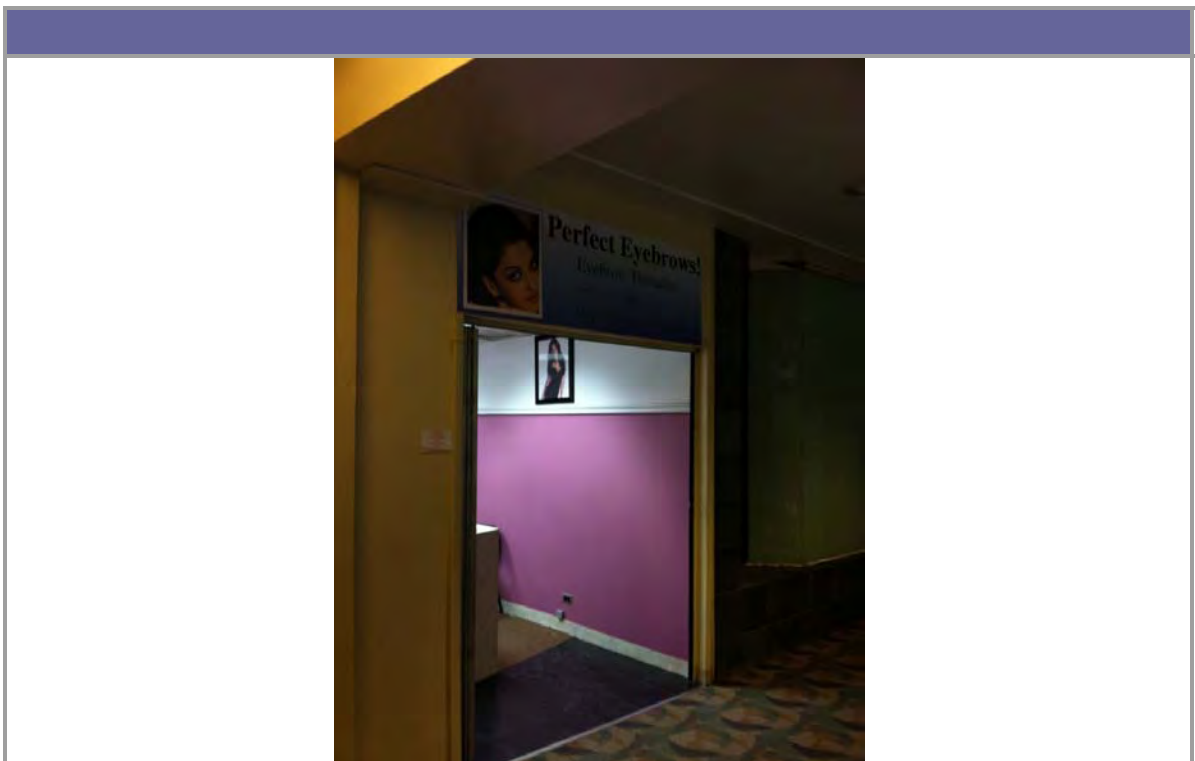
Interior View: Vacant Unit #204



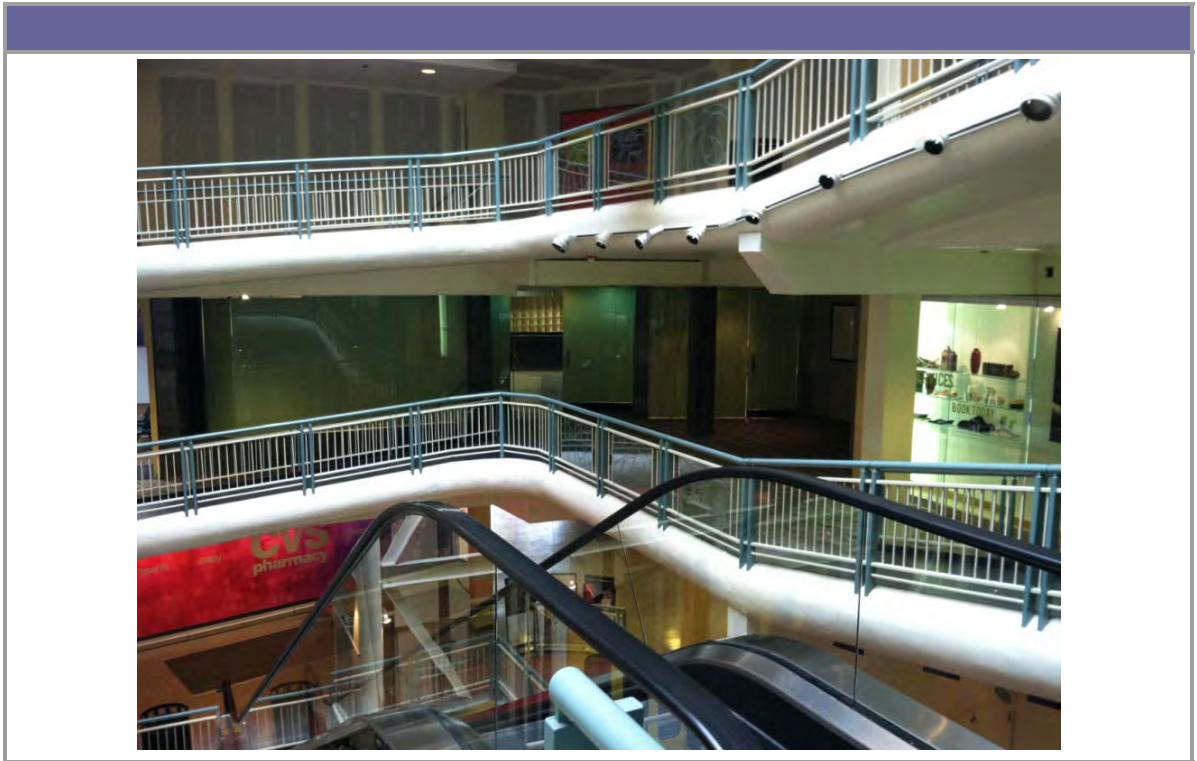
Typical Inline Tenant Entrance



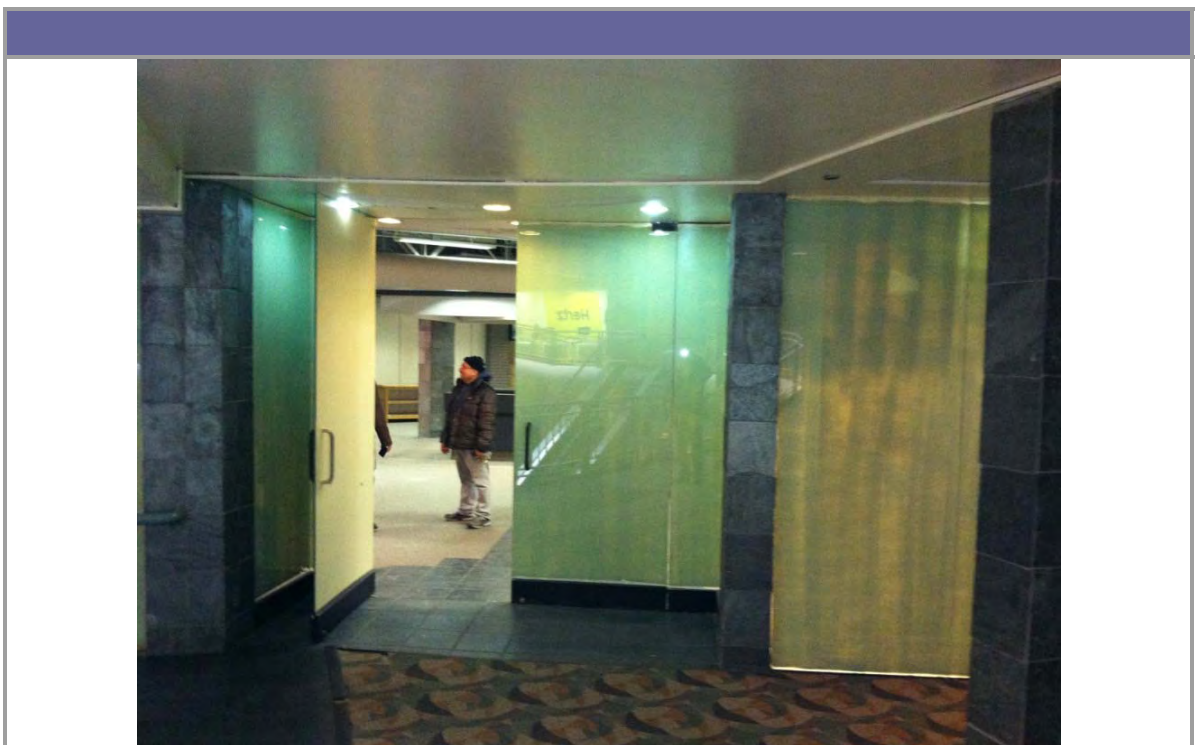
Typical Inline Tenant



Typical Inline Tenant



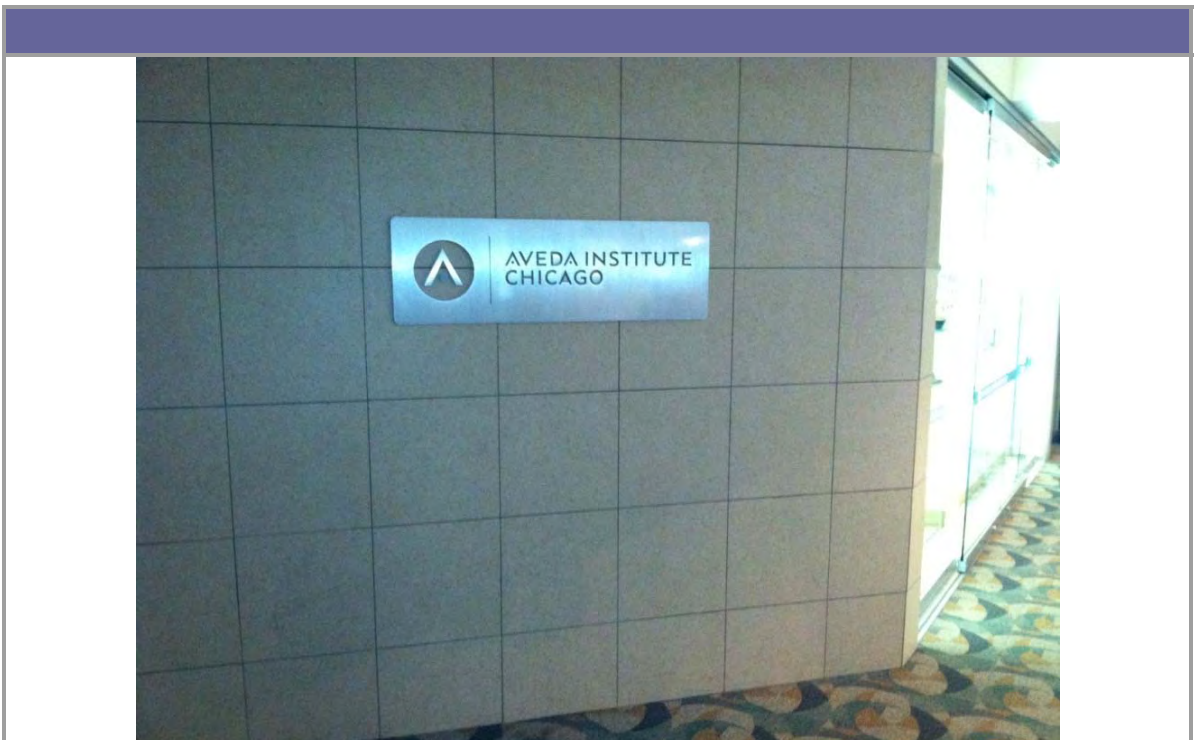
Second Level View at Top of Escalator



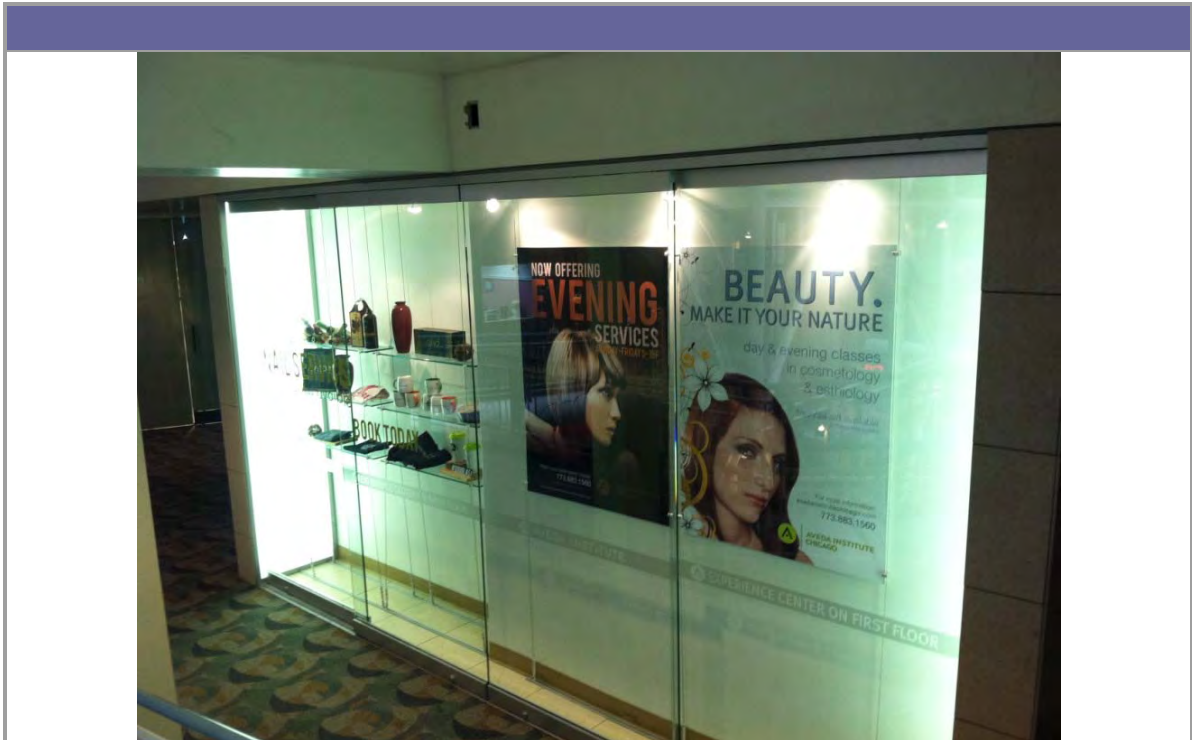
Vacant Unit #219 Entrance



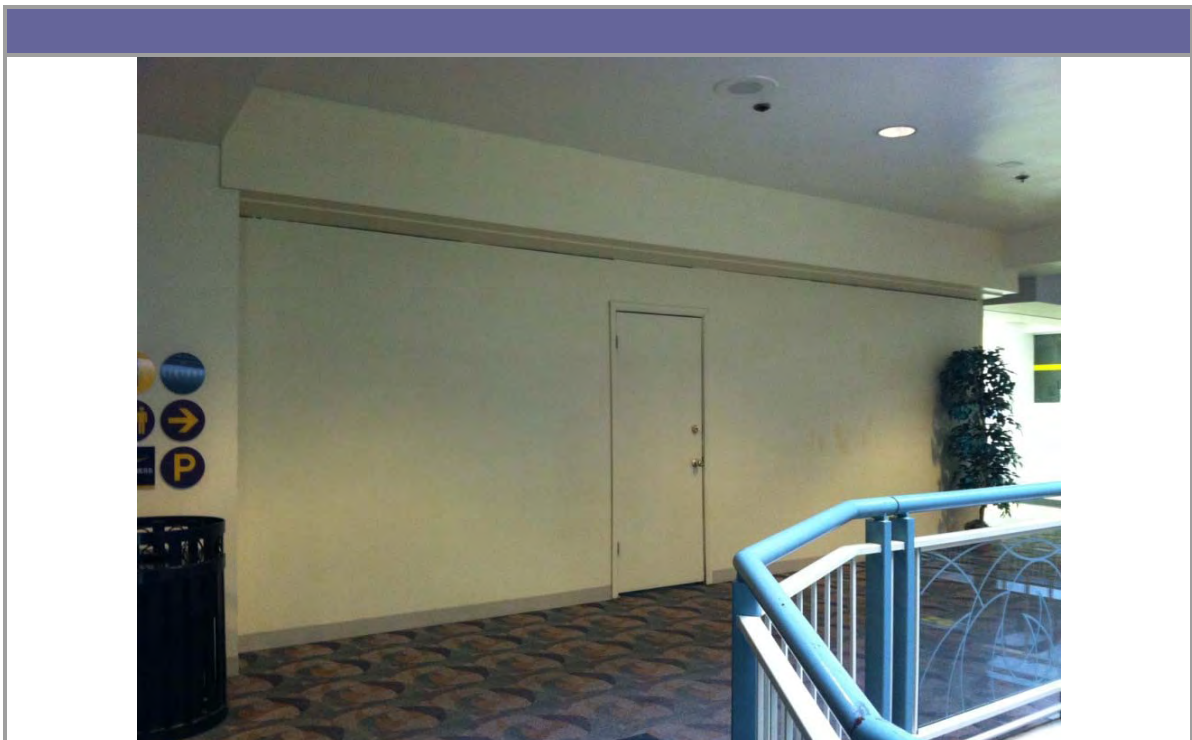
Interior View: Vacant Unit #219



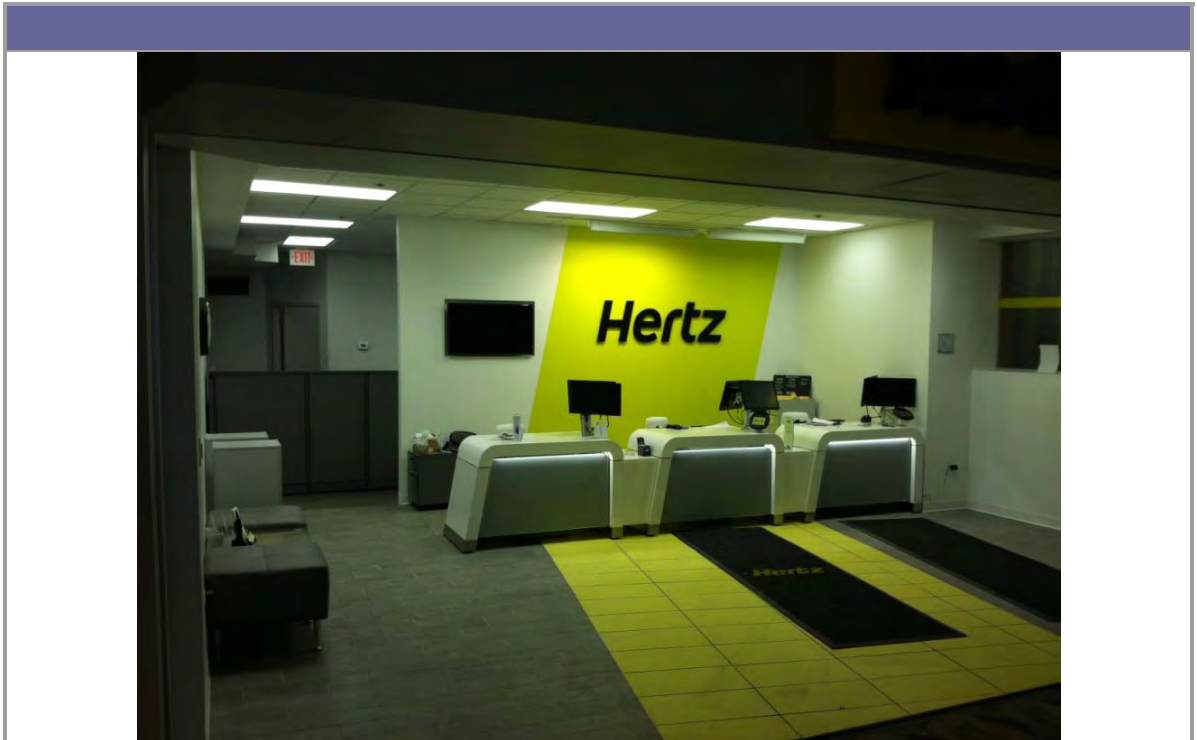
Major Tenant: Second Level Space



Major Tenant: Second Level Space



Storage Space



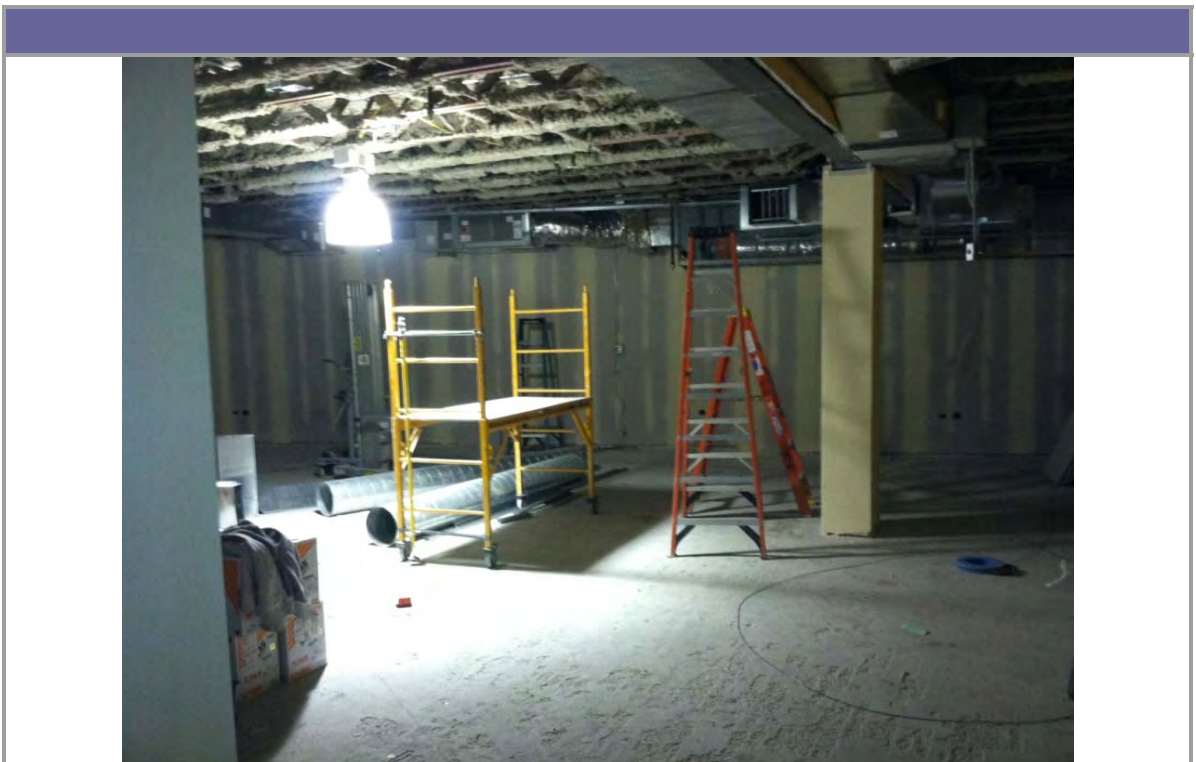
Typical Inline Tenant



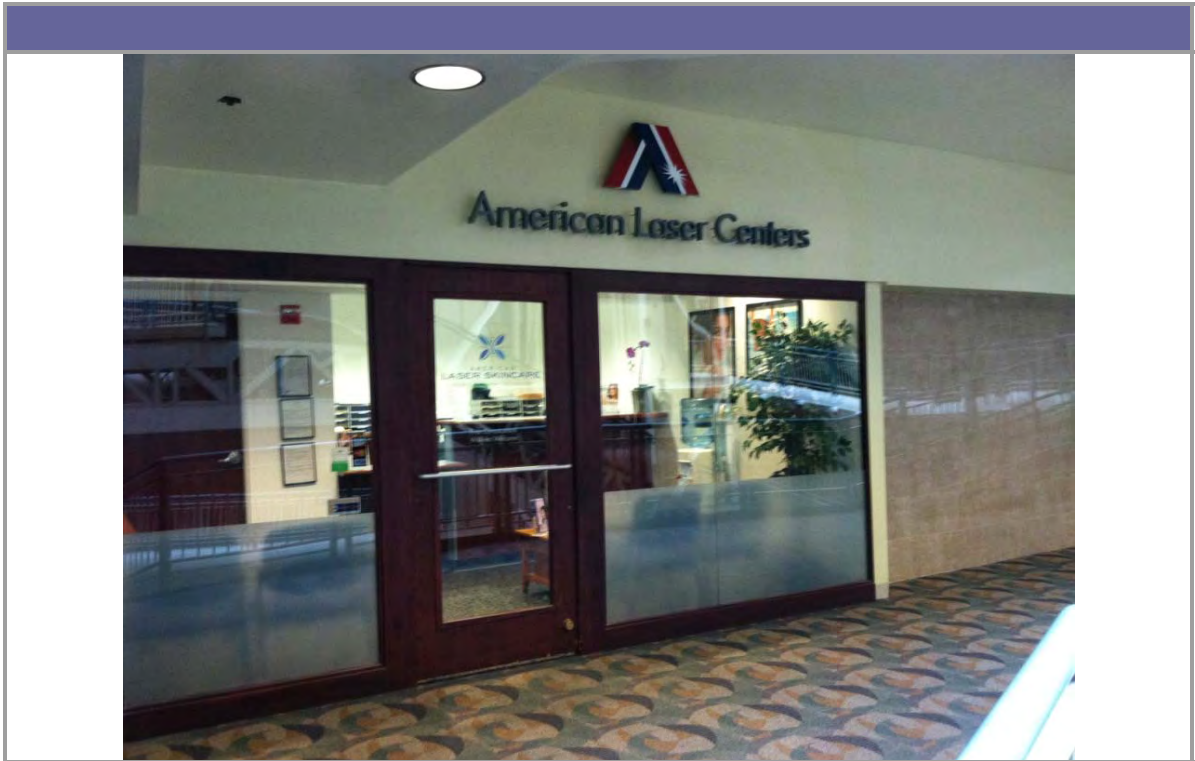
Major Tenant: (Unit #300 - Under Construction)



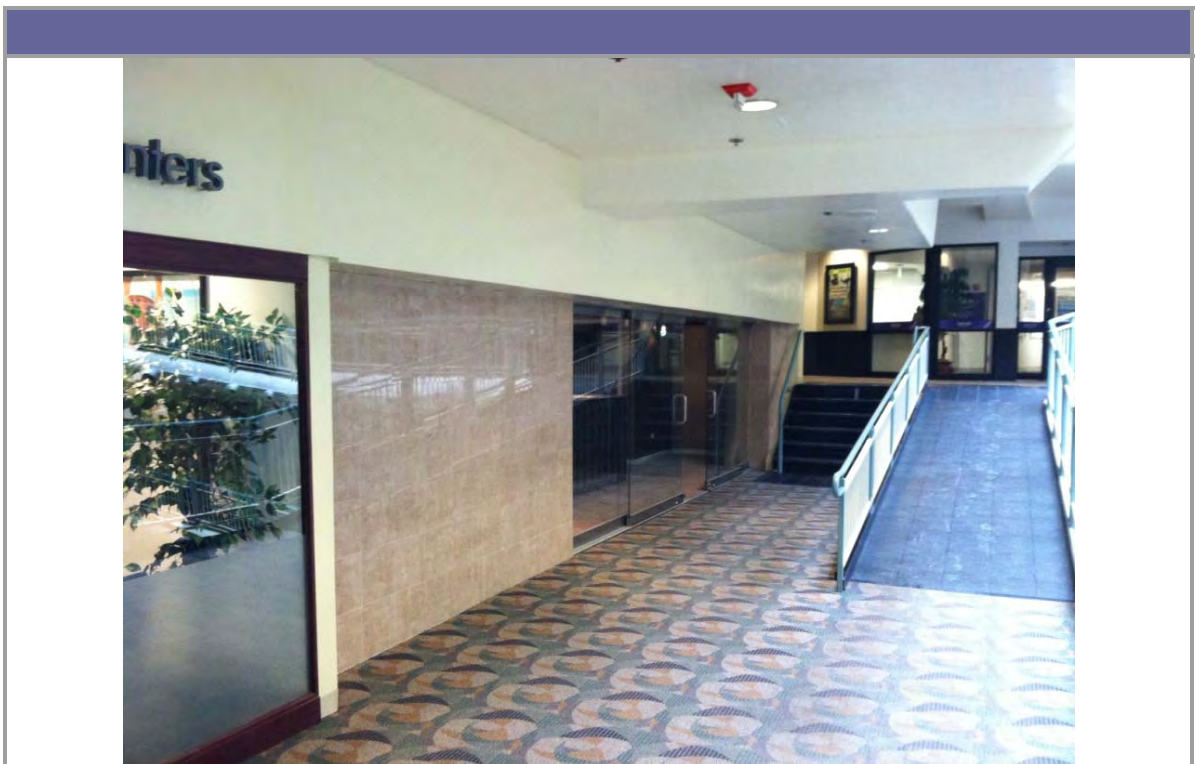
Major Tenant: (Unit #300 - Under Construction)



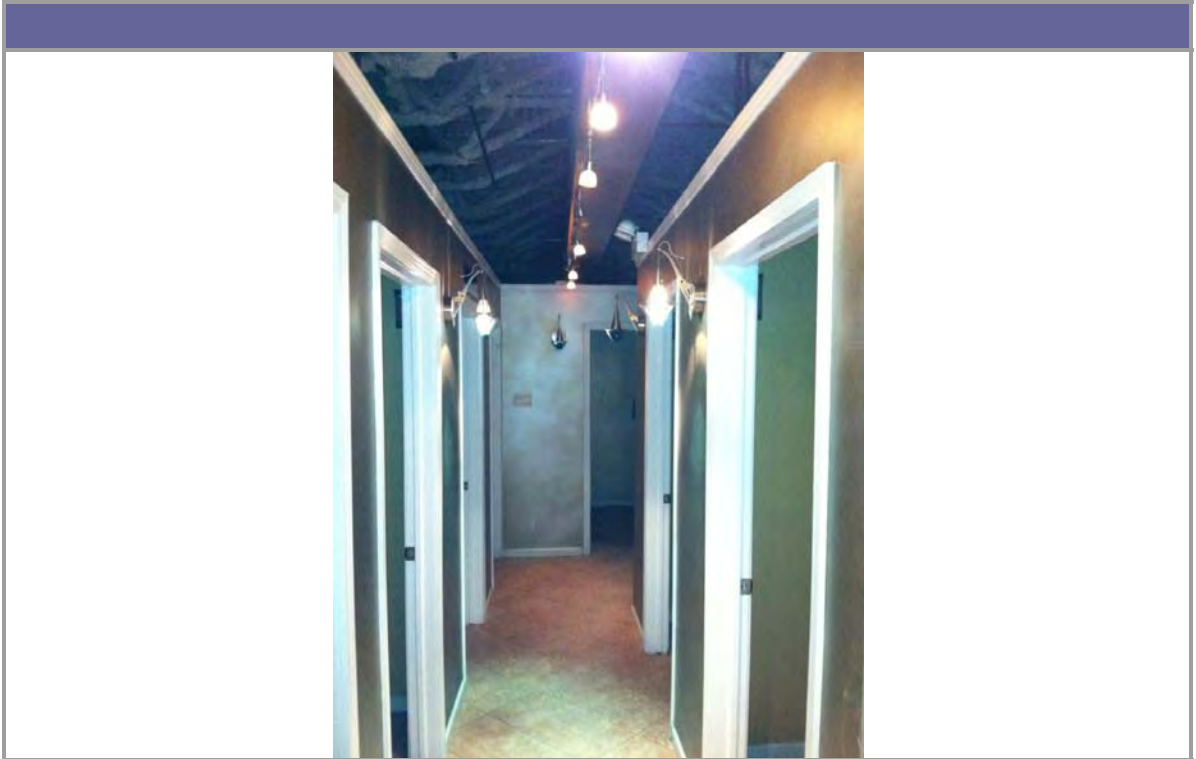
Major Tenant: Interior View



Typical Inline Tenant: Front Entrance



Vacant Unit #408



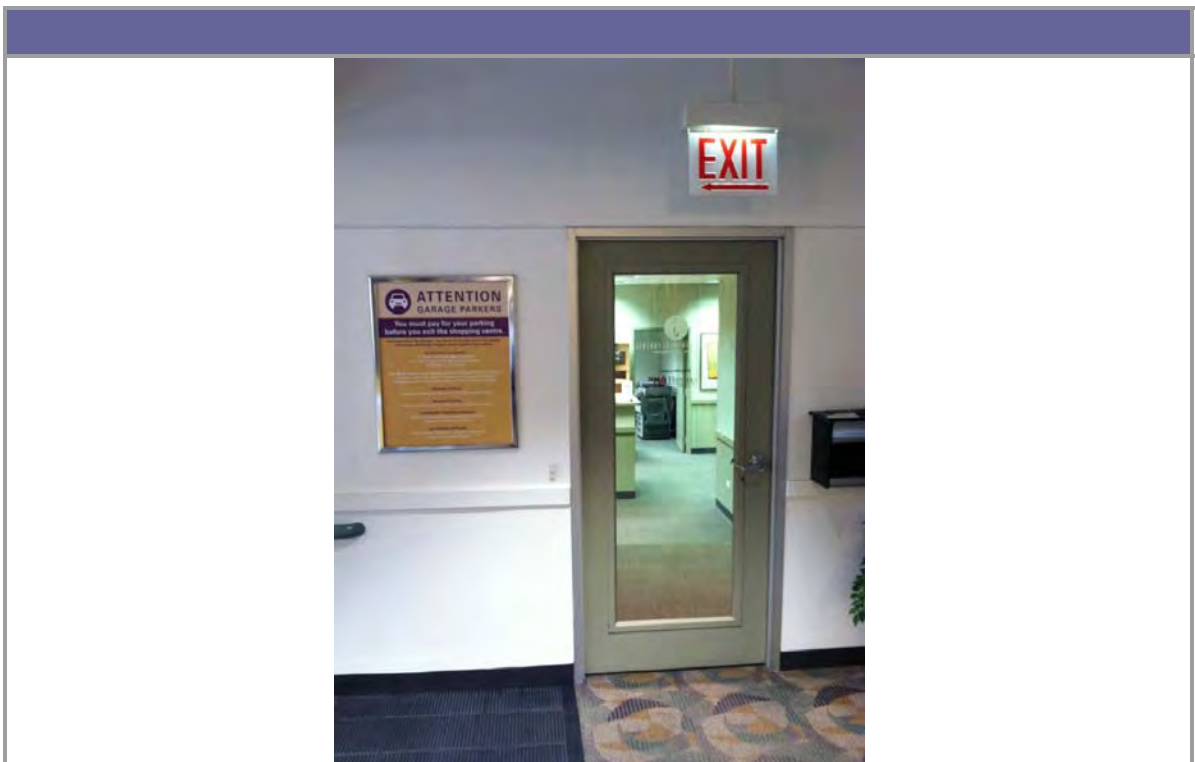
Interior View: Vacant Unit #408



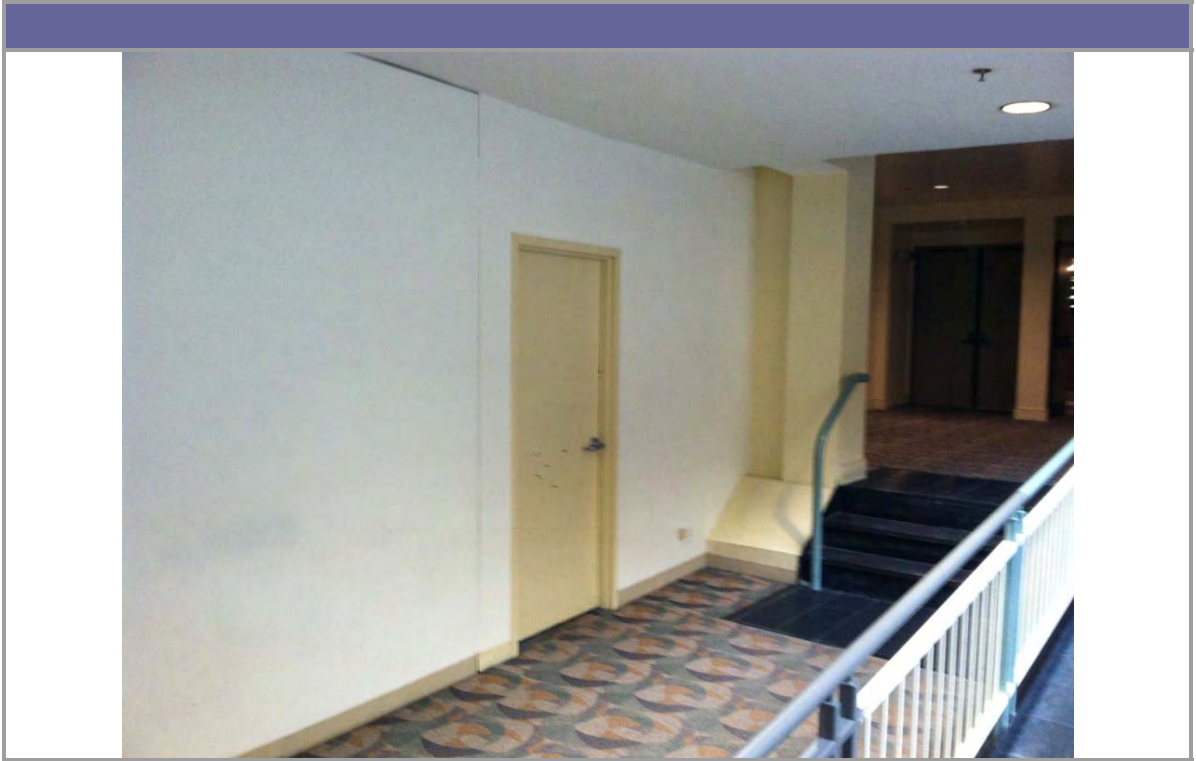
Typical Inline Tenant Signage



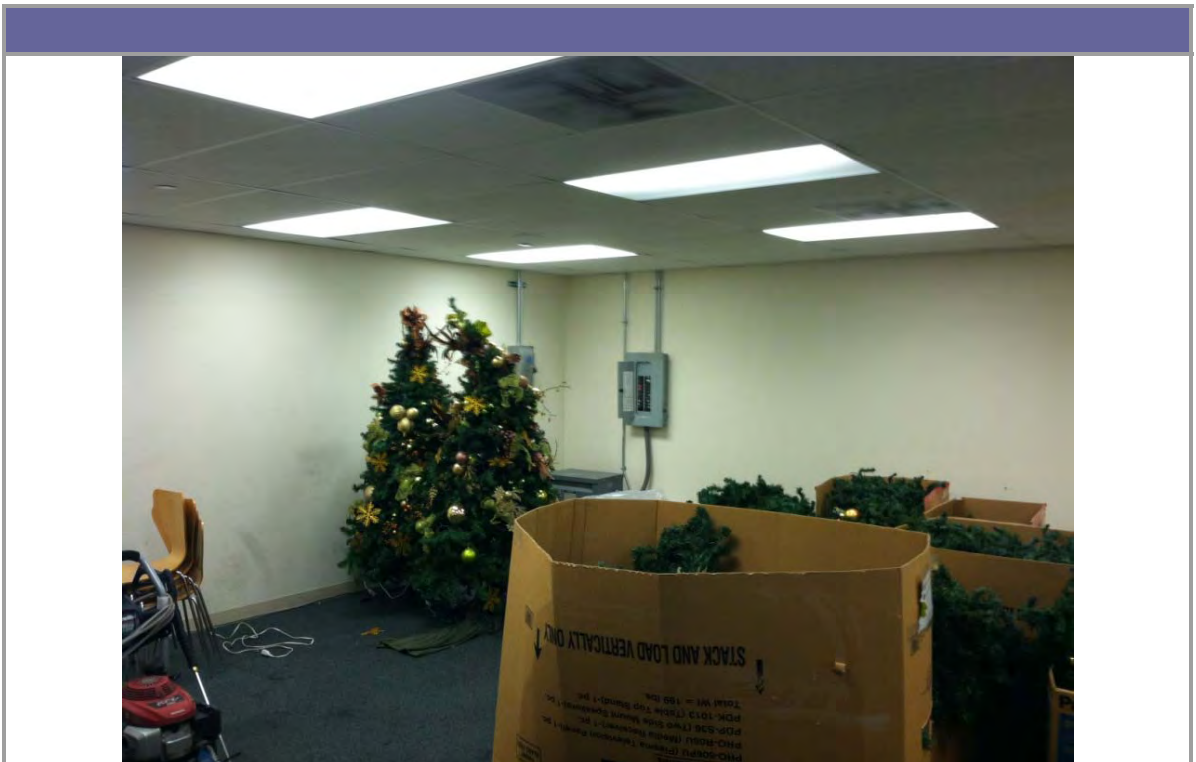
Interior View: Typical Inline Tenant



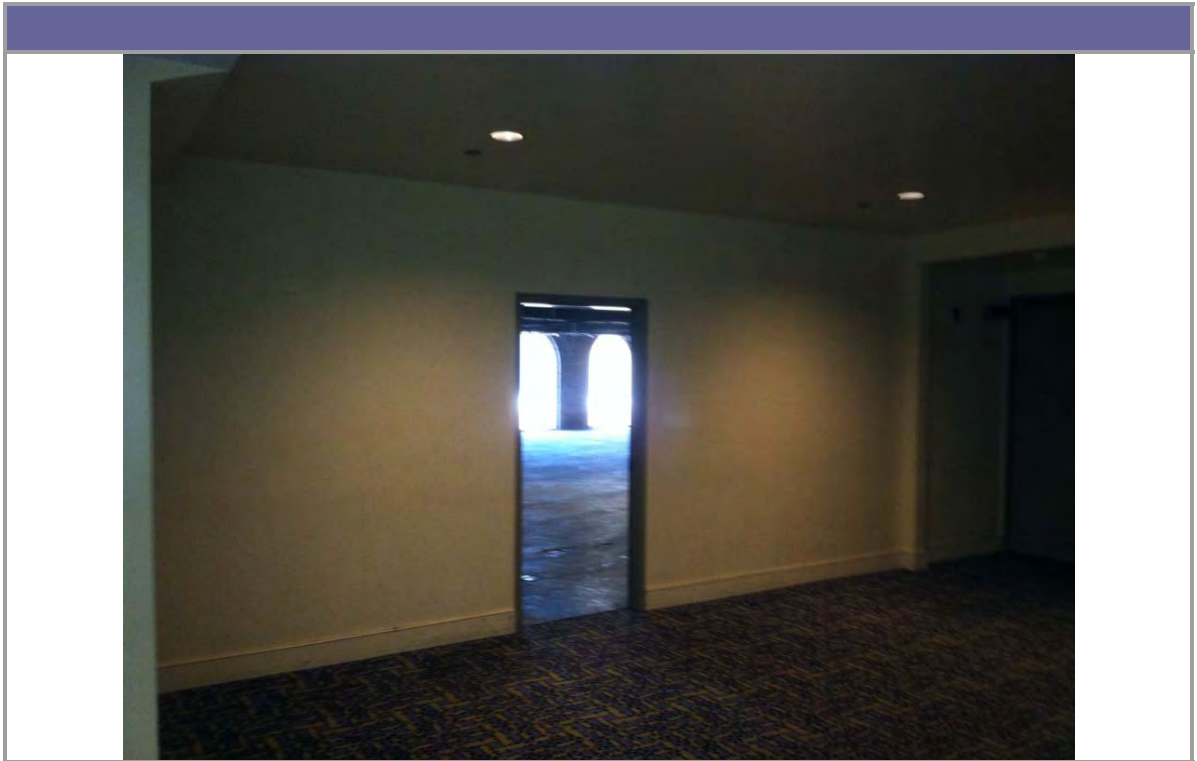
Management Office (Unit #422)



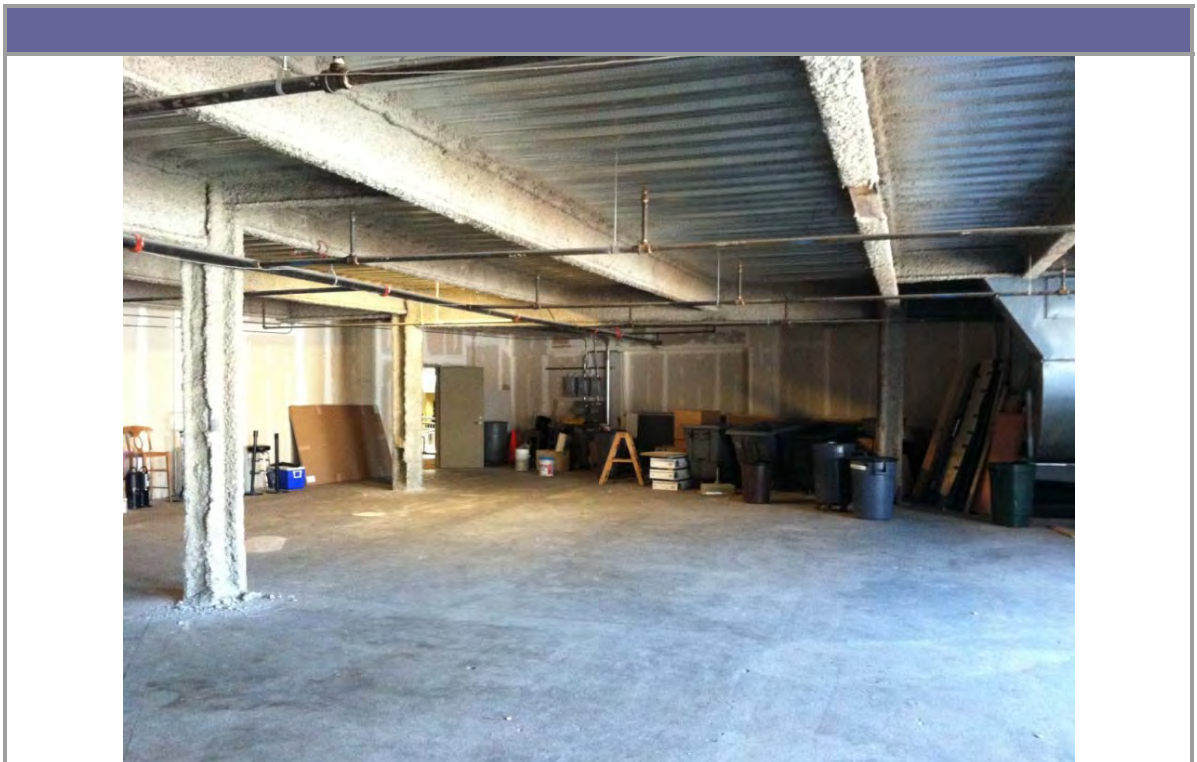
Vacant Unit #428 Entrance



Interior View: Vacant Unit #428



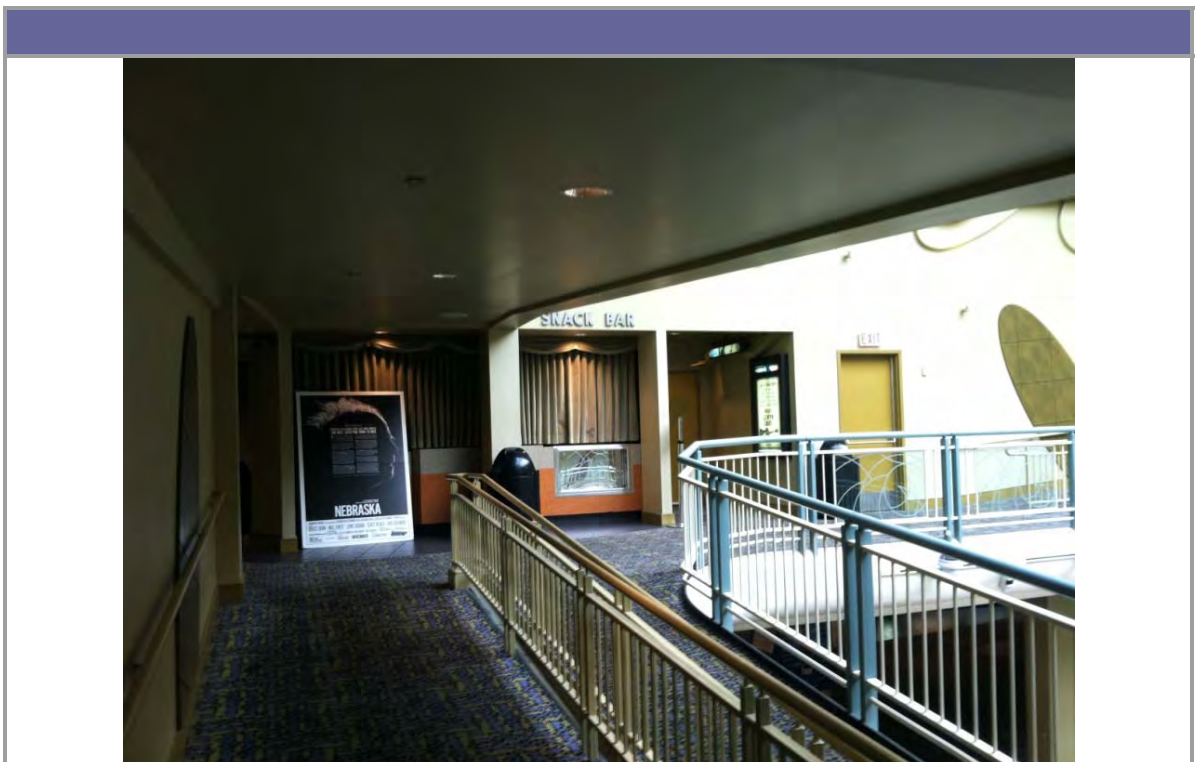
Vacant Unit #432B Entrance



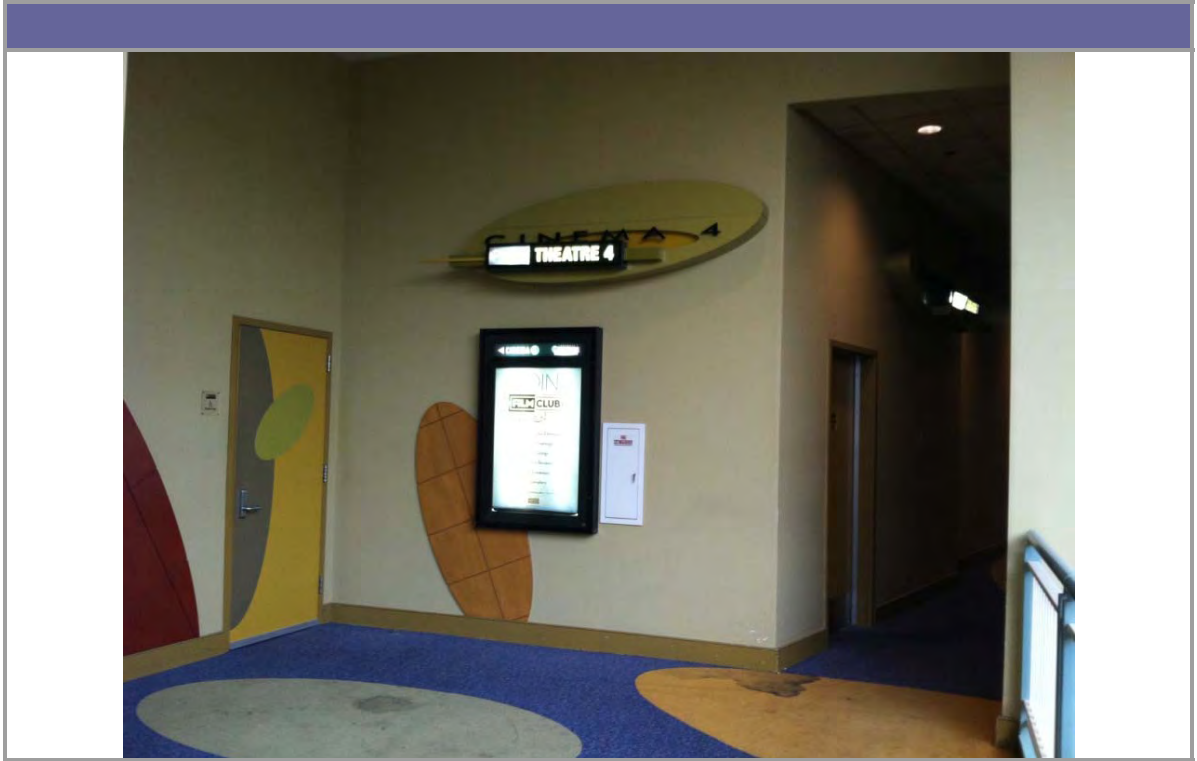
Interior View: Vacant Unit #432B



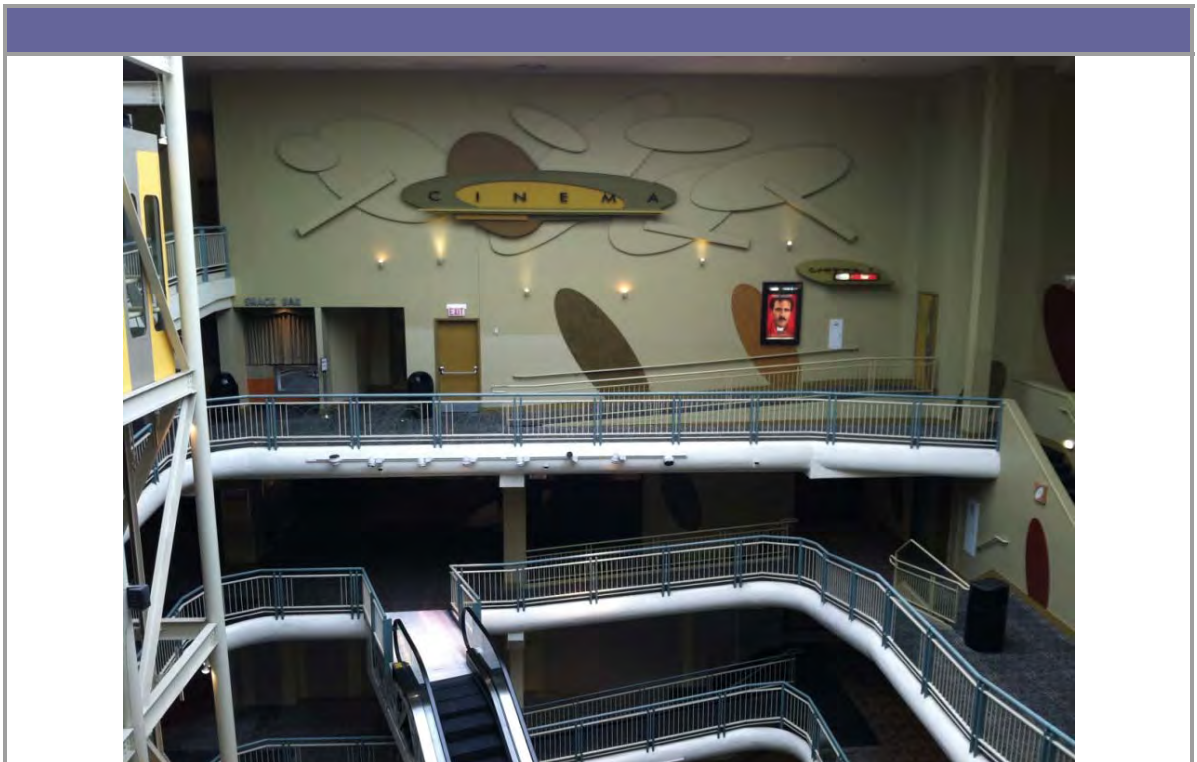
Cinema: Front Lobby and Concessions



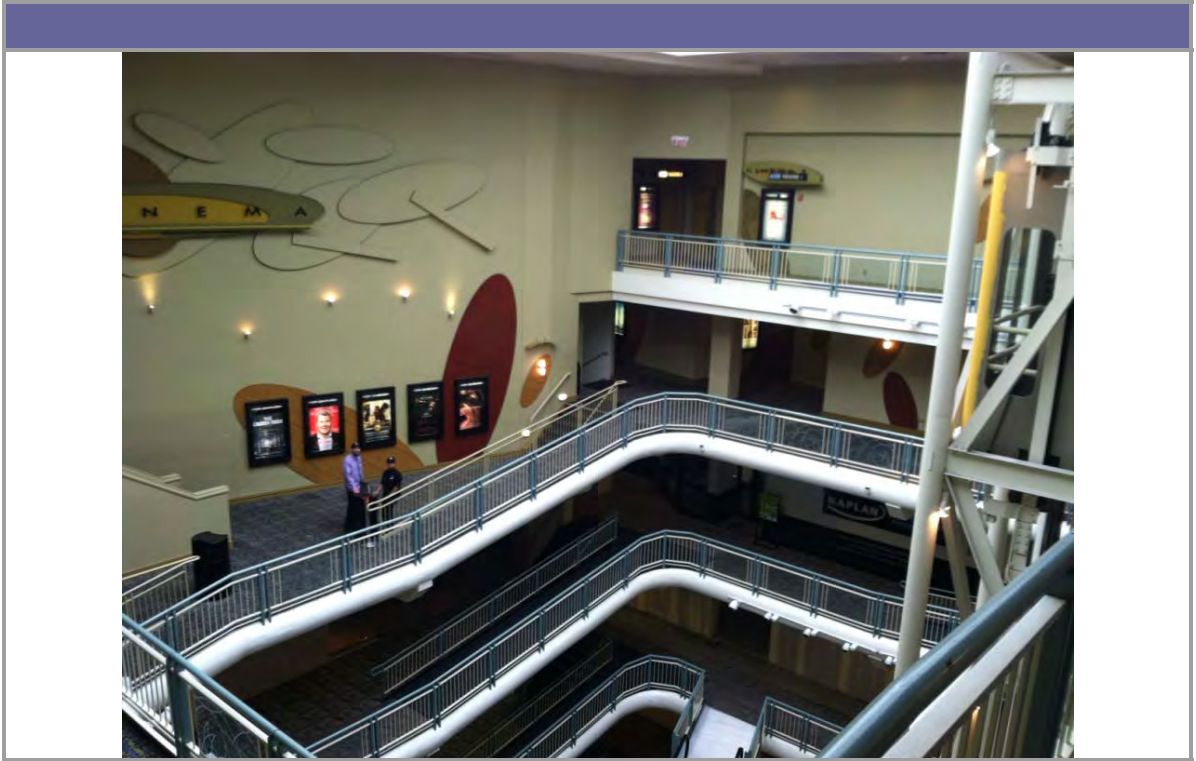
Cinema: Snack Bar



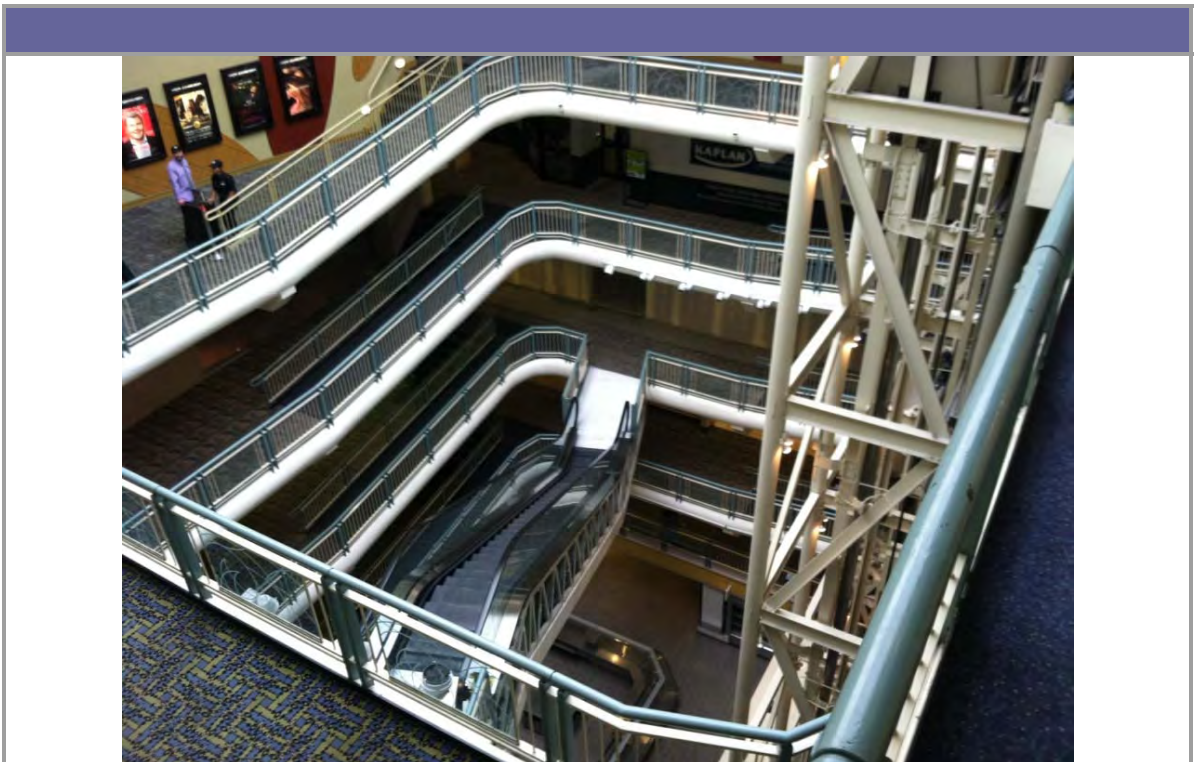
Cinema: Typical Entrance and Hallway



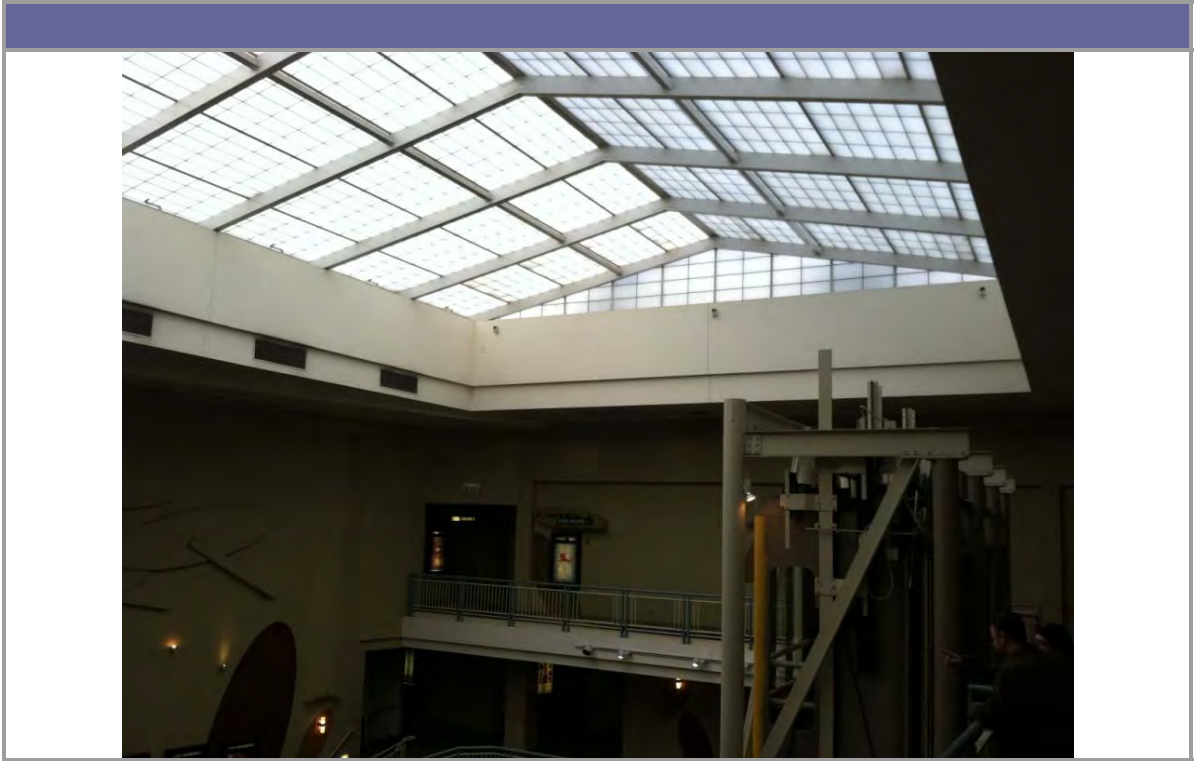
Cinema: Interior Walkways



Cinema: Interior Walkways



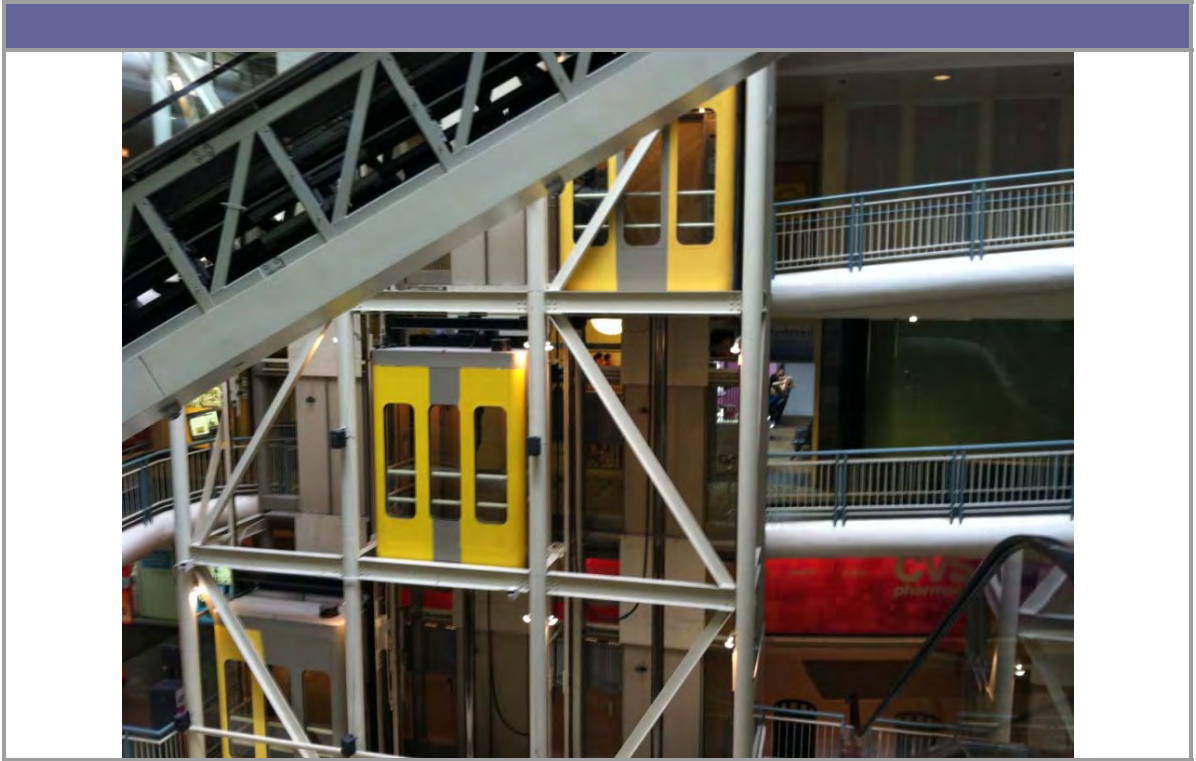
Interior View: Looking Down Atrium From 6th Floor



Interior View: Atrium Skylight



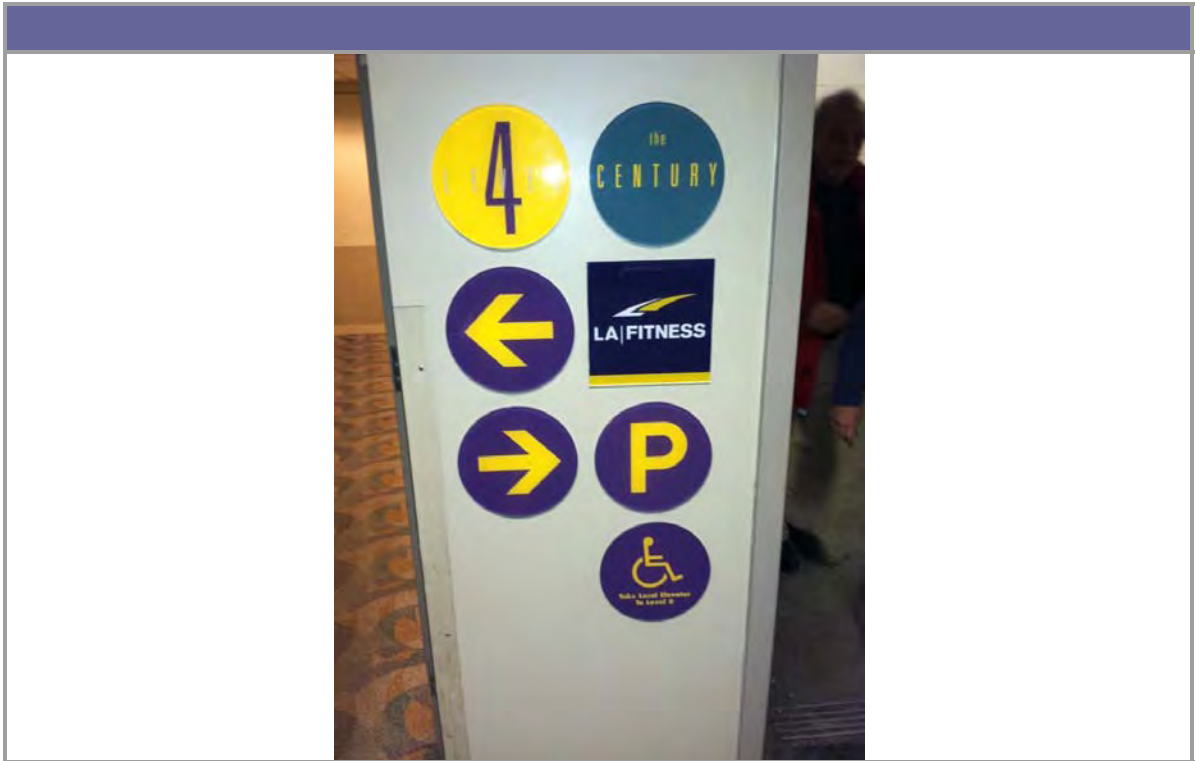
Elevator Shaft



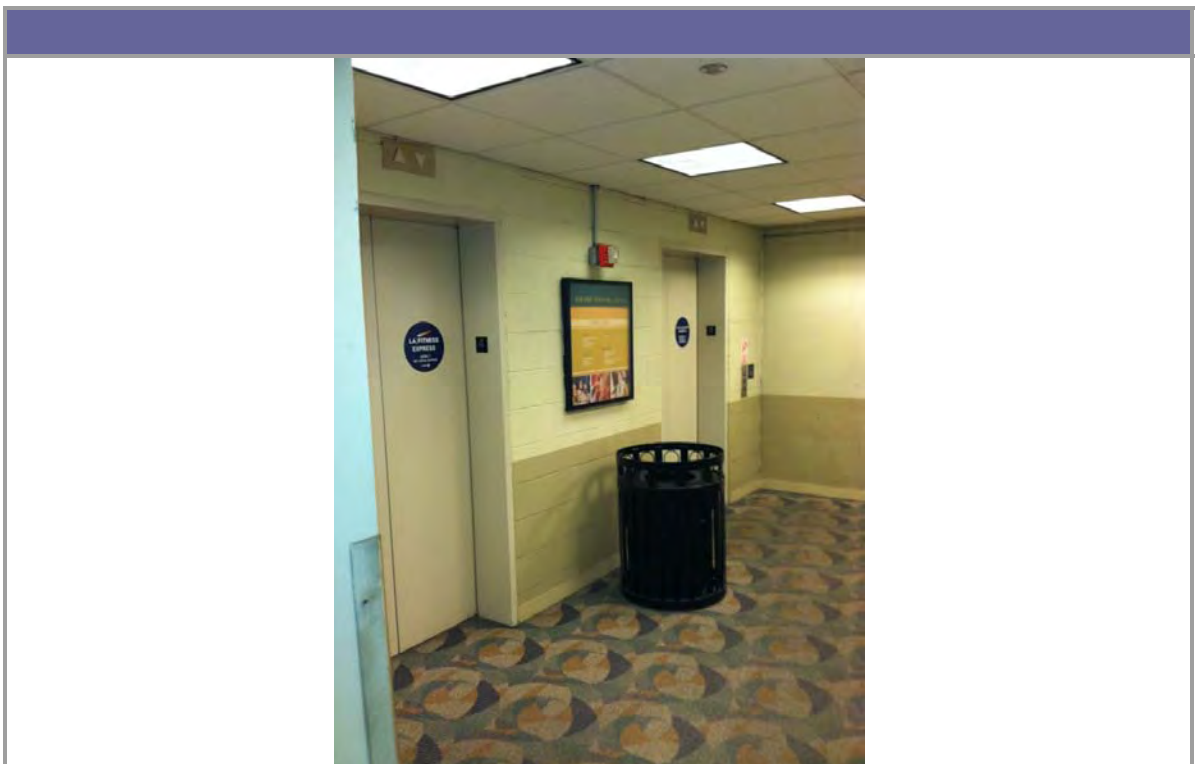
Exposed Elevator Shaft and Passenger Cars



Major Tenant: Typical Signage



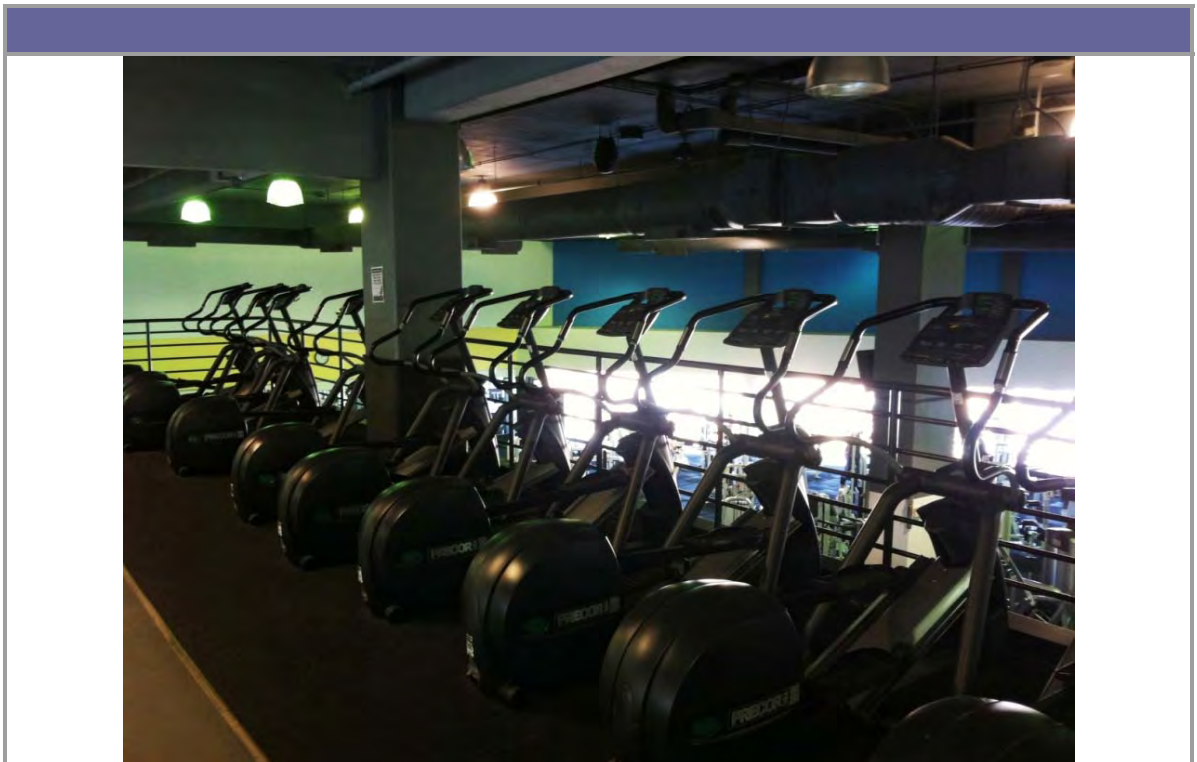
Typical Corridor Signage



Rear Elevators: Dedicated Gym Access



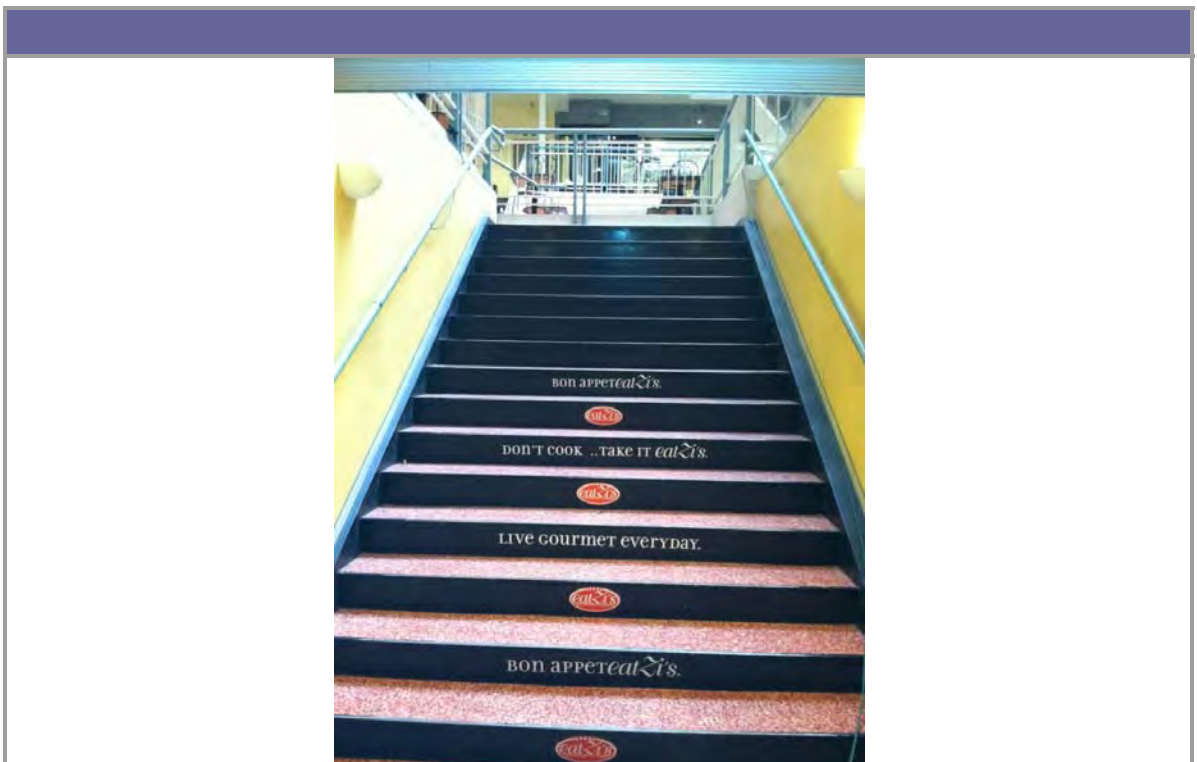
Major Tenant: Indoor Pool of Gym



Major Tenant: Gym Mezzanine Level



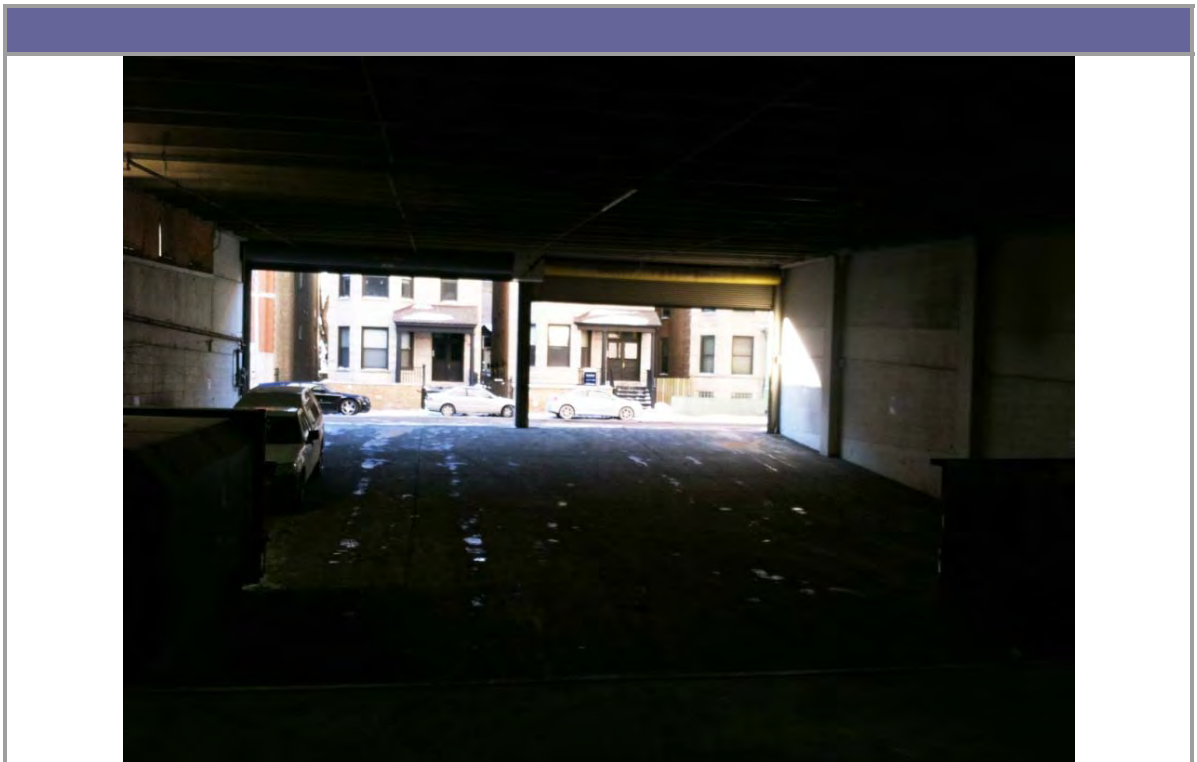
Basement Level: Main Counter Space Under Atrium



Basement Level: Entry From 1st Floor



Basement Level: Typical Kitchen Space



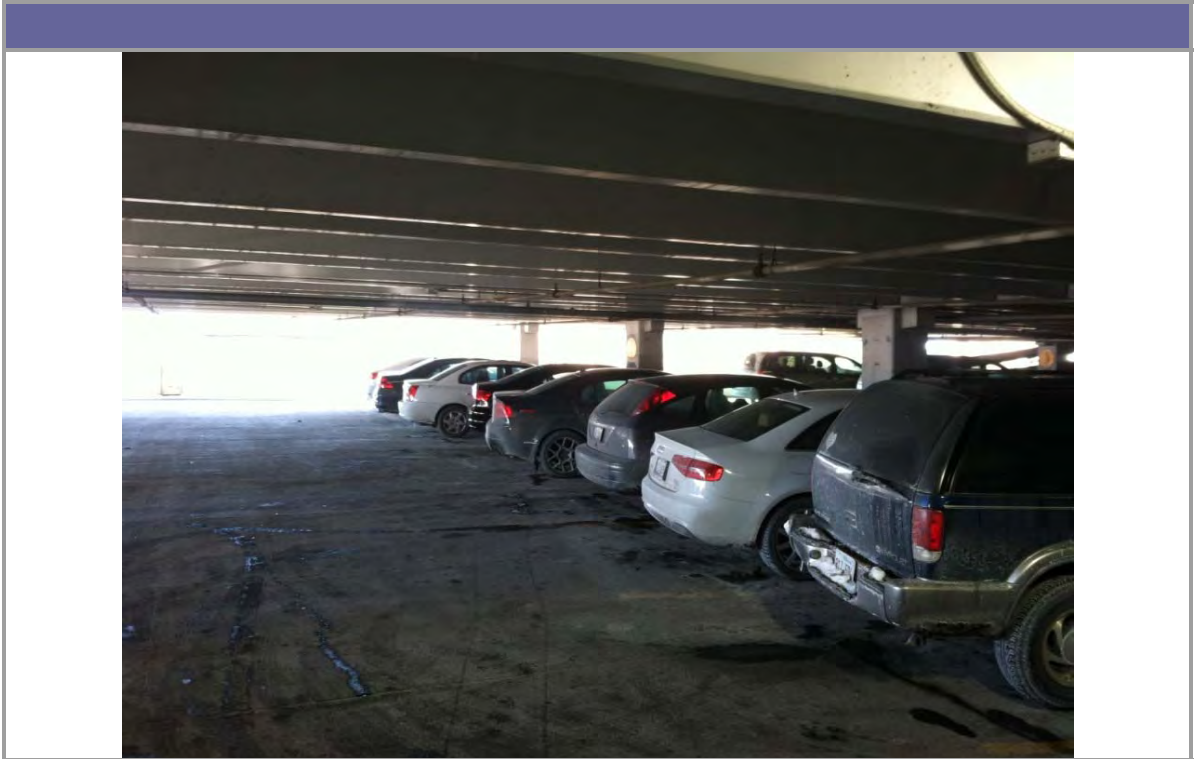
Loading Dock



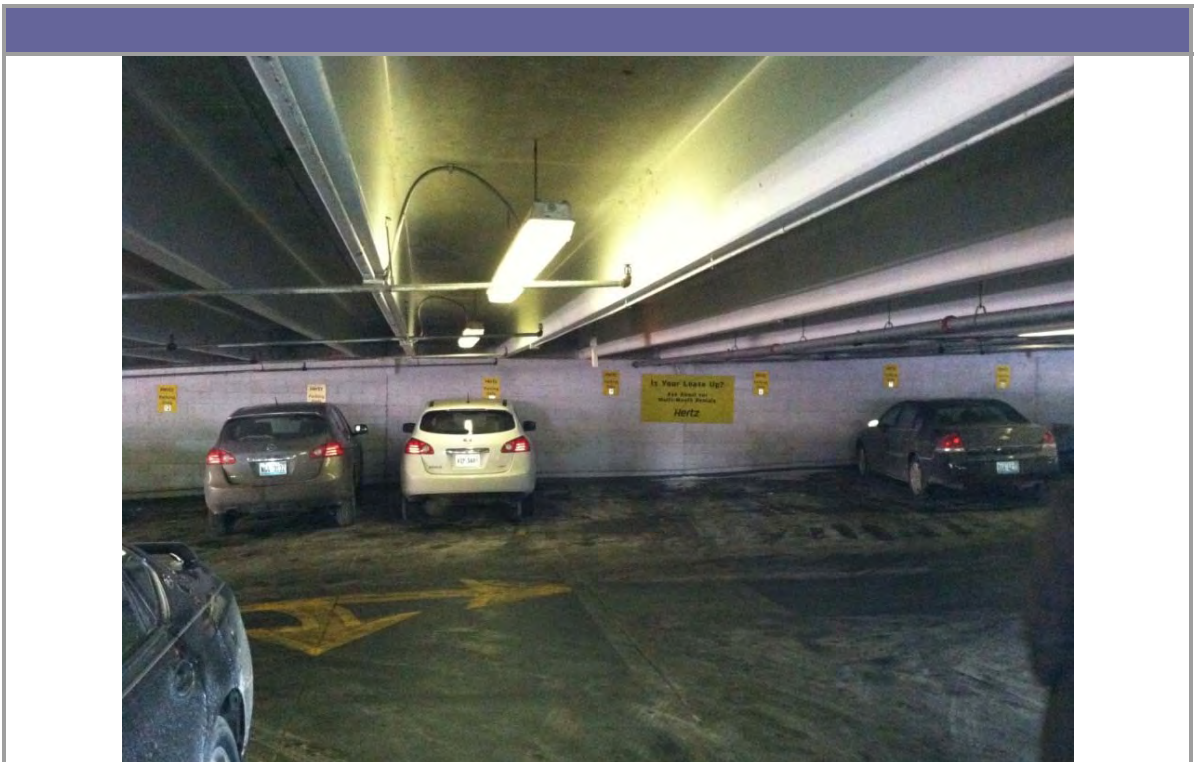
Loading Dock: Box Compactor



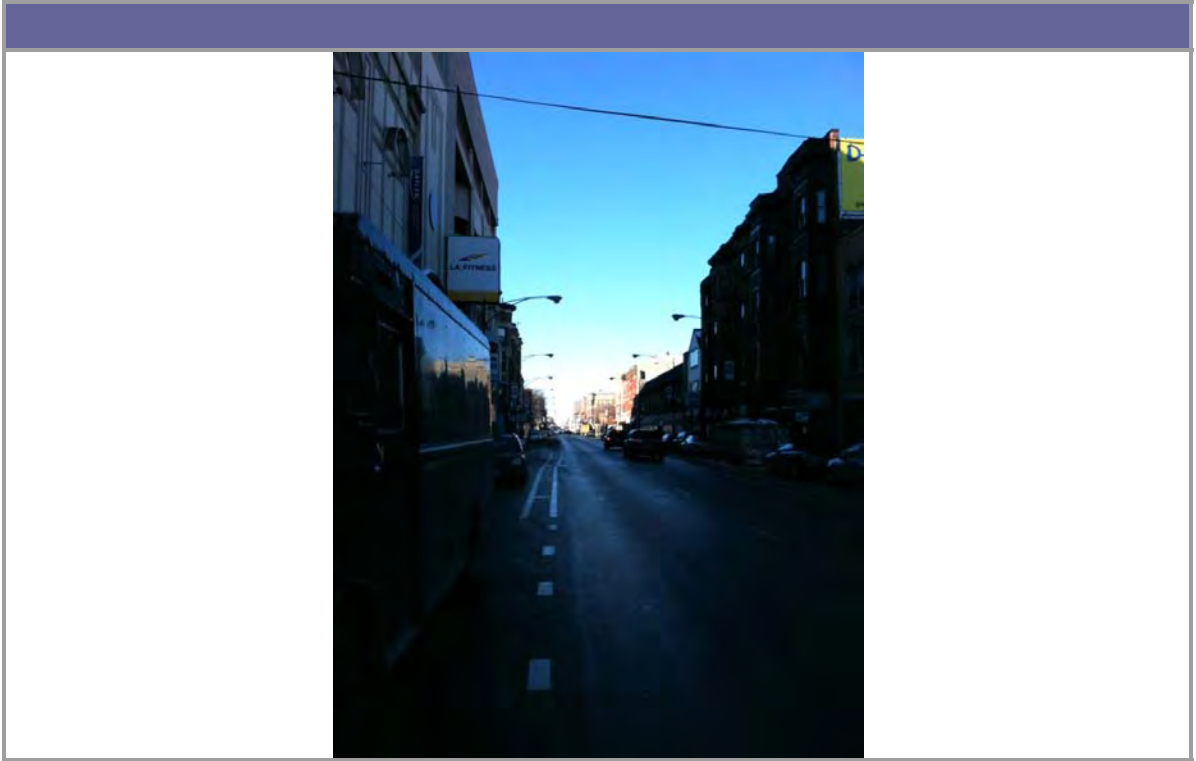
Parking Kiosk



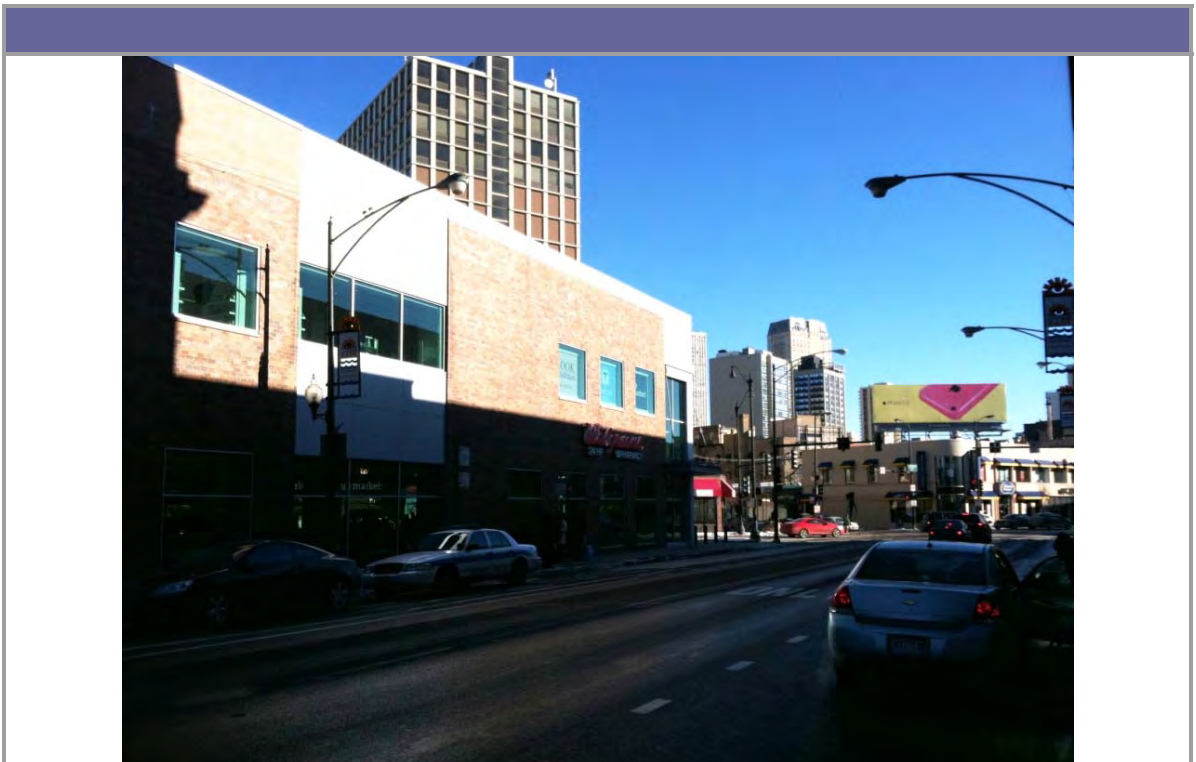
Parking Garage: Typical Parking Spaces



Parking Garage: Designated Spaces Inline Tenant



Street Scene: Facing North Along Clark Street



Street Scene: Facing South Along Clark Street

TABLE OF CONTENTS

SUMMARY OF SALIENT FACTS AND CONCLUSIONS	IV
PROPERTY PHOTOGRAPHS	VIII
INTRODUCTION	1
SCOPE OF WORK	1
REPORT OPTION DESCRIPTION	1
IDENTIFICATION OF PROPERTY	2
PROPERTY OWNERSHIP AND RECENT HISTORY	2
DATES OF INSPECTION AND VALUATION	3
CLIENT, INTENDED USE AND USERS OF THE APPRAISAL	3
EXTRAORDINARY ASSUMPTIONS	3
HYPOTHETICAL CONDITIONS	3
REGIONAL ANALYSIS	4
INTRODUCTION	5
DEMOGRAPHIC TRENDS	6
ECONOMIC TRENDS	10
CONCLUSION	13
LOCAL AREA ANALYSIS	15
LOCATION OVERVIEW	16
NEIGHBORHOOD ANALYSIS	16
TRAFFIC COUNTS	19
ACCESS	20
CONCLUSION	20
NATIONAL RETAIL MARKET ANALYSIS	22
CHICAGO RETAIL MARKET OVERVIEW	31
TRADE AREA OVERVIEW	38
MAJOR TENANT PROFILES	41
TRADE AREA ANALYSIS	44
CONCLUSION	50
PROPERTY ANALYSIS	51
SITE DESCRIPTION	51
IMPROVEMENTS DESCRIPTION	54
REAL PROPERTY TAXES AND ASSESSMENTS	65
ZONING	69
HIGHEST AND BEST USE	71
VALUATION PROCESS	73
SALES COMPARISON APPROACH	75
INCOME CAPITALIZATION APPROACH	83
INVESTMENT CONSIDERATIONS	120
OVERVIEW	120
CURRENT ECONOMIC CONDITIONS	121
CONCLUSION	123
RECONCILIATION AND FINAL VALUE OPINION	138
SENSITIVITY ANALYSIS	139
ASSUMPTIONS AND LIMITING CONDITIONS	140
CERTIFICATION OF APPRAISAL	143
ADDENDA CONTENTS	144

Introduction

SCOPE OF WORK

This appraisal report is intended to comply with the reporting requirements outlined under the USPAP for an Appraisal Report. The report was also prepared to comply with the requirements of the Code of Professional Ethics of the Appraisal Institute and the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), Title XI Regulations.

Cushman & Wakefield of Illinois, Inc. has an internal Quality Control Oversight Program. This Program mandates a “second read” of all appraisals. Assignments prepared and signed solely by designated members (MAIs) are read by another MAI who is not participating in the assignment. Assignments prepared, in whole or in part, by non-designated appraisers require MAI participation, Quality Control Oversight, and signature.

For this assignment, Quality Control Oversight was provided by Thomas S. Helm, MAI, MRICS.

The scope of this appraisal is to value the leased fee interest of the subject property on an As Is and As Stabilized basis. This required collecting primary and secondary data relevant to the subject property. Improved sales were researched in the subject's market, rental data was analyzed, and the input of buyers, sellers, brokers, property developers and public officials was considered. A physical inspection of the property was made. In addition, the general regional economy as well as the specifics of the subject's local area was investigated.

The data have been thoroughly analyzed and confirmed with sources believed to be reliable, leading to the value conclusions in this report. The valuation process used generally accepted market-derived methods and procedures appropriate to the assignment.

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. Typical purchasers do not generally rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not utilized the Cost Approach to develop an opinion of market value.

REPORT OPTION DESCRIPTION

USPAP identifies two written report options: Appraisal Report and Restricted Appraisal Report. This document is prepared as an Appraisal Report in accordance with USPAP guidelines. The terms “describe,” “summarize,” and “state” connote different levels of detail, with “describe” as the most comprehensive approach and “state” as the least detailed. As such, the following provides specific descriptions about the level of detail and explanation included within the report:

- Describes the real estate and/or personal property that is the subject of the appraisal, including physical, economic, and other characteristics that are relevant
- States the type and definition of value and its source
- Describes the Scope of Work used to develop the appraisal
- Describes the information analyzed, the appraisal methods used, and the reasoning supporting the analyses and opinions; explains the exclusion of any valuation approaches
- States the use of the property as of the valuation date
- Describes the rationale for the Highest and Best Use opinion (if included)

IDENTIFICATION OF PROPERTY

Common Property Name: Century Shopping Centre

Location: The subject property is located on the northwest corner of the intersection of North Clark Street and Diversey Parkway, in the Lakeview neighborhood of Chicago, IL.

Assessor's Parcel Numbers: 14-28-119-008, -024, -030 through -046

Legal Description: The legal description is presented in the addenda of this report.

PROPERTY OWNERSHIP AND RECENT HISTORY

Current Ownership: BAI Century, LLC

Sale History: The subject property was previously purchased by the current owner, BAI Century, LLC for a total purchase price of \$18,500,000 on December 22, 2010. Corporate news releases from the buyer reported an overall purchase price of \$18.5 million, of which approximately \$1.0 million was allocated to unpaid capital improvement obligations against the property, for an adjusted sale price of \$17.5 million. The asset traded at an in-place capitalization rate of approximately 9.7 percent with a reported net operating income of approximately \$1.8 million. Per the TASE (Tel Aviv Stock Exchange) filing of November, 2010, the income from the garage operations was approximately \$800,000 per year.

The property was marketed without a publicly released price and the conditions of the sale indicate that it was a short sale with a reported outstanding loan balance of approximately \$20.0 million.

At the time of sale, the subject property was approximately 24.0 percent vacant.

It was also disclosed by ownership that the subject property was previously appraised as of December 31, 2012 by a third party at a concluded market value of \$26,100,000.

Our concluded Market Value As-Is of \$32,000,000 is significantly higher than the previous purchase price for the following reasons: The subject property has increased its occupancy from a reported 76.0 percent at the time of the sale to its current level of 82.3 percent occupancy. Related to the increased occupancy, the net operating income has improved to a stabilized level of approximately \$2.90 million for this valuation analysis. Since the property is now performing better economically, it would be unlikely that the conditions of the sale would be similar to that of the 2010 transfer as a short sale. Additionally, market investment rates have also declined over the period since the last transfer, additionally increasing the valuation.

Our Market Value As-Is of \$32,000,000 is also higher than the previous 2012 appraisal value because of the recent leasing activities including LA Fitness and ITT Technical Institute at the subject property, which subsequently increased the net operating income.

Current Disposition: To the best of our knowledge, the property is not under contract of sale nor is it being

marketed for sale.

DATES OF INSPECTION AND VALUATION

Effective Dates of
Valuation:

As Is: December 31, 2013

Upon Stabilization: January 1, 2016

Date of Inspection: January 29, 2014

Property Inspected by: John Mackris, MAI, MRICS

CLIENT, INTENDED USE AND USERS OF THE APPRAISAL

Client: Aviv Arlon, Ltd.

Intended Use: This Appraisal Report is intended to provide an opinion of the Market Value of the Leased Fee interest in the property for the use in connection with financial reporting purposes according to the International Financial Reporting Standards (IFRS). This Appraisal Report is not intended for any other use.

Intended User: This Appraisal Report was prepared for the exclusive use of Aviv Arlon, Ltd.. Use of this report by others is not intended by the appraiser.

The appraisal was prepared for the Client as an Intended User and Client is identified in the appraisal as the End User Client. The appraisal is intended only for the use specified below. The Client agrees that there are no other Intended Users. In addition to the Client, and solely for purposes of compliance with Ill. Admin. Code tit. 68, ch. VII(b), pt. 1455, §1455.250, Cushman & Wakefield of Illinois, Inc. (State of Illinois AMC License No. 558.000147) is also identified as a client in this assignment.

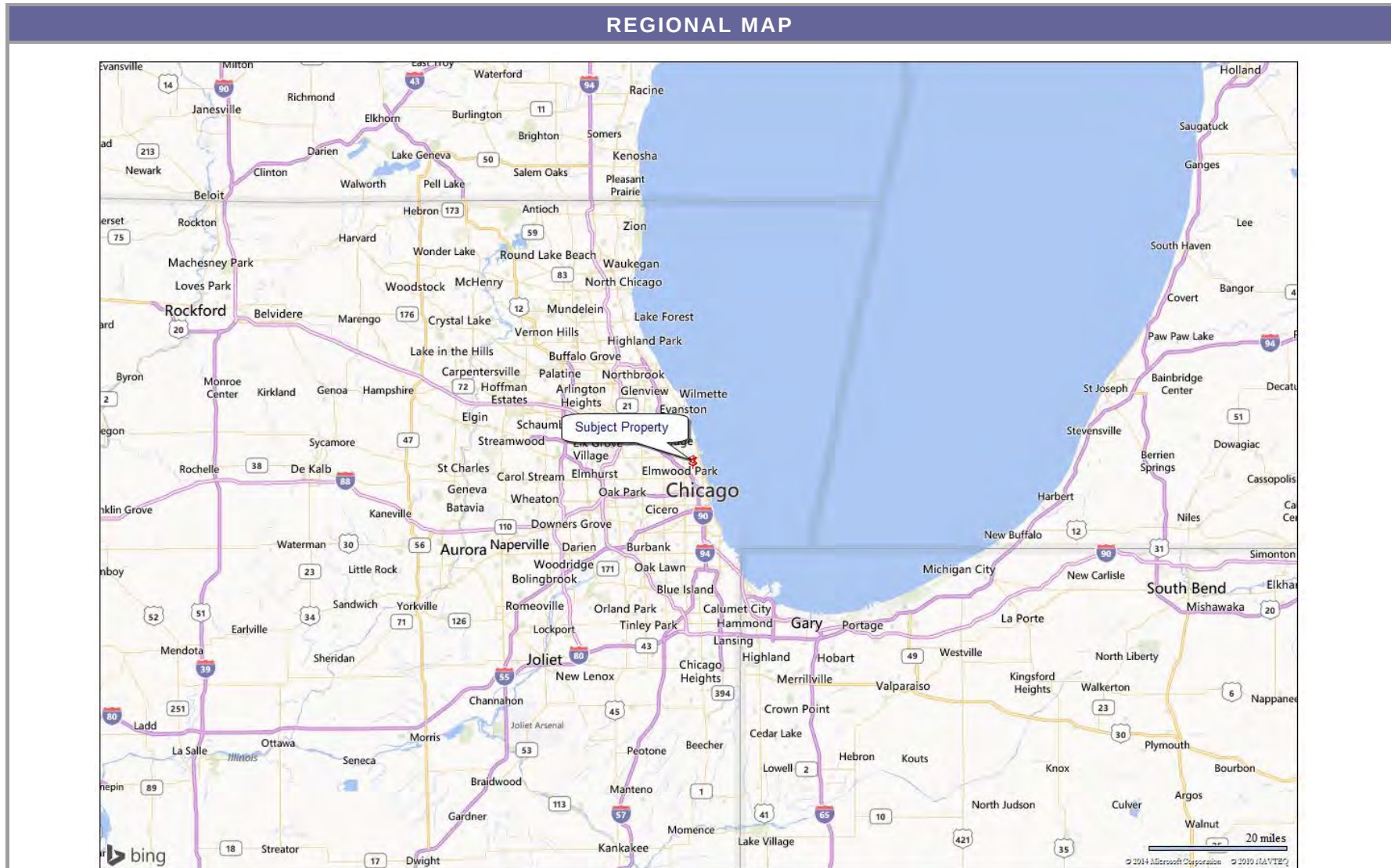
EXTRAORDINARY ASSUMPTIONS

This appraisal does not employ any extraordinary assumptions.

HYPOTHETICAL CONDITIONS

This appraisal does not employ any hypothetical conditions.

Regional Analysis

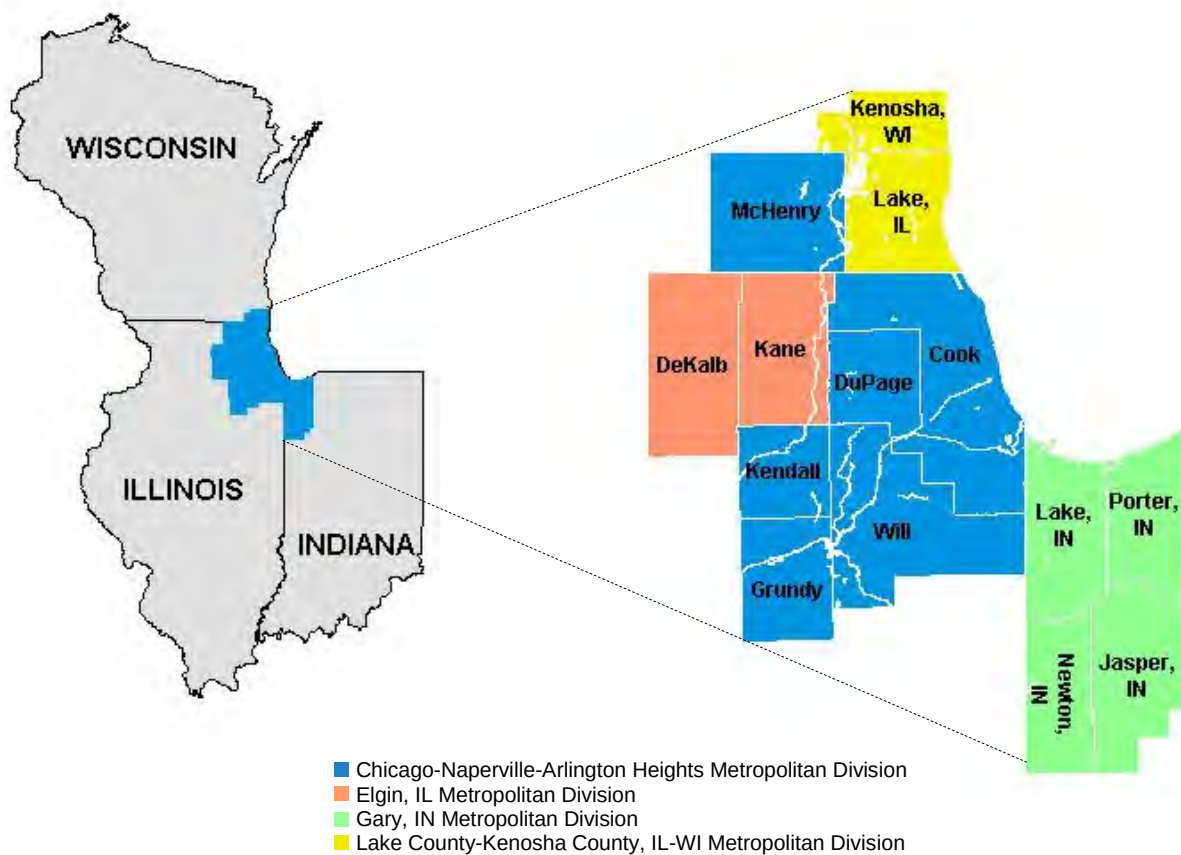


INTRODUCTION

MARKET DEFINITION

The Chicago Region consists of the Chicago-Naperville-Joliet, IL Metropolitan Division and the Lake County-Kenosha County, IL-WI Metropolitan Division, which encompasses 10 counties located in northeast Illinois and southeast Wisconsin. The City of Chicago is the largest incorporated area within the Chicago Region and is the seat of Cook County. Chicago is a major Great Lakes port and is considered the commercial, financial, industrial, and cultural center of the Midwest. The Chicago Region is a major warehouse and distribution hub, supported by its comprehensive network of highway, water, rail and air routes. Its strategic location in the middle of the country and at the intersection of major interstate highways, rail lines, and air-routes makes Chicago an attractive locale for corporate headquarters, regional offices, warehouse/distribution facilities, and manufacturing facilities. The Chicago Region is presented in the following map.

CHICAGO REGION



Source: Claritas, Inc., Cushman & Wakefield Valuation & Advisory

CURRENT TRENDS

Overall, economic activity in the Chicago Region has strengthened, although challenges remain. A majority of private industries in the region are reported to be stable or expanding. However, manufacturing and housing activities in the region are below national averages and the area unemployment rate has been variable in recent

months. Nevertheless, national recovery trends have driven local demand and output in a positive direction, but at a comparatively slower pace.

Additional details regarding the area performance are as follows:

- The housing markets in the region remain below the national average and inventory of foreclosed housing in Chicago is among the highest in the nation. However, housing affordability is also above the national average in the region and due to pent up demand, household formation is beginning to recover. Throughout the year home prices are expected to stabilize.
- Data provided by the National Association of Homebuilders indicate year-over-year building permits issued in 2012 for multifamily developments increased 10.2 percent, while permits for single-family homes increased 37.5 percent. Additionally, compared to 12 months prior multifamily permits year-to-date through July 2013 are up 61.8 percent, while single-family permits are up 35.4 percent. However, a large surplus of foreclosed homes remains in this market which has constrained more substantial housing development. Consequently, construction payrolls remain well below pre-recession levels.
- Consumer credit conditions remain weak, and the depressed housing market, which had begun to improve last spring, continues to be difficult for sellers. The National Association of Realtors' preliminary data indicate that the median sales price of existing homes in Chicago increased a slight 7.2 percent since second quarter 2012 to \$201,300, while this price represents a 20.3 percent increase from 6 months prior.
- Chicago's weakened manufacturing sector continues to exhibit improved performance. As reported by the Federal Reserve Bank of Chicago, its Midwest Manufacturing Index (CFMMI) increased 3.5 percent from June 2012 to June 2013 to a level of 96.0. In comparison, during this same period a similar metric for the nation, the US industrial Production-Manufacturing (IPMFG), increased 2.1 percent to a level of 97.2. While each index remains below the established baseline of 100, the level of production recorded in 2007, both indices indicate general production increases.
- As a well established host for domestic and international conventions and trade show business, Chicago stands to benefit from as much as \$32.0 billion in yearly tourism spending over the next four years from its McCormick Place convention center alone. However, cutbacks in corporate and tourist spending and complaints of convoluted labor requirements and exorbitant fees have negatively affected prospects for this sector prompting recent reforms of some of these business practices.
- Carving out its niche as a global business center is a key component of Chicago's recovery. This depends heavily on Chicago's ability to retain and attract new corporate headquarters, as well as major intermediate firms.
- The merger of the Chicago Mercantile Exchange and the Chicago Board of Trade gives Chicago the status as the world capital of futures trading and a substantial economic boost.

DEMOGRAPHIC TRENDS

DEMOGRAPHIC CHARACTERISTICS

Chicago is comprised of a slightly younger population that is better educated and better compensated compared to the U.S. population. Details of this comparison reveal the following considerations:

- The median age in Chicago of 36.0 years is just below that of the U.S.

- The median annual household income in Chicago is 17.8 percent greater than that of the U.S. median household income, a difference of nearly \$9,000.
- Chicago's share of the population with a bachelor's degree or higher, at 34.8 percent, is above the national average of 28.1 percent.
- The share of households with an income of \$100,000 or greater is notably higher than the nation as a whole.

The following chart compares the demographics of the Chicago MSA and the U.S.:

Demographic Characteristics Chicago Region vs. United States 2013 Estimates		
Characteristic	Chicago Region	United States
Median Age (years)	36.0	37.0
Average Annual Household Income	\$81,151	\$69,636
Median Annual Household Income	\$58,015	\$49,231
<i>Households by Annual Income Level:</i>		
<\$25,000	21.3%	25.4%
\$25,000 to \$49,999	22.4%	25.3%
\$50,000 to \$74,999	18.0%	18.1%
\$75,000 to \$99,999	13.1%	11.7%
\$100,000 plus	25.2%	19.5%
<i>Education Breakdown:</i>		
< High School	13.8%	14.6%
High School Graduate	24.4%	28.4%
College < Bachelor Degree	26.9%	28.9%
Bachelor Degree	21.6%	17.7%
Advanced Degree	13.2%	10.4%

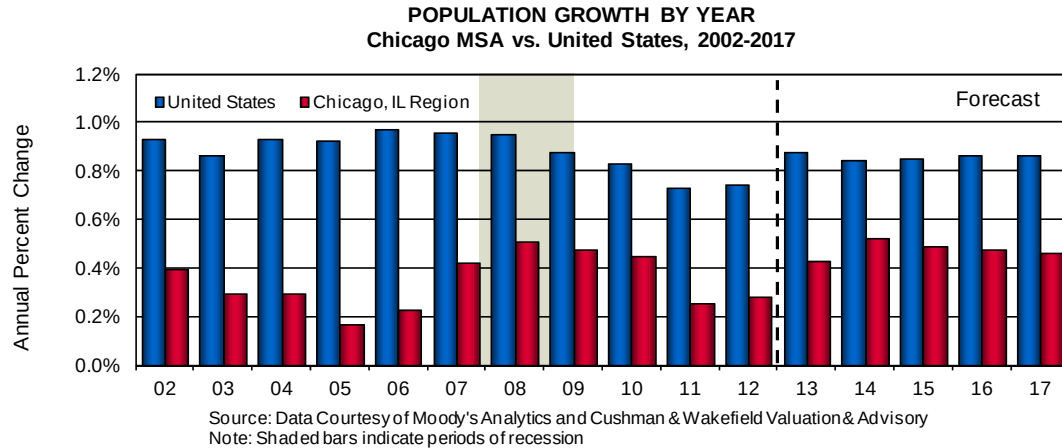
Source: Claritas, Inc., Cushman & Wakefield Valuation & Advisory

POPULATION

Population growth in Chicago declined following the 2001 recession and fluctuated at relatively lower levels before steadily increasing from 2006 through 2009. Although the region experienced relatively flat population trends in the previous four-year period, in the short term a slight increase in population growth is expected to be followed by a gradual decline in growth. Additional details regarding population the Chicago Region include the following:

- Chicago's current population of nearly 9.6 million grew at an average annual rate of 0.3 percent throughout the ten-year period ending in 2012. The average annual growth rate of the U.S. was 0.9 percent during this same interval.
- Looking forward through 2017, the pace of Chicago's population growth is forecasted to continue at an average annual rate of 0.5 percent, somewhat below the continued 0.9 percent growth rate the U.S. is expected to maintain.

The following graph compares historical and projected population growth between the Chicago Region and the U.S.:



Throughout the ten-year period ending in 2012, the perimeter counties of the Chicago Region experienced stronger population growth, while Cook County, the most populous county of the MSA, averaged a declining growth rate of 0.2 percent. The general direction of growth has been towards the north, west and southwest of the Region.

Additional considerations are as follows:

- The southwest counties of Kendall and Grundy experienced the most significant growth rates of 6.6 percent and 2.6 percent, respectively.
- Cook and Newton (IN) counties each experienced the weakest growth rates of -0.2 percent.
- Through 2017 the population trend for Newton County (IN) is expected to decline while Cook County is expected to increase slightly, and the greatest annual growth rates are anticipated for Kendall and Kenosha (WI) counties.

Details of this activity are presented in the following table:

Annualized Population Growth by County Chicago Region 2002-2017						
Population (000's)	2002	2012	Forecast 2013	Forecast 2017	Compound Annual Growth Rate 02-12	Compound Annual Growth Rate 13-17
United States	287,625.2	313,914.0	316,667.9	327,665.7	0.9%	0.9%
Chicago Region	9,206.0	9,522.4	9,563.3	9,750.4	0.3%	0.5%
Cook County	5,328.8	5,231.4	5,234.0	5,288.1	-0.2%	0.3%
DeKalb County	92.0	104.7	105.6	107.1	1.3%	0.4%
DuPage County	913.9	928.0	930.2	945.9	0.2%	0.4%
Grundy County	38.9	50.3	51.1	53.3	2.6%	1.0%
Kane County	440.4	522.5	529.1	551.9	1.7%	1.1%
Kendall County	62.5	118.1	123.4	138.6	6.6%	3.0%
Lake County	668.0	702.1	709.7	743.1	0.5%	1.2%
McHenry County	274.4	308.1	310.1	314.1	1.2%	0.3%
Will County	553.7	682.5	690.3	709.6	2.1%	0.7%
Jasper County, IN	30.7	33.5	33.7	34.5	0.9%	0.6%
Lake County, IN	484.5	493.6	494.6	497.6	0.2%	0.2%
New ton County, IN	14.3	14.0	14.0	13.8	-0.2%	-0.3%
Porter County, IN	150.0	165.7	167.2	172.3	1.0%	0.8%
Kenosha County, WI	153.9	167.9	170.3	180.6	0.9%	1.5%

Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

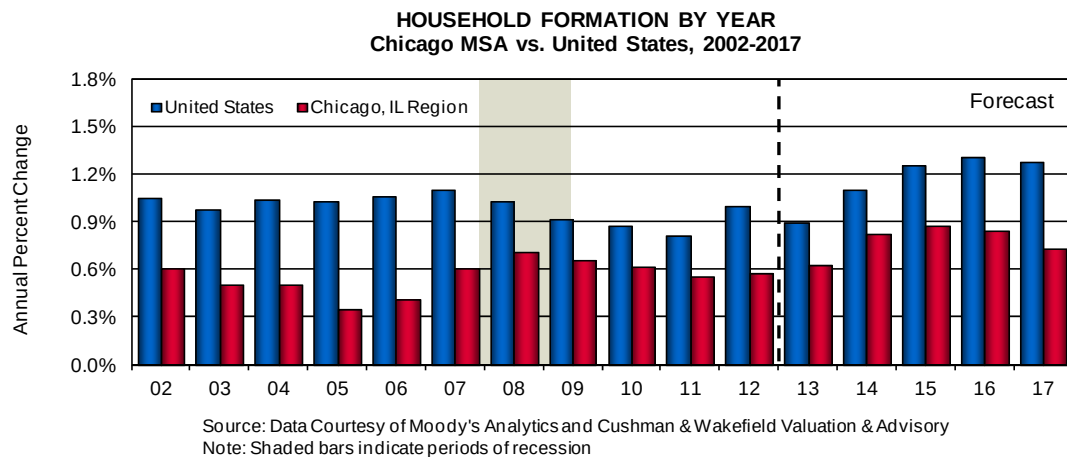
HOUSEHOLDS

Over the previous ten-year period, household formation trends in the Chicago MSA increased slightly beyond the population growth of the region. In addition to population trends, this demographic is also profoundly influenced by the interplay between such factors as: consumer confidence, employment status, personal wealth, accessibility to credit, life-stage status and minority, ethnic or cultural alignment.

Additional considerations include the following:

- Over the past decade ending in 2012, the annualized growth rate of household formation averaged 0.5 percent, while population growth averaged 0.3 percent in the Chicago MSA. During this same period, U.S. household formation growth averaged 1.0 percent while annual population growth averaged 0.9 percent.
- It is forecasted over the next five years that Chicago may experience a 0.8 percent annual growth rate in household formation which is 40 basis points behind the 1.2 percent annualized growth rate forecast for the U.S.

The following graph presents additional details of this historical and projected activity:



ECONOMIC TRENDS

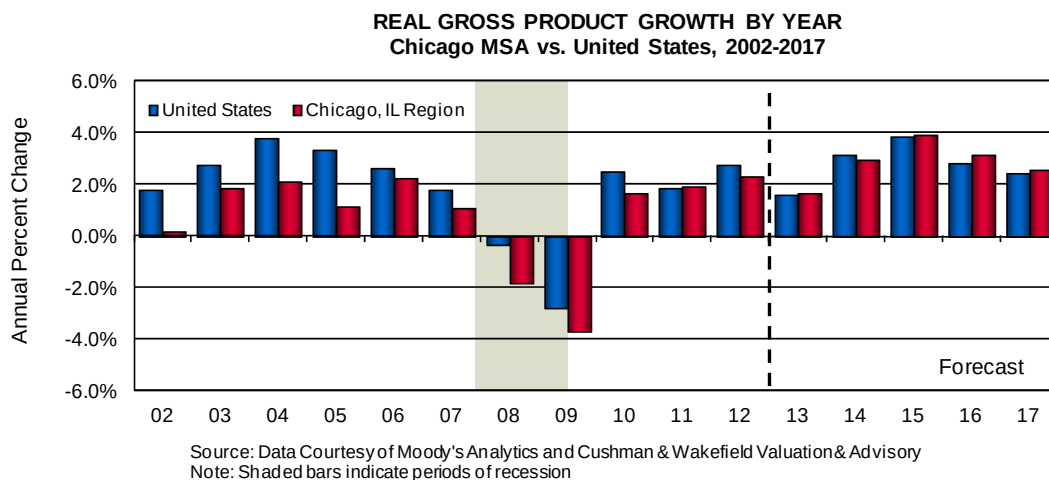
GROSS METRO PRODUCT

Growth of Chicago's Gross Metro Product (GMP) has often lagged that of the U.S., and in some cases, by a substantial margin. Current estimates indicate the Chicago economy expanded at a minimal rate of 2.3 percent in 2012, while the U.S. expanded at a 2.8 percent growth rate.

Additional items of note are as follows:

- From 2002 through 2012, the Chicago GMP grew at an average annual rate of 0.9 percent, trailing the annualized average rate of 1.8 percent for the U.S. as a whole.
- Through 2017, the GMP growth rate in Chicago is expected to reach 3.2 percent, and just surpass the 3.1 percent growth rate projected for the U.S.

The following graph presents additional details of this historical and projected activity:



EMPLOYMENT DISTRIBUTION

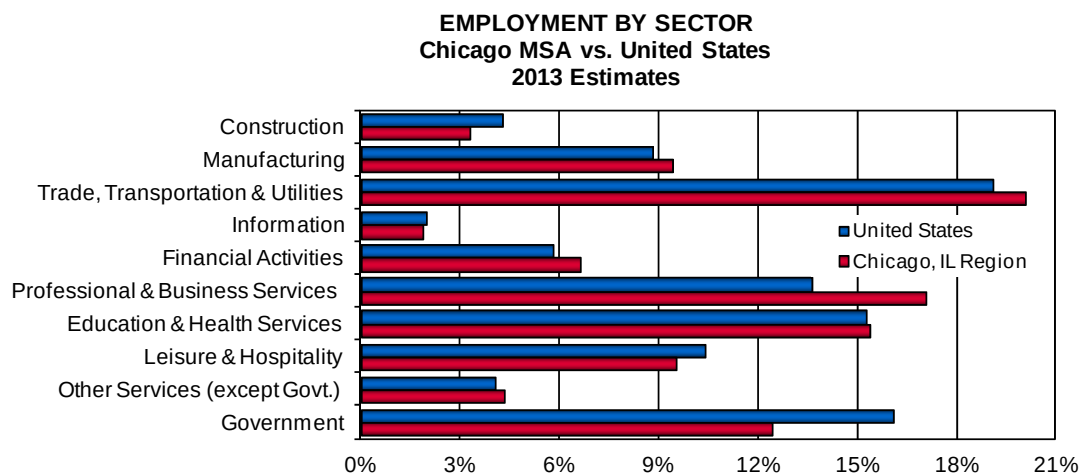
Chicago's employment base is one of the most diverse in the nation. However, compared to the U.S. the professional & business services; trade, transportation & utilities and financial activities sectors account for a

more dominant portion of total employment in the region. While the government, construction and leisure & hospitality sectors of the Chicago employment base are notably below the national average.

Current details regarding the area's employment base are as follows:

- Over the past decade ending 2012, the education and health services sector experienced the strongest annual growth rate in the region of 2.3 percent. Throughout the next five-year period growth in this sector is expected to decline 30 basis points to average 2.0 percent.
- Although the Chicago construction sector declined at an average annual rate of 3.8 percent over the previous decade, the current five-year projection indicates this sector may expand at an average annual rate of 5.0 percent.

The following graph presents details and compares the Chicago MSA and U.S. employment sectors:



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory

MAJOR EMPLOYERS

Chicago's largest employers include a diverse group of multinational corporations representing a variety of industries including telecommunications, aviation, manufacturing, retail, and banking. Twenty-seven of the nation's *Fortune500* corporations are headquartered in the Chicago Region such as Walgreens, Boeing, Kraft Foods, Sears Holdings, Abbott Laboratories, Allstate, McDonald's, Motorola and United Continental Holdings.

- Providing more than 35,237 jobs, the City of Chicago is one of the area's largest employers.
- Other notable public employers include: the employment agency Hewitt Associates, Inc., the branded food company ConAgra Grocery Products and the insurance giant AON Solutions.

In addition to the public companies noted earlier, the following table details the largest private employers located in the Chicago MSA:

Largest Employers* Chicago, IL		
Company	No. of Employees	Business Type
Wal-Mart Stores Inc.	21,329	Retail
Advocate Health Care	14,873	Healthcare
J.P. Morgan Chase & Co.	13,639	Financial Services
Walgreen Co.	13,122	Retail
United Continental Holdings Inc.	13,000	Airline
Abbott	13,000	Biomedical
AT&T Inc.	12,200	Communications
University of Illinois at Chicago	9,766	Education
American Airlines	9,766	Communications
Chicago Transit Authority	9,520	Public Transit
University of Chicago	8,791	Education
Allstate Corp.	8,632	Insurance
Resurrection Health Care	8,201	Healthcare
Archdiocese of Chicago	8,169	Education and Social Services
Comcast Corp.	8,100	Cable
Rush University Medical Center	8,095	Healthcare
Jewel-Osco	8,000	Healthcare
* Excludes governmental agencies, etc.		

Source: 2012 Crain's Book of Lists & Cushman & Wakefield Valuation & Advisory

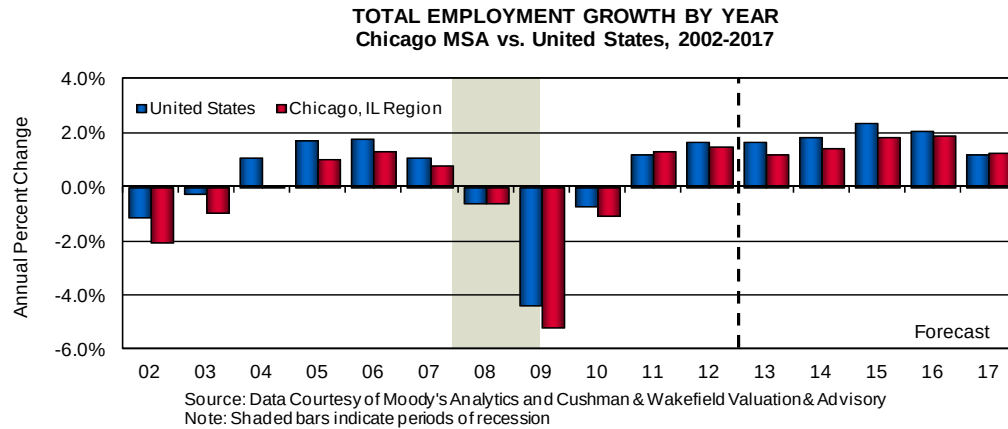
EMPLOYMENT GROWTH

Over the last decade, the Chicago MSA consistently lagged the U.S. in total employment growth. As national employment trends in the previous year had begun to improve, the Chicago MSA followed this trend at a more subdued pace. Throughout the forecast period, sectors with greater growth potential in Chicago include construction, professional & business services, leisure & hospitality and education & health services.

Additional items of note are as follows:

- Between 2002 and 2012, employment in Chicago declined by 0.2 percent. During this period, the U.S. expanded at a slight 0.2 percent annualized rate.
- The forecast of total employment growth in Chicago is expected to improve and average an annualized rate of 1.6 percent through 2017, trailing the 1.9 percent average annual rate forecasted for the U.S.

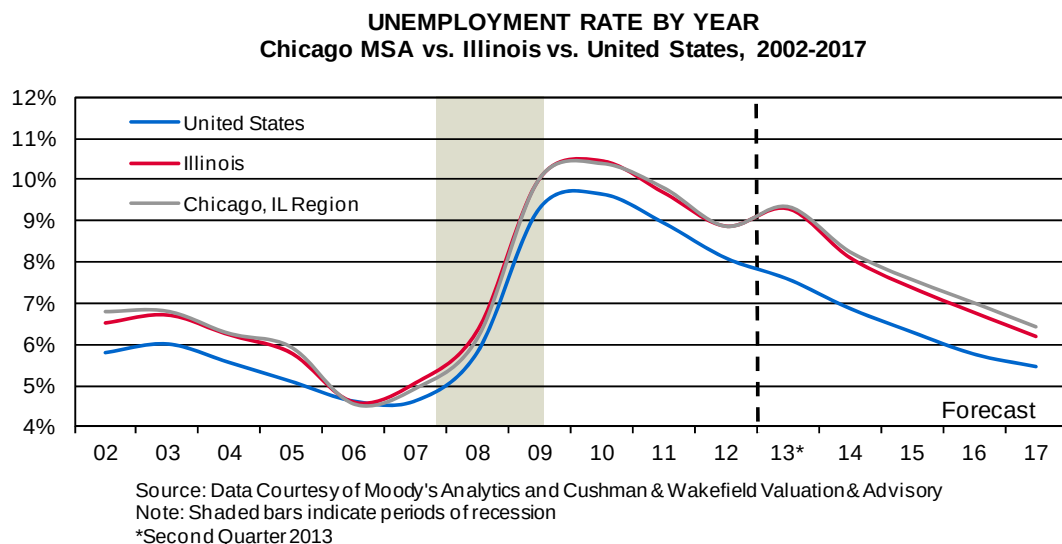
The following graph represents yearly historical and projected total non-farm employment for the Chicago MSA and the U.S. as a whole:



UNEMPLOYMENT

Throughout the ten-year period ending 2011, the unemployment rate in the Chicago region generally followed that of the U.S., albeit at a somewhat higher average. This trend is expected to continue over the short-term at a slightly increased divergence. Additional noteworthy items are as follows:

- In June 2013, Chicago's unemployment rate of 9.3 percent was 56 bps above the June 2012 unemployment rate for the region. In comparison, the U.S. unemployment rate of 7.6 percent represents a decrease of 60 bps compared to 12 months earlier.
- It should be noted that subsequent to periods of higher unemployment, while this rate returns to lower, more encouraging levels, unemployment rates tend to fluctuate as more people return to the job market.
- As the national economic climate moderates, the unemployment rate in Chicago is expected to trend lower with some mild variances and average 7.8 percent annually throughout the five-year forecast period. In comparison the U.S. is forecasted to average 6.4 percent during this interval.



CONCLUSION

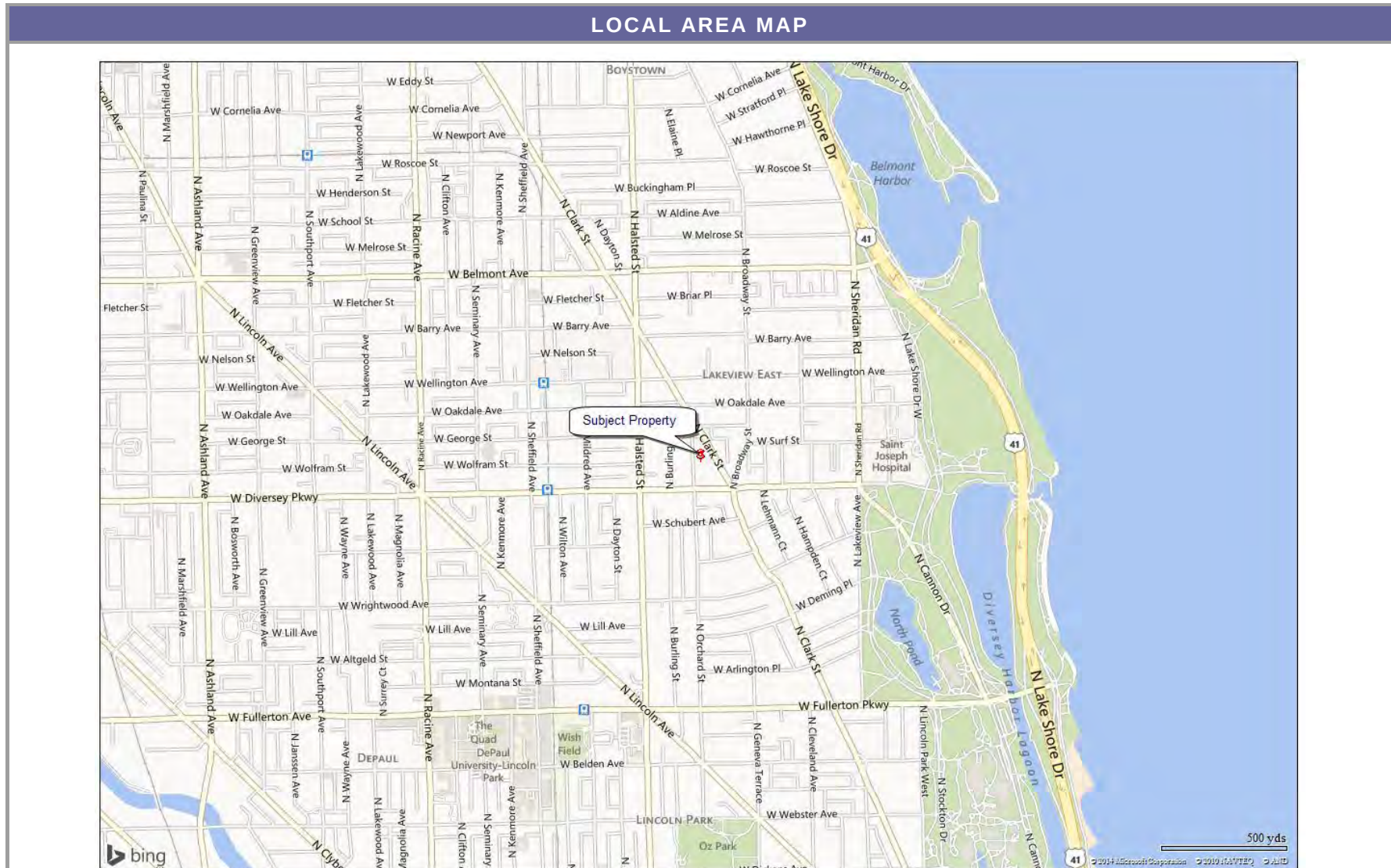
As with much of the nation, the recent recession weighed heavily on the Chicago Region. The key information and business/professional services sectors, which experienced rich growth in recent years, encountered repeated

job cuts. Home values have declined affecting homeowner equity and credit quality. Due to a severely eroded tax base, budgetary shortfalls continue to pressure state and city governments. However, reports indicate the local economy is in moderation and a slow recovery will be influenced by the following considerations:

- The area's well-educated workforce and its position as a transportation/distribution hub will allow Chicago to capitalize on the improved demand from technology and trading companies.
- A big boost to the Region's attractiveness will come from the realization of the O'Hare Modernization Program. However, the true potential for the area will not be attained until additional critical infrastructure improvements address current area rail, highway and public transit deficiencies.
- The Chicago Region's weaknesses include modest population trends and a relatively high concentration of slow-growing old-line industries, primarily in the manufacturing sector.
- Over the long term, expansion can be expected as the Region continues to develop its status as a center for global commerce and increase its appeal to additional industries.
- An over-supplied housing market and a marked rise in Chicago's mortgage delinquencies offer increasing challenges for developers, the construction industry, lenders and households.

Based on the preceding discussion, short term prospects for commercial real estate in the region will be subdued. However, the recent strength exhibited in the national economy as a whole is expected to slowly support and improve local market conditions, although any obvious traction may not become apparent until beyond 2013.

Local Area Analysis



LOCATION OVERVIEW

The property is located in the city of Chicago, in the neighborhood known as Lakeview, which is situated on Chicago's North Side. The neighborhood boundaries include West Diversey Parkway on the south, West Irving Park Road on the north, North Ravenswood Avenue on the west, and Lake Michigan on the east. The community benefits largely from its proximity to the downtown business district ("The Loop"), as well as to the lakefront and the Chicago Park District's Lincoln Park. The central business district of Chicago is approximately 3.5 miles south of the subject.

NEIGHBORHOOD ANALYSIS

Lakeview is unofficially divided into smaller neighborhood areas including: Lakeview East, West Lakeview, Northalsted, Boystown and Wrigleyville. Wrigleyville surrounds Wrigley Field, the home field of the Chicago Cubs professional baseball team. The Lakeview neighborhood is bounded by other Chicago neighborhoods of Uptown to the north, Lake Michigan to the east, Lincoln Park to the south, and Roscoe Village to the west. The neighborhood features an array of retail and commercial development along the major thoroughfares surrounded by dense, residential housing in close proximity to Lake Michigan on the east. The neighborhood density tends to decline when approaching approximately 1.0 mile west of the lakeshore or west of the Chicago Transit Authority's Red/Brown Line train that runs along Sheffield Avenue. Most other single-unit and two-to-four unit residential uses are typically found on the secondary or interior streets. Major land uses for the area include St. Joseph's Hospital and the Diversey Harbor to the east, Lincoln Park and the Lincoln Park Zoo to the southeast, Advocate Illinois Masonic Medical Center to the northwest and DePaul University to the southwest.

DEMOGRAPHICS

The average household income within a 3.0 mile radius around the subject is \$102,408, which well exceeds the CBSA, state and county. The subject's local market population has changed at a compound annual rate of 0.01% from 2000 to 2013. The subject's population growth is typical for a mature dense infill location, such as the subject's. This rate of population growth is expected to increase at a moderate pace through 2018. Additional demographic analysis is contained within the following *Market Analysis* section of this report.

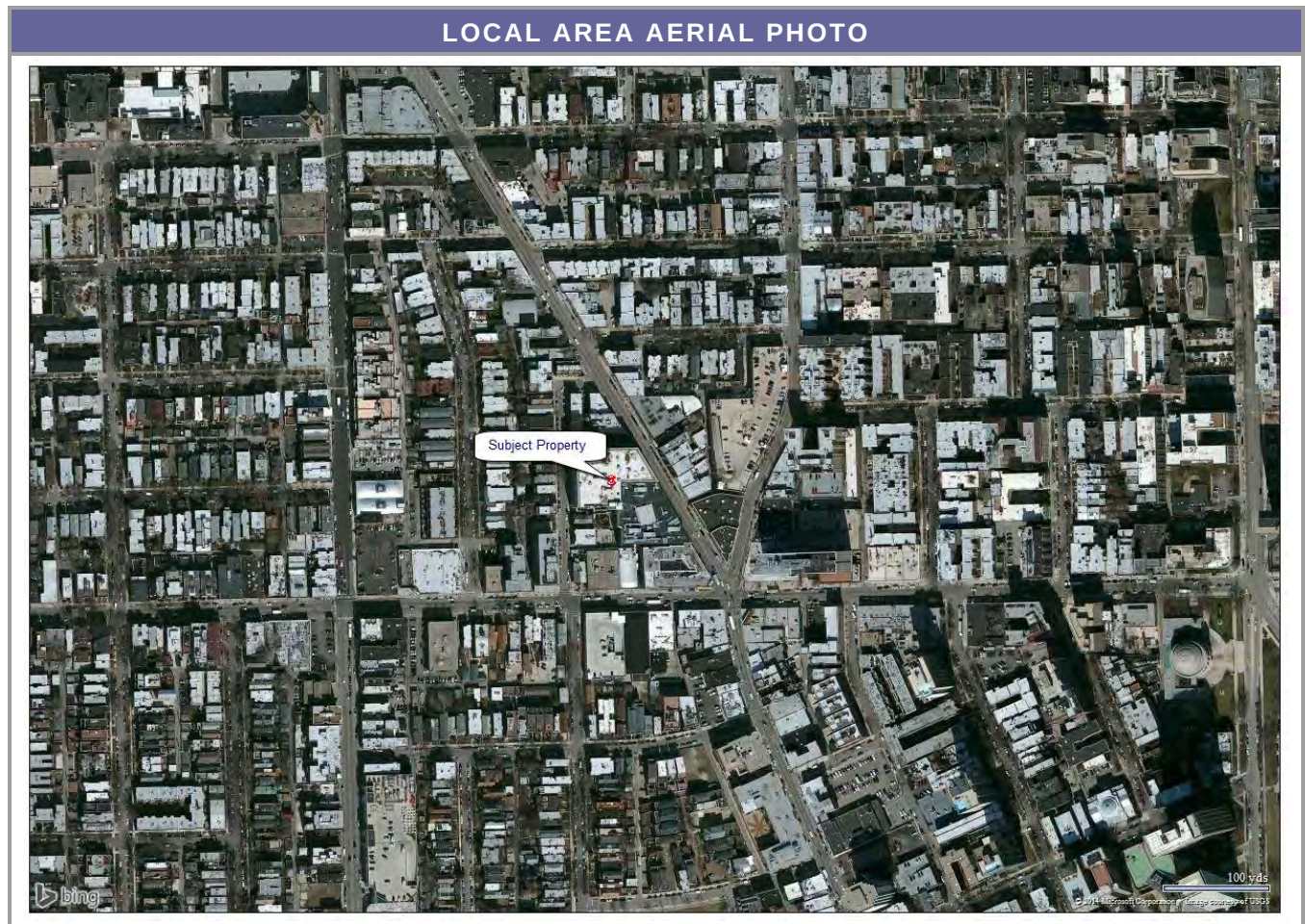
NEARBY AND ADJACENT USES

The subject's local area is composed of dense concentrations of retail and commercial development along the main arterial avenues of Clark Street (northwest-southeast), Diversey Parkway (east-west), and Broadway Avenue (north- south).

On the next page is an aerial view of retailers in the immediate area of the subject.



Please refer to the aerial photograph below for a more detailed look at the local area:



More specifically, the uses surrounding the subject are as follows:

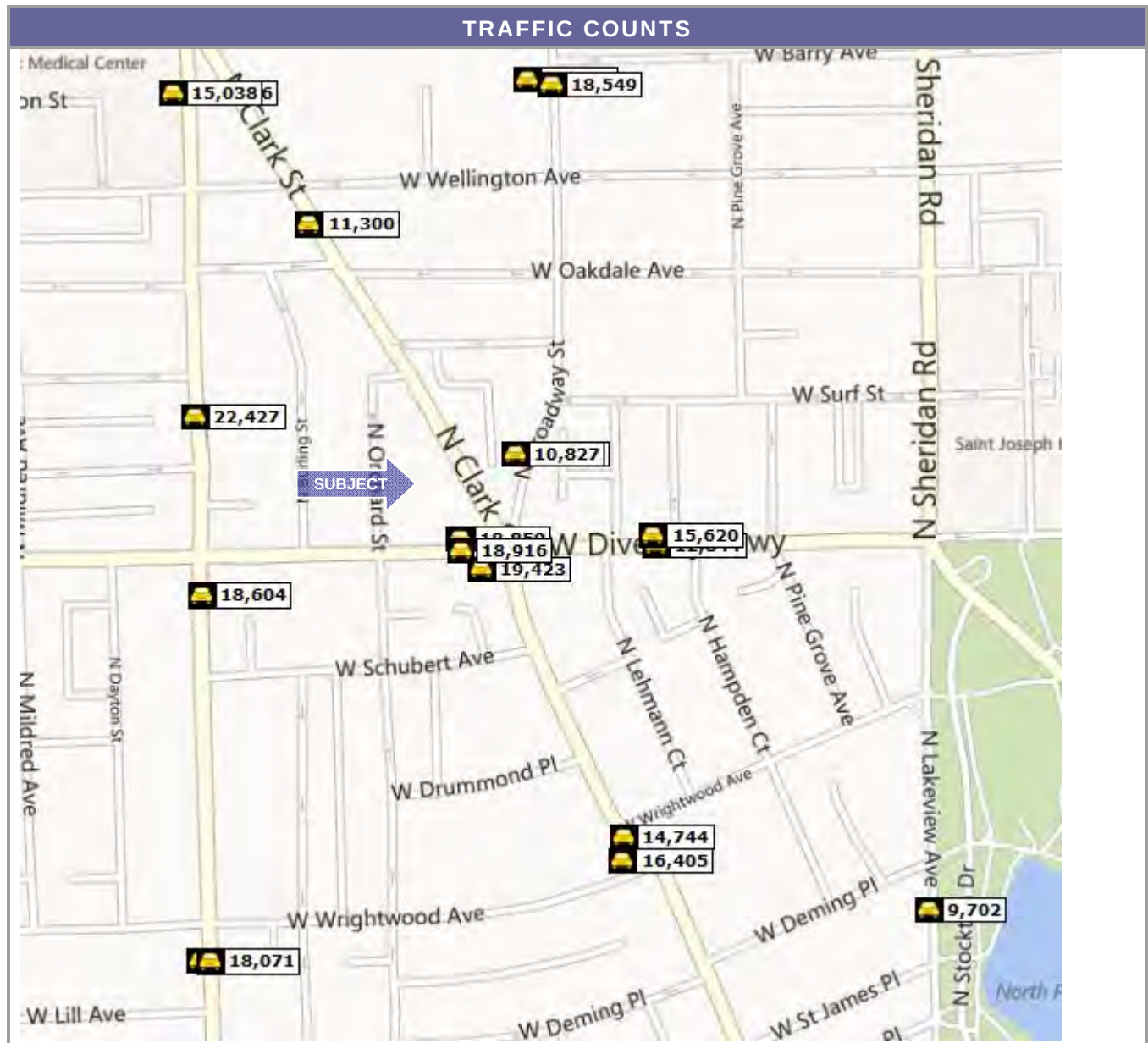
- North:** Land uses to the north of the subject along Clark Street are primarily mixed-use residential developments with street retail shops along the first level.
- East:** To the east across Clark Street, uses consist of mixed-use residential developments with street retail shops along the first level, a new freestanding Walgreens development at the north side of the intersection of Clark Street and Broadway Avenue and the Broadway at Surf, a two-level 130,000 square foot shopping center.
- South:** Immediately south of the subject on Clark Street is a mixed-use development consisting of a Days Inn Hotel with street retail shops along the first level. On the southwestern side of the subject is a mixture of street retail and restaurants.
- West:** Across Orchard Street are primarily low-rise multi-unit residential developments, as this is a secondary street. At the intersection with Diversey Parkway is a high-rise residential mixed-use development with street retail shops along the first level.

SPECIAL HAZARDS OR ADVERSE INFLUENCES

We observed no detrimental influences in the local market area, such as landfills, flood areas, noisy or air polluting industrial plants, or chemical factories.

TRAFFIC COUNTS

The following map displays traffic counts for the neighborhood.



As shown in the prior map, approximately 11,000 vehicles per day (VPD) travel along Clark Street in close proximity to the subject property as well as roughly 19,000 VPD along Diversey Parkway. In addition, Broadway Street provides secondary traffic to the subject (approximately 11,000 VPD) as well as Halsted Street located to the west (approximately 20,000 VPD). All of these thoroughfares provide adequate traffic, visibility and access to

the subject property. In addition, the subject benefits from a high level of pedestrian traffic as the Diversey CTA Brown Line stop is located approximately 0.5 miles to the west of the subject property at the intersection of Diversey Parkway and Sheffield Avenue.

ACCESS

Local area accessibility is good, relying on the following transportation arteries:

- | | |
|--------------------|--|
| Regional: | Regional transportation is provided by Interstate 90/94 (the Kennedy Expressway) which runs to the northwestern suburbs and is located approximately 2.0 miles west. Additional interstates in the area include I-94, I-290, and I-55. The subject is most proximate to Interstate 90/94, via the Fullerton Avenue exit and the Western Avenue exit. I-94 intersects with all the major Chicago interstates. |
| Local: | The primary avenues in the immediate neighborhood in proximity to the subject are Clark Street (northwest-southeast), Diversey Parkway (east-west), and Broadway Avenue (north-south). The subject is located along the west side of N. Clark Avenue, on the northwest side of the intersection with Diversey Parkway. |
| Pedestrian Access: | The subject property is easily accessible to potential customers on foot, with an abundance of retail and dining offerings within a short distance from area resident's homes and individuals visiting/commuting from the nearest Diversey Brown Line 'EL' stop. |
| Commuter Trains: | Residents and shoppers of the area have access to the Clybourn Metra Station, which is located approximately 1.6 miles southwest of the subject property. The Clybourn station is on both the UP-Northwest and UP-North Metra lines, with service extending from downtown to communities of the Northwest Suburbs and North Shore, respectively. |
| CTA Trains: | Commonly known as the 'EL', residents and shoppers have access to the 'EL' at the Diversey stop (Brown Line). Additionally, commuters can access other platforms of the 'EL' transit network at either the Wellington (Brown Line) stop located 0.5 miles to the northwest, the Belmont (Brown/Red/Purple Line) stop located 0.6 miles to the northwest, or at the Fullerton (Brown/Red/Purple Line) stop located 0.7 miles southwest. |
| CTA Buses: | The immediate neighborhood receives regular service from CTA bus routes #22 (Clark), #8 (Halsted) and #36 (Broadway), #76 (Diversey), and #151 (Sheridan) all of which have stops within a short walk of the subject. |
| Vehicular Access: | Primary access to the Lakeview and the immediately surrounding neighborhoods can be accessed by Interstate 90-94 (and the other freeways) via the Western Avenue and Fullerton Avenue exits which are approximately 2.0 miles to the west of the property, across the north branch of the Chicago River. |

CONCLUSION

The property is located in Chicago in a North Side neighborhood that is known as Lakeview. The central business district of Chicago is approximately 3.5 miles south of the subject. The subject's neighborhood benefits from urban density and a lack of available land for sale, resulting in a decreased potential for additional competition to be created. The draw of natural resources, coupled with the low supply of development opportunities results in relatively higher rental rates among all available property types, including retail. The subject is well positioned

within the existing and surrounding commercial developments, being situated along a primary retail corridor. Combined with the subject's good access, available parking structure and tenancy, the subject property should be competitive within its market for the foreseeable future.

NATIONAL RETAIL MARKET ANALYSIS

INTRODUCTION

The U.S. economy remained mired in slow growth mode in the third quarter with moderate employment growth. The economic data for the quarter has been delayed due to the partial government shutdown in the first three weeks of October. However, current estimates suggest that U.S. gross domestic product (GDP) grew at an annual rate of 1.9 percent in the third quarter, down slightly from 2.5 percent in the second quarter and only 1.4 percent above the level of a year ago. This continues the pattern of slow growth that has characterized this recovery. Over the 17 quarters since the economy reached a bottom in the second quarter of 2009, U.S. real GDP growth has averaged 2.2 percent, per year or roughly half of the 4.2 percent average of the previous four recoveries. The sluggish GDP growth has led to modest growth in employment and income resulting in sluggish retail sales growth. In the third quarter, payroll employment increased by roughly 150,000 jobs per month, the same slow pace employment has been growing since the recovery began. And retail sales in September were up only 3.2 percent from a year ago, the second slowest 12-month increase in more than 3 years.

Key drivers of economic growth are improving. Household debt levels are down and household debt service as a percent of income is at a record low. Corporate profits are strong and at record high levels and layoff rates are at a cyclical low. The housing sector has shifted from contraction to expansion and is now contributing to growth by stimulating more construction, and more purchases of durable goods. In addition, households are starting to act on pent up demand, leading to healthy sales in the auto sector in particular. Motor vehicle sales have run at an annual rate of more than 15 million units for 12 consecutive months, the longest such streak since 2007/2008. The fundamentals are in place, what's missing is a readiness and willingness on the part of businesses and consumers to take risk.

All of this suggests that what is lacking is confidence. The past two years have seen a series of crises in Europe and the U.S., most of which have been centered on government debt and the need to reduce it. In the U.S. we have seen a series of "fiscal cliff" events over the past year culminating in the shutdown of the Federal Government in October. Now we face yet another deadline in January and early February. The hopes for a "grand bargain" in Congress to put the government on a more sustainable financial footing have been dashed and the country has gone from crisis to crisis without any resolution. This lack of resolution has caused confidence to remain low and led both businesses and consumers to avoid risk and only spend when they have to. Until there is some clearer resolution in Washington, the economy is likely to remain in slow growth mode.

We are optimistic that a longer term solution to the budget will be achieved in the next few months leading to stronger growth in 2014. However, the balance of 2013 is likely to see more sluggish growth.

For the retail sector, increased job creation and reduced unemployment figures brought record retail sales. Over the last couple years, retail industry sales have grown at a rate faster than many other industries. According to the U.S. Census Bureau, retail & food service sales for the 2012 totaled nearly \$4.9 trillion, a 5.2 percent increase from this time in 2011. Additionally, through September 2013, retail sales totaled over \$3.7 trillion, a 4.3 percent increase in comparison to 2012. The recent gain marks 41 consecutive quarters of growth. Looking forward, the National Retail Federation is forecasting retail sales to grow 3.4 percent in 2013.

NATIONAL RETAIL INVESTMENT SALES MARKET

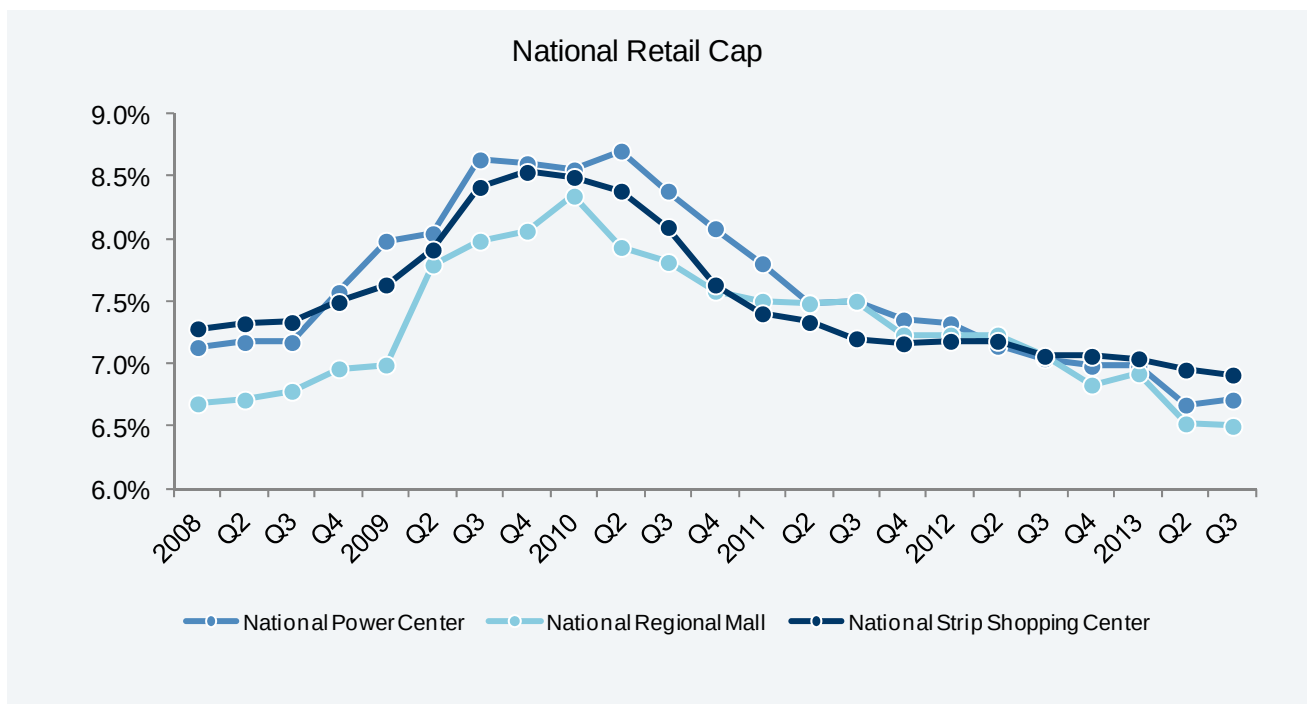
Retail Capitalization Rates

As the credit markets continue to loosen, transaction activity is on the rise. Investors have increasingly focused on real assets, such as commercial real estate, as a hedge against inflation in the wake of recent economic

uncertainty. Capitalization rates (OARs) are compressing as demand increases. The *PwC Real Estate Investor Survey* reports that national power center and strip shopping center OARs bottomed in third quarter of 2007 at an average of 7.0 percent and 7.2 percent, respectively. Regional mall cap rates reached a low of 6.7 percent in the first quarter of 2008. Average rates for all three property types peaked in the first quarter of 2010 at nearly 8.5 percent.

Through the third quarter of 2013, capitalization rates remained relatively unchanged. Power center OARs averaged 6.7 percent, while regional mall and strip shopping center OARs averaged 6.5 and 6.9 percent, respectively. In the current market, investors are viewing higher-quality assets in primary urban and suburban markets most favorably. Market conditions for assets falling below this profile remain weak. However, investor sentiment is expected to moderate as confidence returns to the market. It should also be noted that the combination of low interest rates and increasing loan-to-value ratios are driving many investors to turn to real estate as an alternative investment vehicle. The added demand should continue to lead to an increase in real estate values and the subsequent compression of cap rates.

The following graph depicts quarterly national retail capitalization rates by property type since 2008:



CMBS Market

The availability of debt including the gradual resurgence of Commercial Mortgage Backed Securities (CMBS) has contributed to the increase in transaction activity. At its peak in 2007, CMBS issuance totaled nearly \$230.0 billion in the United States. Retail assets accounted for approximately one-third of total CMBS volume. Funding plunged in the midst of the financial crisis beginning in late 2008. Total CMBS issuance in 2008 was just \$12.0 billion, followed by a nearly non-existent \$3.0 billion in 2009. Issuance reached \$11.7 billion in 2010 as investors began returning to the market. However, with the European debt crisis, the slow U.S. economic recovery and admissions from Standard & Poor's that it had "potentially conflicting methods" in how it was rating securitizations, bond buyers have exercised caution. To that end, many "balance sheet lenders" such as local savings and loan banks and life insurance companies have experienced notable increases in lending activity. Nonetheless, CMBS issuance in 2011 still managed to total nearly \$33.0 billion, according to Trepp LLC. Additionally, Commercial

Mortgage Alert reports CMBS issuance in 2012 reached \$48.2 billion. And through November 2013, as low rates and bond risk premiums encourage more borrowing, CMBS issuance has reached \$73.0 billion.

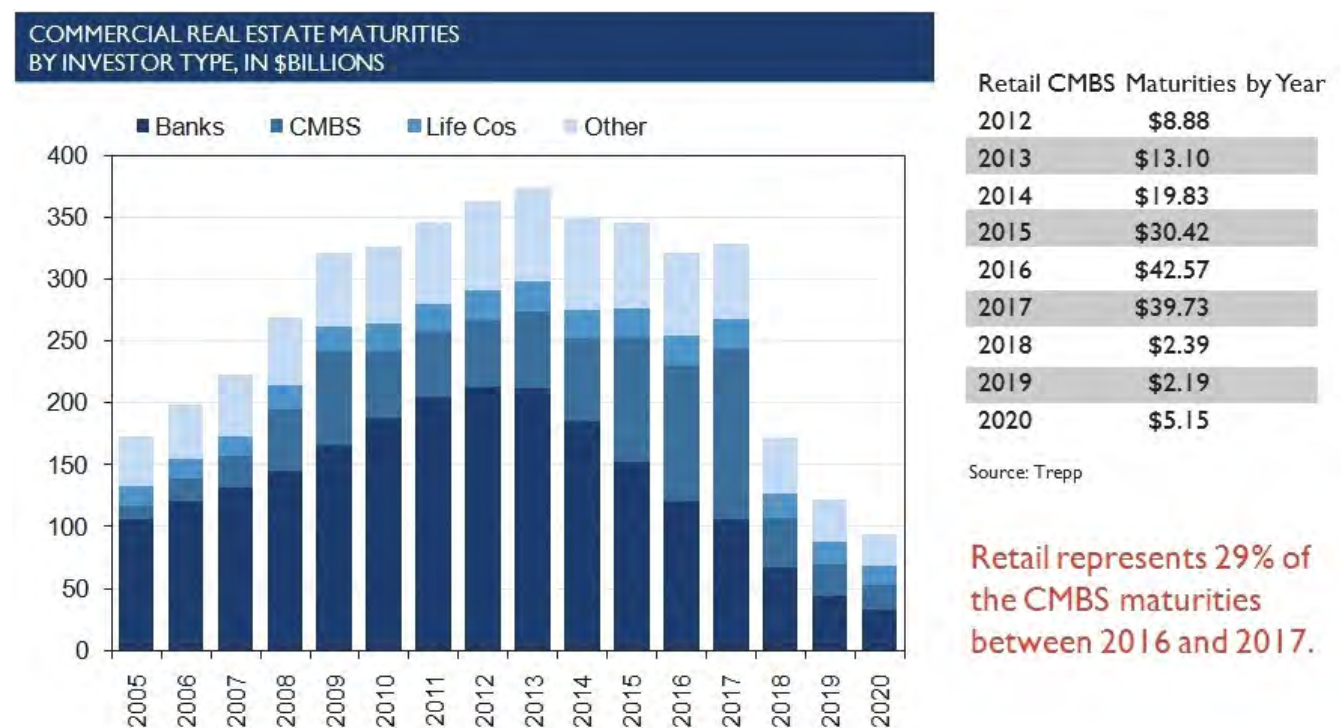
The following table compares annual CMBS volume over the last six years:

U.S. CMBS ISSUANCE (IN BILLIONS)							
	2007	2008	2009	2010	2011	2012	YTD Nov. 2013
TOTALS	\$228.6	\$12.1	\$2.7	\$11.6	\$32.7	\$48.2	\$73.0

Source: Commercial Mortgage Alert

At the moment, investors are concerned as the next couple years mark a precarious position for the CMBS sector. Five-year debt originated at the peak of the market, is now hitting its maturity. Some of the most aggressive loans written in 2007 are now coming due. According to Standard & Poor's, these loans are a cause for concern because a large number include high loan-to-value ratios, limited amortization and borrower equity buildup and reduced liquidity in the market.

The following graphic shows recorded and estimated commercial real estate loan maturities by investor type through 2020:



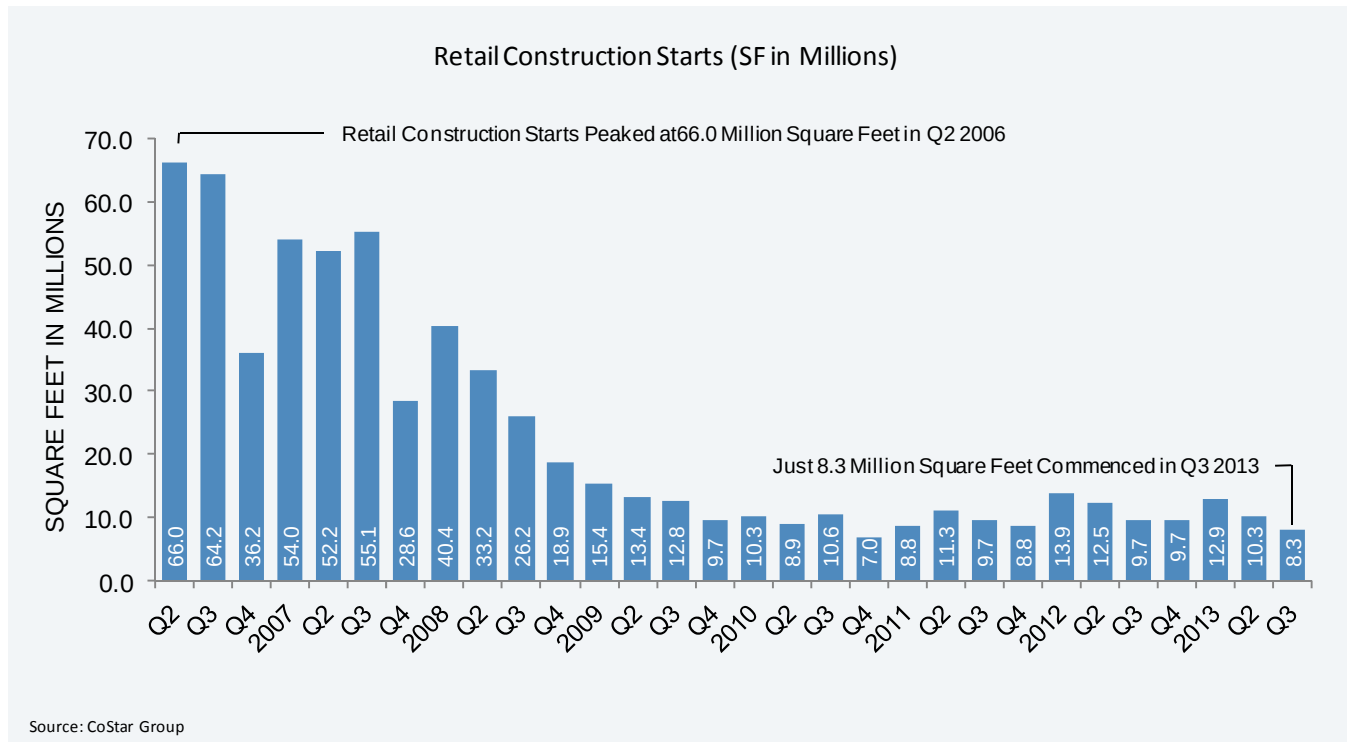
Source: Trepp, C&W Capital Markets

Retail Construction Activity

Despite improving fundamentals in the retail real estate market, developers are still concerned about investing in new construction projects. The exception being outlet center development and projects located in the highest-performing markets with strong tenant mixes possibly including grocery retailers, drug stores or similar net leased properties. According to data from the CoStar Group, retail construction starts peaked at 66.0 million square feet in the second quarter of 2006. Given the collapse of credit markets and consumer demand during the recent

recession, construction starts have fallen significantly over the last few years. Recently, retail construction starts totaled just 8.3 million square feet in the third quarter of 2013. This marks an 87.4 percent decrease from peak figures in 2006.

The following graph shows retail construction starts from the second quarter of 2006 through the third quarter of 2013:



Looking forward, new construction activity is expected to remain weak until the industry works through the large amounts of debt maturities scheduled to come due between now and 2017. At the moment, there are significant amounts of available space for retailers to choose from. We expect retail construction starts to remain tepid through 2014.

To that end, many retailers are crawling out of the worst recession in decades. Many realize that they overbuilt and are closing underperforming stores. According to data collected by the International Council of Shopping Centers, there were a total of 4,464 announced store closings in 2012 and 1,941 stores closed through the third quarter of 2013. While declining sales have forced many retailer chains to pare down their number of outlets, other retailers are closing due to shifts in the marketplace. Such is the case for Blockbuster which fell victim to shifting consumer preferences toward online and digital viewing of movies, TV shows and recorded video content.

The following is a list of certain retailers that have made significant store closings in YTD November 2013:

MAJOR ANNOUNCED STORE CLOSINGS - 2013	
STORE	# CLOSING
Blockbuster	460
Fashion Bug	432
GameStop	250
Fresh & Easy	199
Barnes & Noble	189
The Gap	189
Abercrombie & Fitch	180
Jones Group	170
Caribou Coffee	168
Wendy's	130
Collective Brands	123
Sears/Kmart	120

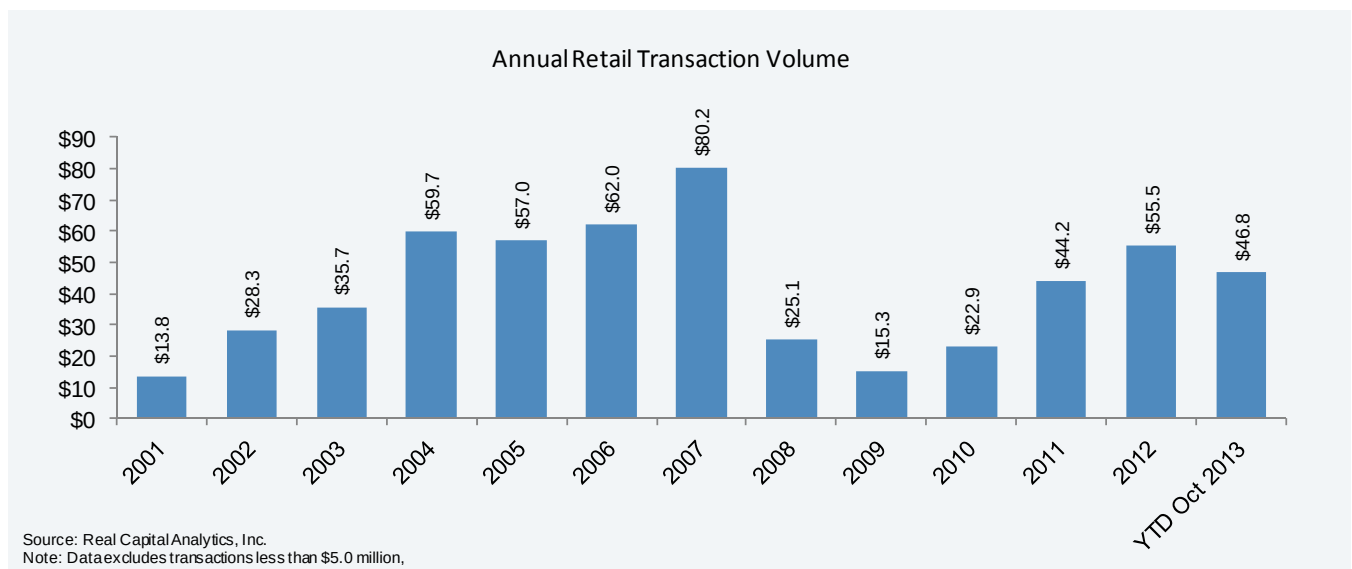
Source: UBS Investment Research, About.com

Retail Transaction Activity

Through 2013, retail transaction volumes posted promising numbers. In fact, year-to-date through October 2013, Real Capital Analytics reported that retail transaction volumes reached \$46.8 billion which either already does or is anticipated to surpass the 12-month totals for the previous consecutive five year. The increased volumes are a strong indication that investors feel there is growth potential in the retail market.

Through 2013, pricing metrics have strengthened over recent months for retail properties with per-square-foot prices rising, average cap rates falling and the Commercial Property Price Index reaching its highest post recession level.

The following graph displays annual retail transaction volume since 2001:

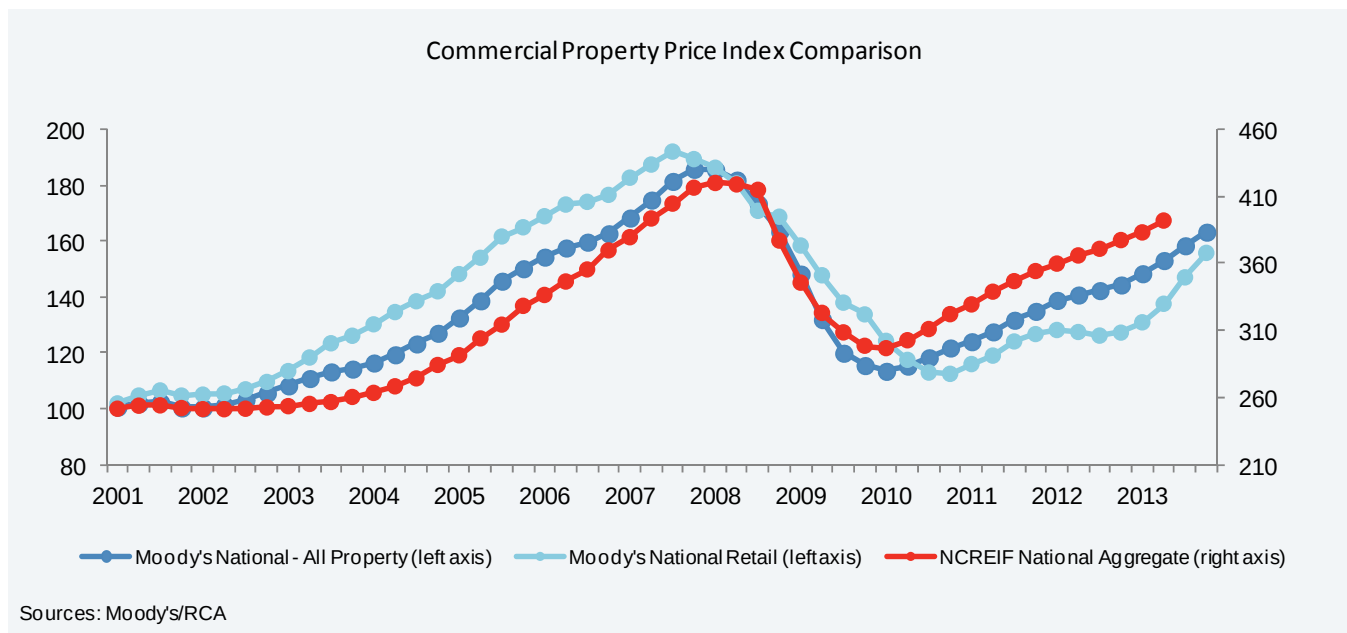


Commercial Property Price Index

The Moody's/RCA Commercial Property Price Index (CPPI) is a periodic same price change index of U.S. commercial investment properties. The Moody's/RCA CPPI uses advanced repeat-sale regression analytics to measure price changes in U.S. commercial real estate.

As of September 2013, the most recent figures published, Moody's/RCA CPPI for all properties measured an increase of 13.6 percent year-over-year. Currently at 163.29, the index is 12.2 percent below the peak of 186.06 measured in the December 2007. For retail properties CPPI figures reported by Moody's/RCA have indicated growth at 23.5 percent during the year-ending September 2013. The current Moody's/RCA CPPI figure for retail properties is 155.74.

The following graph displays the CPPI Index between January 2001 and September 2013:



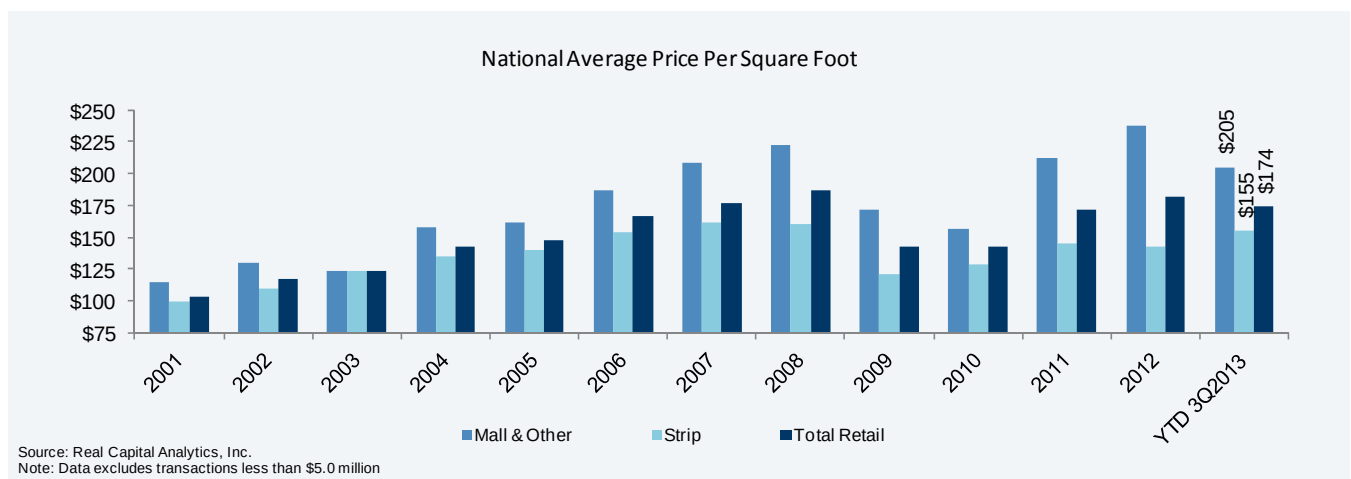
Similarly, the National Council of Real Estate Investment Fiduciaries (NCREIF) also compiles a property price index based on a large pool of individual commercial real estate properties. The NCREIF Property Price Index is a quarterly time series composite total rate of return measure of investment performance of said commercial real estate properties acquired in the private market for investment purposes only. Based on data from NCREIF, the property price index peaked in the first quarter of 2008 at 419.88 before falling 29.3 percent to 296.81 in the first quarter of 2010. Since bottoming, the NCREIF Property Price Index has climbed to near 90.0 percent of its pre-recession levels. The NCREIF Property Price Index stands at 391.91 as of mid-year 2013. Commercial real estate values have improved in recent quarters.

Retail Price Per Square Foot

In comparison to sales volume, pricing levels achieved by shopping centers and other retail properties trended downward rapidly before rising in recent months. Between 2003 and 2008, a time from when the market had picked up after the last recession up until the most recent market fall-out, the average price per square foot for retail assets increased by 50.8 percent to a peak of \$187 per square foot in 2008. However, in 2010, the average price per square foot for all retail property would sharply decline to a low of \$142 per square foot. Not until late 2010/early 2011 did the price per square foot begin to recover. The average price per square foot for retail space in 2012 jumped to \$182, a 28.1 percent increase from 2010.

Through the third quarter of 2013, the average price per square foot has continued to indicate strength yet has moderated at \$174 per square foot. The average is within striking distance of the 2008 peak and barring some shift in fundamentals, it could surpass the peak average over the next 12 to 18 months. We would note that RCA reports that there is a widening gap between unit prices paid in primary markets vs. secondary and tertiary markets. A flight to quality is prevalent in all of the major CRE market groups, including retail.

The following graph depicts the historical average price per square foot for retail assets as surveyed by RCA through third-quarter 2013:

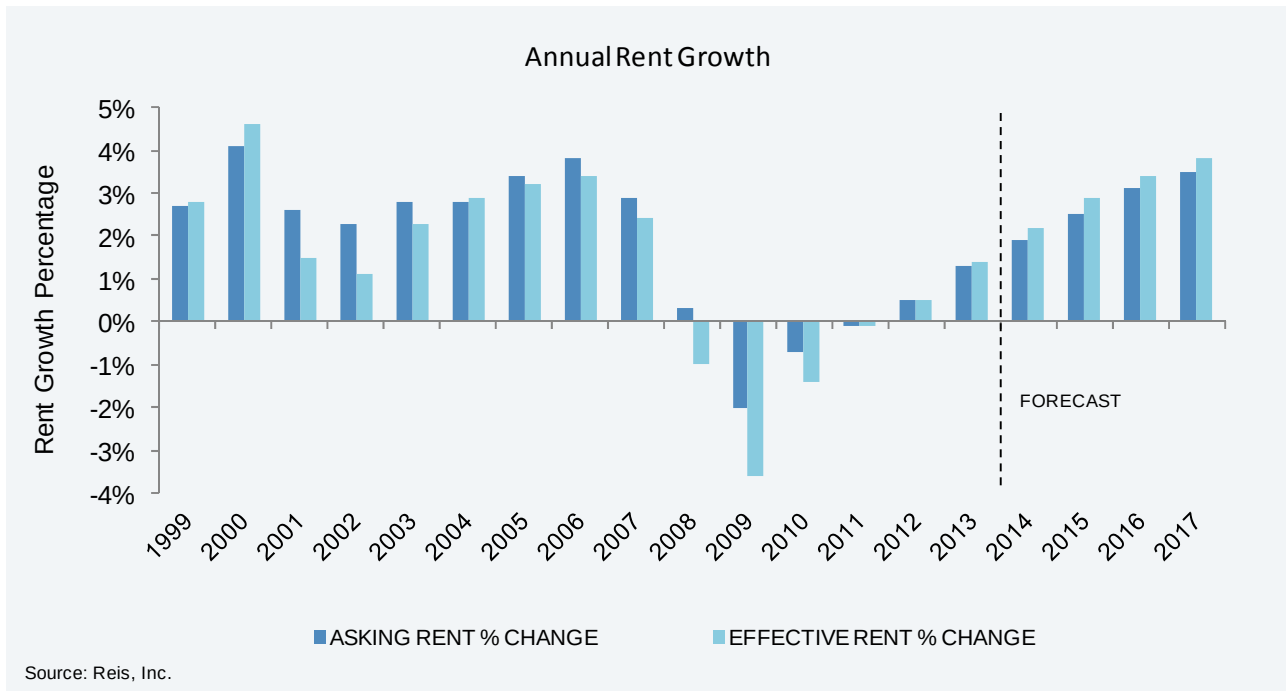


Annual Retail Rent Growth

Through 2013, falling vacancy rates and rising demand in the retail market has brought the start of meaningful rent growth for landlords in major U.S. retail markets. According to Reis data, prior to the latest economic recession, annual effective retail rental rates grew at an average rate of 2.4 percent. Following nearly four years of negative rent growth during the economic fallout from 2008 to 2011, effective retail rental rate growth figures are now averaging near 1.0 percent.

Conversely, a significant drop in new construction coupled with some strengthening in key employment sectors has shown a positive change as we proceed into 2013. It is notable that the CoStar Group recorded that construction starts peaked at 63.0 million square feet during the second quarter of 2006 and have since dropped to just 8.3 million square feet in the third quarter of 2013. To that end, Reis projects that effective retail rental rates will average upwards of 3.0 percent growth during the 2014 to 2017 timeframe.

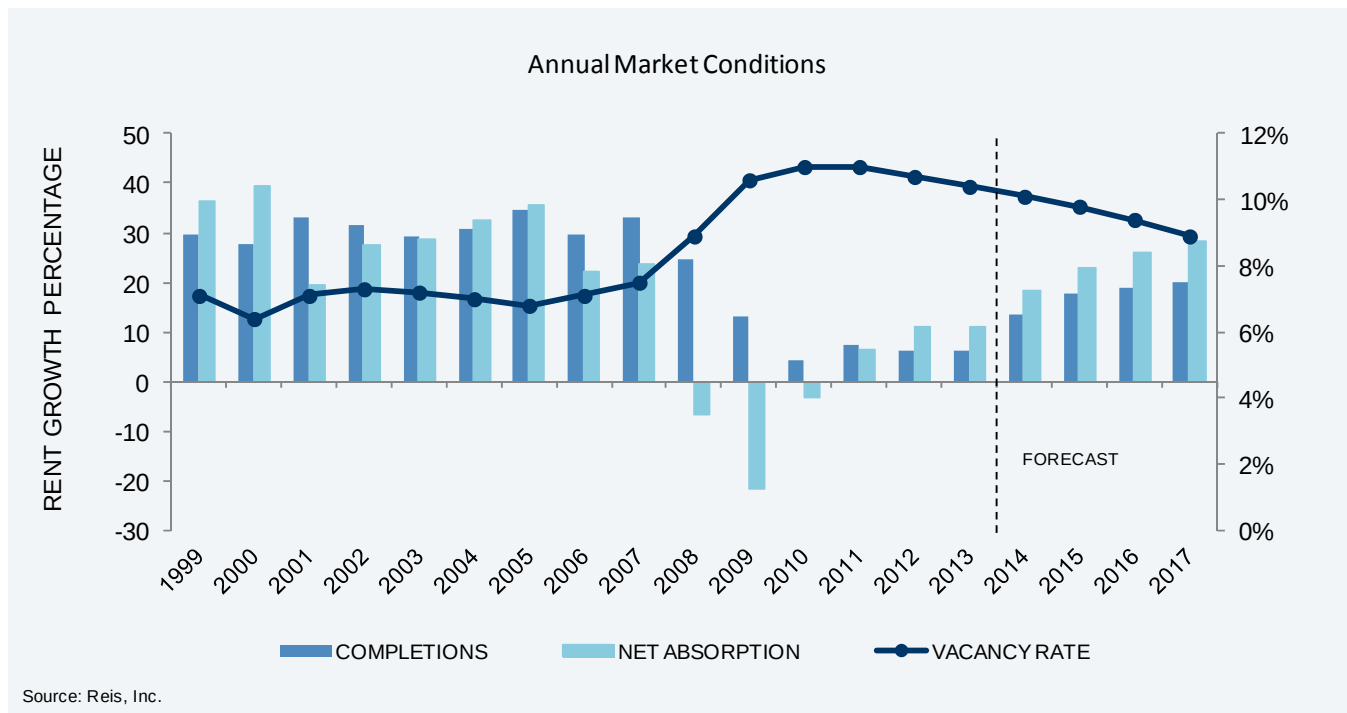
The following graph shows a composite of asking and effective annual rent growth within retail markets across the U.S.:



Annual Retail Market Conditions

The graph below shows the severity of the last recession in terms of declining absorption and rising vacancy rates. In 2008 absorption went negative for the first time since REIS began collecting data in 1986. Mirroring the rebound in other commercial property sectors, leasing and occupancy of U.S. malls and shopping centers saw improved fundamentals through 2013. According to Reis, the low amount of new supply of retail space should reflect as a decline in retail vacancy rates through 2017. From 2014 to 2017, Reis data forecasts absorption in the retail market to average approximately 23.8 million square feet per year while construction completions average approximately 17.5 million square feet per year. Given this forecast, overall vacancy rates in the national retail market are projected to decline to approximately 9.0 percent from their current reading near 10.5 percent.

The subsequent graph depicts annual market conditions within retail markets across the U.S.:



NATIONAL RETAIL MARKET SUMMARY

Market conditions for the retail sector are improved. Retail sales have increased, tenant rent concessions have abated, and leasing velocity is on the rise. Further, according to Reis, Inc., shopping center vacancy has held steady. Reis also projects that by 2017, vacancy rates will decline to near 9.0 percent. Asking and effective rents are beginning to record notable growth. In fact, Reis forecasts positive rent growth as we head into 2014.

While the economy is far from robust, recoveries from recessions caused by a financial crisis have historically been sluggish. Financial institutions have largely rebuilt their balance sheets and reported several quarters of record earnings growth. Nonetheless, challenges remain. Retailer bankruptcies and store closures remain a concern into 2014. Much of this vacancy has been concentrated amongst medium and big-box space including book, music and video stores. While below 2010 levels, store closures present vacant space that needs to be filled by landlords. Of positive note is the substantial decline in new construction which is starting to have a positive effect on vacancy rates as expanding retailers have taken advantage of many once inaccessible locations.

In the near term, market conditions for the retail sector are cautiously optimistic as economic indicators trend positively. Total nonfarm payroll employment continues to increase, with job gains in professional and business services, construction, and health care. Barring backlash from debt ceiling concerns, tax increases and entitlement cuts, consumer balance sheets continue to show improvement due to lower debt levels and a more stable employment market. We anticipate 2014 will be marked by accelerated improvement in several economic indicators following more modest first half growth.

Chicago Retail Market Overview

INTRODUCTION

Data for the analysis of the Chicago Retail market was provided by Reis, Inc., a leading provider of multifamily and commercial real estate performance information since 1980. Their proprietary database includes trends, forecasts, news and analyses for approximately 200,000 multifamily and commercial properties in 232 metropolitan markets (4 property types multiplied by 58 metropolitan areas) and roughly 2,500 submarkets.

Current and historical figures are compiled by highly qualified industry analysts. Surveyors, as they are called, are responsible for gathering information on property availabilities, rents and lease terms, etc. by directly contacting owners, managers and leasing agents. Projected data is calculated using a suite of economic forecasting models developed by The Economic Research Group, a team led by Ph.D. economists.

Reis' data are released on a quarterly basis, and is widely recognized as a fundamental tool for appraisers throughout the country.

Chicago Retail Market

Reis, Inc. classifies the Chicago Retail market into twelve submarkets, and segregates inventory by type of space (community versus neighborhood shopping centers). The subject lies in the North submarket of Chicago.

The following map identifies the subject's submarket, and the subject's location within the submarket:



The Chicago Retail market contains 102,095,000 square feet of space. Lake/Mchenry is the largest submarket, comprising 14.6 percent of the area's total inventory. Near West is the smallest submarket with 4.1 percent of total inventory. The subject submarket contains 6,270,000 square feet, or 6.1 percent of the region's inventory.

The following table presents the geographic distribution of inventory, along with other statistical information for the most recent quarter.

GEOGRAPHIC DISTRIBUTION OF INVENTORY						
Submarket	Community Neighborhood	Inventory (SF)	% Total	Vacancy Rate (%)	Net Absorption	Asking Rent (\$/SF)
Arlington Heights	C	5,104,000	5.0	7.9	16,000	\$17.82
Arlington Heights	N	3,860,000	3.8	13.1	7,000	\$15.96
Arlington Heights	NC	8,964,000	8.8	10.1	23,000	\$17.02
Far North	C	5,332,000	5.2	8.6	-32,000	\$21.54
Far North	N	2,886,000	2.8	7.0	-9,000	\$18.81
Far North	NC	8,218,000	8.0	8.0	-41,000	\$20.58
Far Northwest	C	3,581,000	3.5	12.8	-7,000	\$17.72
Far Northwest	N	3,279,000	3.2	15.0	-10,000	\$16.40
Far Northwest	NC	6,860,000	6.7	13.8	-17,000	\$17.09
Far South	C	4,674,000	4.6	26.8	-14,000	\$15.88
Far South	N	3,095,000	3.0	18.9	12,000	\$15.22
Far South	NC	7,769,000	7.6	23.7	-2,000	\$15.62
Far West	C	7,772,000	7.6	12.9	-16,000	\$20.28
Far West	N	3,858,000	3.8	10.8	4,000	\$17.96
Far West	NC	11,630,000	11.4	12.2	-12,000	\$19.51
Kane	C	5,049,000	4.9	7.1	16,000	\$18.16
Kane	N	2,688,000	2.6	22.2	2,000	\$14.61
Kane	NC	7,737,000	7.6	12.3	18,000	\$16.93
Lake/Mchenry	C	8,961,000	8.8	11.4	0	\$21.17
Lake/Mchenry	N	5,973,000	5.9	15.2	12,000	\$19.22
Lake/Mchenry	NC	14,934,000	14.6	12.9	12,000	\$20.39
Lombard/Addison	C	6,803,000	6.7	8.6	0	\$20.52
Lombard/Addison	N	3,451,000	3.4	8.1	13,000	\$17.38
Lombard/Addison	NC	10,254,000	10.0	8.4	13,000	\$19.46
Near West	C	2,452,000	2.4	5.0	0	\$19.25
Near West	N	1,764,000	1.7	8.9	-2,000	\$20.30
Near West	NC	4,216,000	4.1	6.6	-2,000	\$19.69
North	C	4,017,000	3.9	4.5	0	\$27.48
North	N	2,253,000	2.2	7.3	7,000	\$24.95
North	NC	6,270,000	6.1	5.5	7,000	\$26.57
South	C	3,954,000	3.9	4.8	-16,000	\$21.84
South	N	2,599,000	2.5	9.1	20,000	\$20.79
South	NC	6,553,000	6.4	6.5	4,000	\$21.42
Southwest	C	4,960,000	4.9	7.3	5,000	\$17.37
Southwest	N	3,730,000	3.7	13.0	-15,000	\$16.34
Southwest	NC	8,690,000	8.5	9.7	-10,000	\$16.93
Total Community	C	62,659,000	61.4	10.2	-48,000	\$19.98
Total Neighborhood	N	39,436,000	38.6	12.8	41,000	\$17.93
Total/Average	NC	102,095,000	100.0	11.2	-7,000	\$19.19

Source:

© Reis, Inc. 2014

Reprinted with the permission of Reis, Inc.

All Rights reserved.

As of third quarter 2013, the overall vacancy rate for the region was 11.2 percent. Far South has the highest overall vacancy rate of 23.7 percent. The subject's North submarket has a vacancy rate of 5.5 percent, the lowest of the submarkets.

The average asking rental rate for all types of space in the region is \$19.19 per square foot. The highest average asking rent of \$26.57 per square foot is being achieved in North, which is the subject's submarket. Conversely, the lowest rent is being achieved in Far South at \$15.62 per square foot.

Community shopping centers constitute 61.4 percent of existing inventory and are exhibiting a lower vacancy rate (10.2 percent) than Neighborhood centers (12.8 percent) and higher average asking rents of \$19.98 versus \$17.93 per square foot.

SUPPLY ANALYSIS

Vacancy Rates

The third quarter 2013 overall vacancy rate for the Chicago region is 11.2 percent. As shown in the chart below, vacancy rates increased from 10.1 percent in 2008 to 11.5 percent in 2012. Over the near term, Reis projects a decline in vacancy levels for Chicago, with vacancy varying between 11.1 percent in 2013 and 10.1 percent in 2017.

The third quarter 2013 overall vacancy for the North submarket is lower than the region at 5.5 percent. Between 2008 and third quarter 2013, vacancy rates increased from 4.9 percent to 5.2 percent. Over the near term, Reis is projecting a rise in vacancy for the subject submarket, with vacancy levels ranging from 5.5 percent in 2013 to 6.0 percent in 2017.

The following table presents historical and projected vacancy for the region and subject submarket.

HISTORICAL AND PROJECTED VACANCY RATES (%)						
Year	Chicago			North		
	Community	Neighborhood	Total	Community	Neighborhood	Total
2008	8.4	12.7	10.1	2.5	9.2	4.9
2009	10.4	13.1	11.5	5.6	9.0	6.8
2010	10.8	13.6	11.9	5.7	7.8	6.5
2011	10.9	13.3	11.8	5.6	7.6	6.3
2012	10.4	13.1	11.5	4.7	6.2	5.2
3Q13	10.2	12.8	11.2	4.5	7.3	5.5
2013	---	---	11.1	---	---	5.5
2014	---	---	10.7	---	---	5.4
2015	---	---	10.4	---	---	5.3
2016	---	---	10.1	---	---	5.0
2017	---	---	10.1	---	---	6.0

Source: Reis, Inc.

Note: Reis does not differentiate between space that is available directly from the landlord or as a sublease. Any space that is available immediately for leasing (i.e. within 30 days) is considered vacant by Reis' standards.

As shown, community shopping centers within the region are exhibiting a lower vacancy rate (10.2 percent) than neighborhood centers (12.8 percent). Within the subject submarket, community centers are exhibiting lower vacancies than neighborhood centers (4.5 percent versus 7.3 percent).

Construction Completions

Between 2008 and 2012 a total of 1,911,000 square feet of space was completed, or an average of 382,200 square feet per year. A total of 22,000 square feet of space was completed as of third quarter 2013. Over the next five years, Reis projects that an additional 3,347,000 square feet of new space will be completed in the Chicago market.

In the North submarket, no new space was completed between 2008 and 2012. Over the next five years, Reis projects that an additional 482,000 square feet of new space will be completed in the North submarket.

The following table presents historical inventory and projected completions for the region and subject submarket.

HISTORICAL AND PROJECTED INVENTORY & COMPLETIONS (SF)											
Year	Chicago					North					
	Inventory Community	Completions	Inventory Neighborhood	Completions	Total Completions	Inventory Community	Completions	Inventory Neighborhood	Completions	Total Completions	% of Region
2008	62,249,000	779,000	39,070,000	414,000	1,193,000	4,017,000	0	2,231,000	0	0	0.0%
2009	62,439,000	190,000	39,202,000	132,000	322,000	4,017,000	0	2,231,000	0	0	0.0%
2010	62,439,000	0	39,254,000	52,000	52,000	4,017,000	0	2,231,000	0	0	0.0%
2011	62,489,000	50,000	39,293,000	39,000	89,000	4,017,000	0	2,231,000	0	0	0.0%
2012	62,659,000	170,000	39,378,000	85,000	255,000	4,017,000	0	2,231,000	0	0	0.0%
3Q13	62,659,000	0	39,436,000	22,000	22,000	4,017,000	0	2,253,000	22,000	22,000	100.0%
2013	---	---	---	---	95,000	---	---	---	---	46,000	48.4%
2014	---	---	---	---	963,000	---	---	---	---	240,000	24.9%
2015	---	---	---	---	669,000	---	---	---	---	56,000	8.4%
2016	---	---	---	---	780,000	---	---	---	---	67,000	8.6%
2017	---	---	---	---	840,000	---	---	---	---	73,000	8.7%
2008-2012											
Total Completions		1,189,000		722,000	1,911,000		0		0	0	
Annual Average		237,800		144,400	382,200		0		0	0	0.0%

Source: Reis, Inc.

DEMAND ANALYSIS

Rental Rates

As shown in the following chart, average asking rents in the region have decreased from \$17.60 per square foot in 2008 to \$16.71 per square in 2012, indicating a compound annual growth rate (CAGR) of -1.3 percent. Over the next five years, average asking rents are expected to increase between \$16.89 per square foot in 2013 and \$18.99 per square foot in 2017.

Average asking rental rates in the North submarket have decreased, ranging from \$24.50 per square foot in 2008 to \$23.45 per square foot in 2012, demonstrating a CAGR of -1.1 percent. Currently, the average rent in the subject submarket is \$23.89. Over the next five years, average asking rents are expected to increase between \$24.03 per square foot in 2013 to \$27.94 per square foot in 2017.

The following table presents historical and projected average asking rental rates for the region and subject submarket.

Historical and Projected Average Asking Rental Rates (\$/SF)										
Year	Chicago					North				
	Community	Neighborhood	Total	% Change	Effective Rent	Community	Neighborhood	Total	% Change	Effective Rent
2008	\$20.63	\$18.28	\$19.72	0.2	\$17.60	\$27.81	\$24.90	\$26.77	1.2	\$24.50
2009	\$20.40	\$18.02	\$19.49	-1.2	\$17.24	\$27.59	\$24.71	\$26.56	-0.8	\$24.10
2010	\$20.02	\$17.85	\$19.18	-1.6	\$16.83	\$26.92	\$24.49	\$26.05	-1.9	\$23.62
2011	\$19.86	\$17.79	\$19.06	-0.6	\$16.72	\$26.83	\$24.34	\$25.94	-0.4	\$23.42
2012	\$19.86	\$17.77	\$19.06	0.0	\$16.71	\$26.96	\$24.48	\$26.07	0.5	\$23.45
3Q13	\$19.98	\$17.93	\$19.19	0.3	\$16.85	\$27.48	\$24.95	\$26.57	1.3	\$23.89
2013	---	---	\$19.24	0.9	\$16.89	---	---	\$26.71	2.5	\$24.03
2014	---	---	\$19.58	1.8	\$17.27	---	---	\$27.71	3.7	\$24.91
2015	---	---	\$20.04	2.3	\$17.76	---	---	\$28.89	4.3	\$25.96
2016	---	---	\$20.62	2.9	\$18.35	---	---	\$30.34	5.0	\$27.10
2017	---	---	\$21.24	3.0	\$18.99	---	---	\$31.50	3.8	\$27.94
2008-2012										
CAGR	-0.95%	-0.70%	-0.85%		-1.29%	-0.77%	-0.42%	-0.66%		-1.09%

Source: Reis, Inc.

Notes: CAGR stands for Compound Annual Growth Rate. Asking rents cited by Reis reflect the advertised rental rates for actively marketed space. Effective rents net of any rental concessions, expressed over the life of the lease term. Reis quotes Retail rents on a Triple Net (NNN) basis.

As shown, community shopping centers in the region are exhibiting higher average asking rents (\$19.98 per square foot) than neighborhood centers (\$17.93 per square foot). Within the subject submarket, neighborhood centers have lower asking rents than community centers (\$24.95 per square foot versus \$27.48 per square foot).

Absorption

Absorption measures change in the level of occupied space in a geographic region over a specific period of time. Absorption is not a measure of leasing activity. It reflects increasing, stable or decreasing demand for space. If the level of occupied space increases from one period to the next, demand has increased. If no change has occurred, demand is stable. If the level of occupied space is lower, demand has decreased. All things being equal, positive absorption lowers vacancy rates and negative absorption increases vacancy rates. A newly constructed building that enters the marketplace vacant will adversely affect the vacancy rate but have no bearing on absorption since it has not altered the level of occupancy.

Over the past few years, new construction activity in the Chicago region has exceeded absorption. As shown below, an annual average of 382,200 square feet of space was completed in the region between 2008 and 2012, while -294,000 square feet was absorbed. Over the next five years, Reis projects that construction will trail absorption with new construction totaling 3,347,000 square feet, and absorption totaling 4,430,000 square feet.

Between 2008 and 2012, new construction in the North submarket outpaced absorption, with an annual average of 0 square feet completed and -7,000 square feet absorbed. Over the next five years, Reis projects that new construction will surpass absorption (new construction will total 482,000 square feet, and 405,000 square feet is expected to be absorbed).

The following table presents historical absorption levels and completions for the region and the subject submarket.

HISTORIC AND PROJECTED NET ABSORPTION (SF)								
Year	Chicago				North			
	Community	Neighborhood	Total Absorption	Total Completions	Community	Neighborhood	Total Absorption	Total Completions
2008	268,000	-956,000	-688,000	1,193,000	65,000	-78,000	-13,000	0
2009	-1,051,000	-59,000	-1,110,000	322,000	-125,000	4,000	-121,000	0
2010	-235,000	-144,000	-379,000	52,000	-4,000	27,000	23,000	0
2011	3,000	145,000	148,000	89,000	4,000	4,000	8,000	0
2012	410,000	149,000	559,000	255,000	36,000	32,000	68,000	0
3Q13	-48,000	41,000	-7,000	22,000	0	7,000	7,000	22,000
2013	---	---	502,000	95,000	---	---	27,000	46,000
2014	---	---	1,193,000	963,000	---	---	232,000	240,000
2015	---	---	909,000	669,000	---	---	61,000	56,000
2016	---	---	1,050,000	780,000	---	---	84,000	67,000
2017	---	---	776,000	840,000	---	---	1,000	73,000
2008-2012								
Total Absorption	-605,000	-865,000	-1,470,000	1,911,000	-24,000	-11,000	-35,000	0
Annual Average	-121,000	-173,000	-294,000	382,200	-4,800	-2,200	-7,000	0

Source: Reis, Inc.

New Construction Activity

According to Reis, there was 1,348,350 square feet of space recently completed in 13 projects in the Chicago market. An additional 1,706,244 square feet is currently under construction in 13 projects, with 16,934,258 square feet planned/proposed in 97 projects.

The following tables present current and proposed construction activity for the region.

New Construction Activity - Completed						Est. Completion		
Name	Type	Location	City	Submarket	Year	Month	Size (SF)	
Oakton Shoppes Of Evanston Gfs Marketplace	Free Standing	2424 Oakton St @ Hartrey Ave	Evanston	Far North	2012	June	17,850	
---	Mixed Use	1030 W North Ave @ N Kingsbury St	Chicago	North	2012	October	58,000	
Gateway To The West Loop	Neighborhood	14-40 S. Halstead @ Monroe St	Chicago	Non-Submarketed Areas	2012	October	190,000	
Kingsbury Center	Community	1415-1435 N Kingsbury St @ W Eastman St	Chicago	Non-Submarketed Areas	2012	November	53,500	
2020 E Northwest Highway	Neighborhood	2020 E Northwest Hwy @ E Gregory St	Arlington Heights	Arlington Heights	2012	November	18,000	
Kingsbury Center	Neighborhood	1415 N Kingsbury St @ W Eastman St	Chicago	Non-Submarketed Areas	2012	November	55,000	
The Shops On Fremont Ph I	Mixed Use	Fremont St @ North Ave	Chicago	North	2013	April	18,000	
Harper Court	Mixed Use	5235 Harper Ct @ E 52Nd St	Hyde Park	Far Northwest	2013	June	53,000	
Lincolnshire Marketplace	Neighborhood	Milwaukee Ave @ Rte 22	Lincolnshire	Lake/Mchenry	2013	June	36,000	
Fashion Outlets Of Chicago	Outlet Center	5220 Fashion Outlets Way @ Balmoral Ave	Rosemont	Arlington Heights	2013	July	530,000	
Pullman Park - Walmart	Free Standing	111Th St @ Bishop Ford Expwy	Chicago	Far South	2013	September	273,000	
Sixty Sixty Plaza	Neighborhood	6060 N. Northwest Hwy @ N Newark Ave	Chicago	North	2013	September	22,000	
Commons At Clark Hall	Neighborhood	Hamilton Ave @ Granville Rd	Chicago	North	2013	October	24,000	
Total Complete							1,348,350	

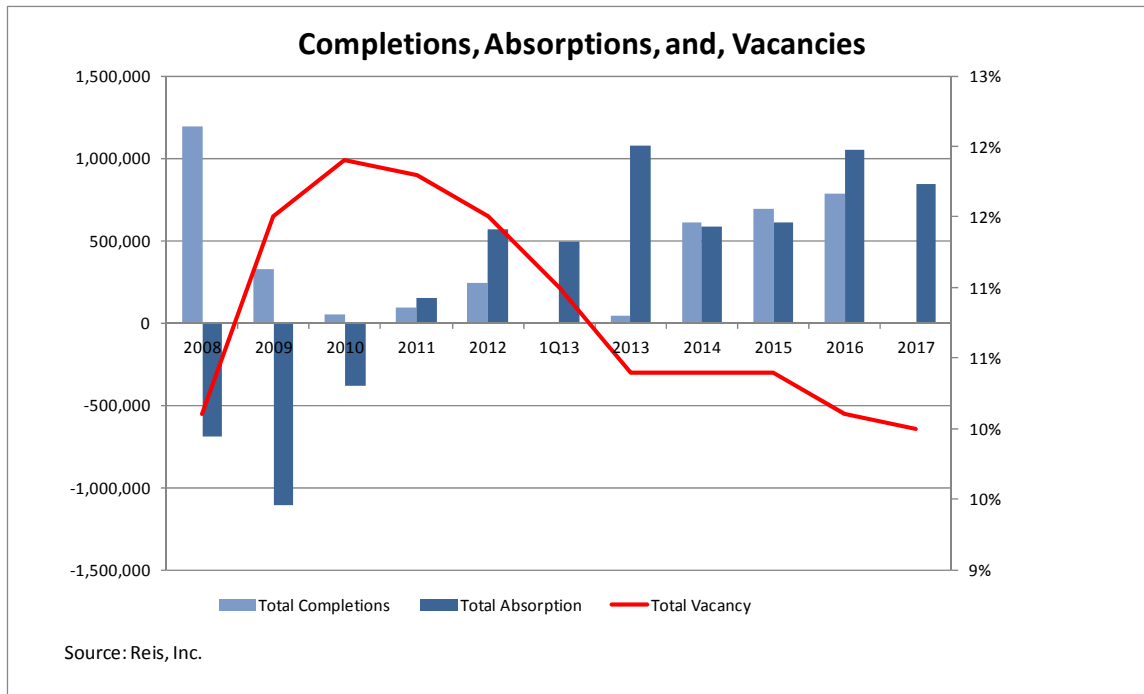
New Construction Activity - Under Construction					Est. Completion		
Name	Type	Location	City	Submarket	Year	Month	Size (SF)
Meacham Gatherings	Neighborhood	900 N Meacham Rd @ E Woodfield Rd	Chicago	Far Northwest	---	---	19,000
Glen Gate Shopping Center	Neighborhood	Golf Rd @ Waukegan Rd	Glenview	Far North	---	---	99,000
Pepper Park Of Lake	Neighborhood	22000 N Pepper Rd @ Commercial Ave	Lake Barrington	Lake/Mchenry	---	---	14,900
Sunset Grove Shopping Center	Neighborhood	Rte 83 @ Aptakisic Rd	Lake Zurich	Lake/Mchenry	---	---	125,000
---	Neighborhood	1600 S Milwaukee Ave @ Artaius Pkwy	Libertyville	Lake/Mchenry	---	---	20,100
Mokena Marketplace	Power Center	Us-30 @ Wolf Rd	Mokena	Southwest	---	---	400,000
First Street Development (Retail)	Mixed Use	S 1St St @ Prairie St	St. Charles	Kane	---	---	135,000
Great Lakes Crossing	Neighborhood	N Rte 173 @ Green Bay Rd	Zion	Lake/Mchenry	---	---	128,875
---	Neighborhood	511 Lincoln Hwy @ Roberts Rd	New Lenox	Southwest	2013	November	13,000
10226 Indianapolis	Neighborhood	10226 S Indianapolis Ave @ S Avenue G	Chicago	Far South	2013	November	21,369
Ravenswood Station	Neighborhood	Lawrence Ave @ Ravenswood Ave	Chicago	North	2014	January	240,000
Carol Stream Market Place Ph I	Neighborhood	North Ave @ Schmale Rd	Carol Stream	Lombard/Addison	2014	May	250,000
The Maxwell	Neighborhood	Canal St @ Clinton St/Roosevelt Rd	Chicago	Far Northwest	2014	August	240,000
Total Under Construction							1,706,244

New Construction Activity - Planned/Proposed						Est. Completion		
Name	Type	Location	City	Submarket	Year	Month	Size (SF)	
Windsor Square Ph II	Neighborhood	S Randall Rd @ Corporate Pkwy	Algonquin	Kane	---	---	24,000	
Antioch Marketplace	Power Center	Rte 173 @ Deep Lake Rd	Antioch	Lake/Mchenry	---	---	600,000	
Arlington Downs Ph II	Community	3400 W Euclid Ave @ Rohlwing Rd	Arlington Heights	Far South	---	---	115,000	
Aurora Commons	Neighborhood	Galena Blvd @ Constitution Dr	Aurora	Kane	---	---	15,000	
S Broadway Retail	Community	235 S Broadway @ Washington St	Aurora	Kane	---	---	125,000	
Barrington Village Center	Community	Hough St @ Main St	Barrington	Far Northwest	---	---	25,000	
---	Neighborhood	Sutton Rd @ Schick Rd	Bartlett	Lombard/Addison	---	---	11,500	
Buffalo Grove Ph III	Mixed Use	W Lake Cook Rd @ Raupp Blvd	Buffalo Grove	Arlington Heights	---	---	423,625	
Marshfield Marketplace	Community	W 119Th St @ Marshfield Ave	Calumet Park	Far South	---	---	250,000	
Carol Stream Marketplace Ph II	Neighborhood	North Ave @ Schmale Rd	Carol Stream	Lombard/Addison	---	---	78,000	
The Palazzo At Deer Park	Neighborhood	20450 N Rand Rd @ N Deer Park Blvd	Chicago	Lake/Mchenry	---	---	60,000	
Metramarket Ph II	Neighborhood	S Clinton St @ Washington Blvd	Chicago	Non-Submarketed Areas	---	---	30,000	
Wheeling Town Center Ph I (Retail)	Community	112 S. Sangamon St @ W Monroe St	Chicago	North	---	---	170,000	
Cold Storage Building Ph II	Community	1000 W Fulton St @ N Morgan St	Chicago	Non-Submarketed Areas	---	---	125,000	
Pilsen Development Site	Neighborhood	2530 S Blue Island Ave @ S Oakley Ave	Chicago	Non-Submarketed Areas	---	---	83,200	
Fmr New City Ymca Site	Mixed Use	1482 N Clybourn Ave @ N Ogden Ave	Chicago	Non-Submarketed Areas	---	---	370,000	
Atrium Village	Neighborhood	W Division St @ N Wells St	Chicago	Non-Submarketed Areas	---	---	32,000	
---	Neighborhood	Rush St @ Cedar St	Chicago	Non-Submarketed Areas	---	---	27,000	
---	Neighborhood	2020 W Ogden Ave @ S Damen Ave	Chicago	Non-Submarketed Areas	---	---	100,000	
Lighthouse At Montrose Harbor	Mixed Use	810 Montrose Ave @ N Clarendon Ave	Chicago	North	---	---	100,000	
Addison Park On Clark Ph II	Neighborhood	N Clark St @ W Addison St	Chicago	North	---	---	168,780	
---	Community	N Lincoln Ave @ N Fullerton Ave	Chicago	North	---	---	163,000	
Lathrop Retail	Neighborhood	Clybourn Ave @ Damen Ave	Chicago	North	---	---	123,455	
Village Center (Retail)	Mixed Use	51St St @ Lake Park Ave	Chicago	South	---	---	110,000	
Lake Meadows Redevelopment (Retail)	Mixed Use	E 35Th St @ S Martin Luther King	Chicago	Non-Submarketed Areas	---	---	500,000	
The Market Commons Southshore Retail	Regional	Hwy 41 @ 79Th St	Chicago	Non-Submarketed Areas	---	---	1,000,000	
95Th & Cottage Grove Ph II	Neighborhood	E 95Th Ave @ Cottage Grove Ave	Chicago	South	---	---	30,000	
Evergreen Promenade	Neighborhood	95Th St @ Western Ave	Chicago	Kane	---	---	92,515	
Walmart Neighborhood	Neighborhood	W 76Th St @ Ashland Ave	Chicago	South	---	---	50,000	
---	Neighborhood	720 E 111Th St @ S Ellis Ave	Chicago	Far South	---	---	67,000	
Pullman Park Ph III	Neighborhood	111Th St @ Bishop Ford Expwy	Chicago	Far South	---	---	187,000	
Pulaski Promenade	Neighborhood	Pulaski Rd @ 42Nd St	Chicago	South	---	---	143,000	
---	Neighborhood	5206 N Broadway St @ W Forester Ave	Chicago	North	---	---	20,000	
The Shops On Fremont Ph II	Mixed Use	Fremont St @ North Ave	Chicago	North	---	---	45,000	
Rosenwald Retail	Neighborhood	4600 S Michigan Ave @ E 46Th St	Chicago	South	---	---	51,000	
---	Regional	N Clinton St @ N Canal St	Chicago	Non-Submarketed Areas	---	---	200,000	
Harlem Irving Plaza Ph III	Regional	4104 N Harlem Ave @ Irving Pk	Chicago	North	---	---	130,000	
Chicagoland Outlets At Countryclub Hills	Outlet Center	167Th St @ Interstate 57	Country Club Hills	Far South	---	---	450,000	
Elburn Station Ph II	Neighborhood	Keslinger Rd @ Rt 38	Elburn	Kane	---	---	47,500	
The Grove Ph II	Neighborhood	Randall Rd @ I-90	Elgin	Kane	---	---	115,000	
Breen Rd Project Ph I	Neighborhood	Rt 53 @ Breen Rd	Elwood	Non-Submarketed Areas	---	---	70,550	
Breen Rd Poject Ph II	Neighborhood	Rt 53 @ Breen Rd	Elwood	Non-Submarketed Areas	---	---	63,200	
Oakton Shoppes Of Evanston Retail Strip	Neighborhood	2424 Oakton St @ Hartrey Ave	Evanston	Far North	---	---	20,000	
Evergreen Park Retail Development	Community	9140 S Western Ave @ W 92Nd Pl	Evergreen Park	South	---	---	400,000	
Fox Lake Crossing Ph II	Power Center	1258 Rte 12 @ Rte 134	Fox Lake	Lake/Mchenry	---	---	95,000	
Wolf Point	Neighborhood	W Laraway Rd @ Wolf Rd	Frankfort	Southwest	---	---	28,640	
Glen Ellyn Market	Neighborhood	285 Roosevelt Rd @ S Lambert Rd	Glen Ellyn	Lombard/Addison	---	---	32,000	
Avon Retail Center	Neighborhood	1601 Overlook Dr @ Briar Rd	Glenview	Far North	---	---	15,000	
Fairgrounds At Grayslake	Lifestyle Center	Rte 45 @ Rte 120	Grayslake	Lake/Mchenry	---	---	680,339	
Country Fair Shopping Center Ph II	Neighborhood	1805 E Belvedere Rd @ Rte 45	Grayslake	Lake/Mchenry	---	---	32,000	

NEW CONSTRUCTION ACTIVITY - PLANNED/PROPOSED (CONTINUED)					Est. Completion		
Name	Type	Location	City	Submarket	Year	Month	Size (SF)
Regal Mall Shopping Center	Neighborhood	W Lake St @ Center Ave	Hanover Park	Far Northwest	---	---	39,000
Huntley Shopping Center	Power Center	N II Route 47 @ Powers Rd	Huntley	Lake/Mchenry	---	---	300,000
Spring Creek Outlets Of Chicago	Outlet Center	Rte 6 (Maple Rd) @ N Briggs St	Joliet	Southwest	---	---	530,000
Shepard Redevelopment	Neighborhood	930 Carriage Park Ave @ N Waukegan Rd	Lake Bluff	Lake/Mchenry	---	---	140,000
---	Neighborhood	Algonquin Rd @ Lakewood Rd	Lake In The Hills	Lake/Mchenry	---	---	12,500
Dimmucci Shopping Center	Community	N Rand Rd @ Old Mchenry Rd	Lake Zurich	Lake/Mchenry	---	---	650,000
Lincolnwood Ph II	Neighborhood	Touhy Ave @ N Lincoln Ave	Lincolnwood	Far North	---	---	147,000
Lockport Square	Power Center	159Th St @ Farrell Rd/ I-355	Lockport	Southwest	---	---	610,000
Matteson Shopping Mall	Community	Hwy 30 @ Harlem Ave	Matteson	Southwest	---	---	250,000
Heartland Crossing Ph II	Community	S Ridge Rd @ E Us Hwy 6	Minooka	Non-Submarketed Areas	---	---	150,000
Ogden Hill Ph II	Power Center	1100 Ogden Ave @ Us Hwy 30	Montgomery	Non-Submarketed Areas	---	---	20,000
Prairie View Plaza Shopping	Neighborhood	Dempster St @ Waukegan Rd	Morton Grove	Far North	---	---	290,000
Mundelein Crossing Ph II	Power Center	Rte 60 @ Rte 80	Mundelein	Lake/Mchenry	---	---	50,000
Mundelein Shopping Center	Power Center	Rte 60 @ Rte 83	Mundelein	Lake/Mchenry	---	---	400,000
Oak Creek Plaza Ph II	Community	Rte 45 @ Rte 60	Mundelein	Lake/Mchenry	---	---	60,000
Park Centre	Mixed Use	460 N Seymour Ave @ E Park St	Mundelein	Lake/Mchenry	---	---	32,000
Water Street District (Retail)	Community	Aurora Ave @ S Webster St	Naperville	Far West	---	---	35,000
Naperville Marketplace Ph II	Community	3111 W 111Th St @ State Rte 59	Naperville	Far West	---	---	15,260
Cedar Crossings	Power Center	Us Hwy 6 @ Cedar Rd	New Lenox	Southwest	---	---	1,000,000
Cedar Crossing Ph I	Neighborhood	N Cedar Rd @ U.S. 6	New Lenox	Southwest	---	---	900,000
Cedar Crossing Ph II	Neighborhood	N Cedar Rd @ U.S. 6	New Lenox	Southwest	---	---	600,000
Harts Plaza	Neighborhood	7007-7035 N Milwaukee Ave @ W Harts	Niles	Far North	---	---	79,162
Harts Plaza	Neighborhood	7007-7035 N Milwaukee Ave @ W Harts Rd	Niles	Far North	---	---	79,162
North Aurora Towne Center Ph II	Power Center	Orchard Rd @ Randall Rd/I-88	North Aurora	Kane	---	---	450,000
---	Neighborhood	Dundee Rd @ Skokie Blvd	Northbrook	Far North	---	---	107,000
---	Community	Rte 83 @ Harlem Ave	Palos Heights	Southwest	---	---	55,000
Palos Place	Neighborhood	12306 S Harlem Ave @ W 123Rd St	Palos Heights	Southwest	---	---	10,500
The Boulevard Of Plainfield Ph I	Power Center	I-55 @ Rte 30	Plainfield	Southwest	---	---	300,000
The Boulevard Of Plainfield Ph II	Power Center	I-55 @ Rte 30	Plainfield	Southwest	---	---	250,000
Prairie Grove Town Center (Retail)	Neighborhood	Edgewood Rd @ Rte 31	Prairie Grove	Lake/Mchenry	---	---	125,000
Palwaukee Plaza	Neighborhood	604 N Milwaukee Ave @ Apple Dr	Prospect Heights	Arlington Heights	---	---	16,600
Triton College Redevelopment	Neighborhood	1910 5Th Ave @ Palmer St	River Grove	Near West	---	---	20,000
Rolling Meadows Retail Center	Community	2915 Kirchoff Rd @ Meadow Dr	Rolling Meadows	Arlington Heights	---	---	132,270
Romeo Village Development Ph II	Power Center	Weber Rd @ Airport Rd	Romeoville	Southwest	---	---	107,000
Round Lake Grove Ph I	Community	Swc Rte 60 @ Raymond Lane	Round Lake	Lake/Mchenry	---	---	48,000
Round Lake Grove Ph II	Community	Swc Rte 60 @ Raymond Lane	Round Lake	Lake/Mchenry	---	---	48,000
Round Lake Grove Ph III	Community	Swc Rte 60 @ Raymond Lane	Round Lake	Lake/Mchenry	---	---	48,000
Round Lake Grove Ph IV	Community	Swc Rte 60 @ Raymond Lane	Round Lake	Lake/Mchenry	---	---	48,000
---	Community	Route 52 @ River Rd	Shorewood	Southwest	---	---	200,000
Walmart Supercenter	Community	Touhy Ave @ St. Louis Ave	Skokie	Far North	---	---	187,000
South Elgin Crossings Ph III	Power Center	Randall Rd @ McDonald Rd	South Elgin	Kane	---	---	25,000
Harlem And 183Rd Retail Center	Neighborhood	183Rd St @ Harlem Ave	Tinley Park	Southwest	---	---	16,000
Westfield Hawthorn Center Expansion	Power Center	E Townline Rd @ Milwaukee Ave	Vernon Hills	Lake/Mchenry	---	---	103,000
Wheeling Town Center	Neighborhood	Northgate Pkwy @ W Dundee Rd	Wheeling	Arlington Heights	---	---	200,000
Willow North	Neighborhood	2370 Waukegan Rd @ Kamp Dr	Winnetka	Far North	---	---	12,000
Countryside Center Redevelopment	Neighborhood	U.S. Hwy 34 @ Hwy 47	Yorkville	Non-Submarketed Areas	---	---	80,000
New Lenox Town Center	Neighborhood	E Lincoln Hwy @ S Cooper Rd	New Lenox	Southwest	2015	April	62,500
Total Planned/Proposed							16,934,258

CHICAGO CONCLUSION

The Chicago Retail market has experienced increased vacancy levels since 2008. Over the near term, new construction activity is expected to trail absorption.



However, in the next five years vacancy should decline from 11.1 to 10.1 percent, while average asking rental rates are expected to increase from \$16.89 per square foot to \$18.99 per square foot.

The subject's submarket is performing significantly better than the overall Chicago CBSA, with the lowest overall vacancy rate observed in Chicago market at 5.5 percent and an asking rental rate of \$23.89 per square foot, which is higher than the overall Chicago asking rental rate. In addition, subject's trade area is performing better than the general Chicago Retail market and the subject's submarket, which will be further analyzed in the following section.

TRADE AREA OVERVIEW

A retail center's trade area contains people who are likely to patronize that particular center, and its ability to draw these people comes from the strength of the anchor tenants, complemented by regional and local tenants. Customers are drawn by a given class of goods and services, and a successful combination of these elements creates a destination for customers seeking both variety and the comfort and convenience of an integrated shopping environment.

To define and analyze the market potential for the Century Shopping Centre, we must first establish the boundaries of the trade area from which customers will be drawn. In some cases, defining the trade area may be complicated by the existence of other retail facilities on main thoroughfares in trade areas that are not clearly defined or whose trade areas overlap with that of the subject.

Once the trade area is defined, the area's demographics and economic profile can be analyzed, providing key insight into the area's potential for the subject.

SCOPE OF TRADE AREA

To define trade area we must thoroughly review the retail market and the competitive structure of the general marketplace, as well as the subject's position within that marketplace.

COMPETITIVE RETAIL STRUCTURE

To examine the subject property in its proper context we must also examine its most direct competition and give consideration to the potential for new competition via proposed centers. The Century Shopping Centre is an urban retail development with a wide mix of tenants. The potential trade area for the subject is defined by the location and drawing power of surrounding retail centers. The competitive retail centers with the subject are presented on the following table.

COMPETITIVE SHOPPING CENTERS							
No.	Property	Description			Anchor Tenants	Occ.	Distance from Subject
S	Century Shopping Centre 2828 North Clark Street Chicago, IL	Centre Type:	Urban Retail	Total GLA: 170,265 Anchor GLA: 83,064 Anchor Ratio: 49%	Gym Cinema	82%	--
PRIMARY COMPETITION							
1	The Broadway at Surf 2830-2868 N Broadway Chicago, IL	Sub-Type:	Community Center	Total GLA: 134,254 Anchor GLA: 99,359 Anchor Ratio: 74%	Bed Bath & Beyond TJ Maxx Walmart	89%	0.1 miles East
2	The Pointe @ Clark Street 3131 N Clark Street Chicago, IL	Sub-Type:	Neighborhood Center	Total GLA: 95,455 Anchor GLA: 95,455 Anchor Ratio: 100%	Marshalls DSW Michaels	100%	0.4 miles North
3	Freestanding Retail 3134 N Clark Street Chicago, IL	Sub-Type:	Urban Retail	Total GLA: 63,420 Anchor GLA: 63,420 Anchor Ratio: 100%	Sports Authority	100%	0.4 miles North
4	Street Level Retail 2650 N Clark Street Chicago, IL	Sub-Type:	Urban Retail	Total GLA: 37,334 Anchor GLA: 37,334 Anchor Ratio: 100%	Best Buy	100%	0.2 miles South
5	Street Level Retail 2859-2905 N Halsted St Chicago, IL	Sub-Type:	Urban Retail	Total GLA: 43,896 Anchor GLA: 43,896 Anchor Ratio: 100%	None	100%	0.2 miles West
6	Freestanding Retail 2665 N Halsted Street Chicago, IL	Sub-Type:	Urban Retail	Total GLA: 96,000 Anchor GLA: 96,000 Anchor Ratio: 100%	Home Depot	100%	0.2 miles Southwest
Survey Total GLA				640,624			
Survey Minimum				37,334		82%	
Survey Maximum				170,265		100%	
Survey Average				91,518		93%	

Compiled by Cushman & Wakefield of Illinois, Inc.

OTHER COMPETITION

The subject property's other competition comes from various freestanding and street-level inline stores and/or off-price, or discount-oriented big box users. The area also contains various other nodes of retail development that offer varying degrees of competition to the subject.

PROPOSED COMPETITION

Our investigation of potential near-term changes in the retail structure of the area did not uncover any proposed developments worthy of discussion.

COMPETITION SUMMARY

Overall, the presented comparable properties represent the subject property's primary competition within the immediate area. The subject property is viewed as being unique when compared to its direct competitors with it being vertically oriented whereas the others are horizontally-oriented or spread over two levels. A majority of the comparables also possess parking structures which support the retail nature of the tenants, so the subject does not have a competitive advantage in that respect. The subject property's tenant lineup is also seen as slightly inferior to that of the tenants of the direct competitors. We feel that the subject is well located and well placed within its competitive set.

MAJOR TENANT PROFILES

Major tenant profiles that provide a significant draw of potential customers to the subject property are found on the following page:

LA FITNESS INTERNATIONAL, LLC. TENANT PROFILE

Founded in 1984, LA Fitness International, LLC ("LA Fitness") is a privately-owned fitness center chain based in Irvine, California. The company currently operates 535 gyms located throughout the United States. LA Fitness' clubs offer members a wide variety of exercise options including strength and cardiovascular training machines, free weights, group classes, and one-on-one personal training. Many clubs also feature a whirl pool or hot tub, basketball court, racquetball, heated lap pool, or sauna. In addition to its core direct-to-consumer channel LA Fitness also offers a turnkey corporate wellness program. In May 2007, Madison Dearborn Partners acquired a 20.0 percent stake in the company from Seidler Equity Partners, CIVC Partners, and the company's management. Total consideration for the deal was reportedly \$600.0 million.

LA Fitness expanded outside of the United States through its acquisition of six fitness clubs in Toronto, Canada, in 2007. In 2010 the company acquired ten Pure Fitness locations in Phoenix, Arizona. As well, in November 2011, Fitness International, LLC, an affiliate of LA Fitness International, LLC, announced that they would acquire 171 Bally Total Fitness clubs. LA Fitness continues to expand and remodel existing locations. Most recently in July 2012, the company acquired 32 of 33 Lifestyle Family Fitness Clubs in Florida.

Credit Ratings

LA Fitness is not currently rated by Moody's, Fitch or Standard & Poor's.

LANDMARK THEATRES TENANT PROFILE

Landmark Theatres is the largest art house and independent movie theater chain in the United States. The chain predominantly shows first-run independent, foreign film, and restored classics, although some Landmark theaters also offer more mainstream movie options including 3-D and digital movies. The theaters are also known for selling gourmet concession stand offerings such as coffee, espresso drinks, fresh-baked goods, imported chocolate and candy offerings as well as in-theatre sales of DVDs, books and CDs.

Headquartered in Los Angeles, California, Landmark is currently owned by venture capitalists Mark Cuban and Todd Wagner through their holding company Wagner/Cuban Companies, a vertically integrated group of media companies. The company holds ownership in Magnolia Pictures, 2929 Productions, and high definition networks AXS TV and HDNet Movies.

Since its founding in 1974, Landmark has grown to 57 theatres, 227 screens in 21 markets. Landmark is well known for both its award-winning historic theatres, such as the Tivoli in St. Louis, the Inwood in Dallas and the Oriental in Milwaukee, and its more contemporary theatres, including their flagship theatre, The Landmark in Los Angeles, the Sunshine Cinema in New York City, the E Street Cinema in Washington, DC, and the Landmark Theatre Greenwood Village in Denver. The contemporary theatres contain Innovative Screening Lounges which include "Living Room" brand auditoriums. The "Living Room" concept features smaller capacity theaters (30-50 people) with sofas, ottomans, side-tables and other home-like amenities.

Originally titled Parallax Theatres, Landmark was founded in 1974 by Kim Jorgensen. The Nuart Theatre in Los Angeles was the first theater acquired by Landmark. Steve Gilula and Gary Meyer were subsequently hired in 1976 and later became stockholders along with the acquisition of the UC Theater in Berkeley, California. In the 1980s, Landmark acquired Santa Fe-based Movies, Inc. and Seattle-based Seven Gables. In 1989, Jorgensen pursued a career as a movie producer, and sold his interest in Landmark. Gilula and Meyer followed suit and both sold their interests later in 1995.

In the 1990s, Landmark Theatres was acquired by The Samuel Goldwyn Company. Landmark Theatres continued to grow throughout the 1990s and developed multiplex theatres of its own in San Francisco, Cambridge, Massachusetts, St. Louis, Minneapolis, Chicago, New York City, Atlanta, Indianapolis, and in Los Angeles. In 2007, Landmark took over ownership of three Ritz theaters in Philadelphia and then opened another in downtown Baltimore's Harbor East neighborhood.

Credit Ratings

Landmark Theatres is not currently rated by Moody's, Fitch or Standard & Poor's.

CVS CAREMARK CORPORATION TENANT PROFILE

CVS Caremark Corporation is a fully-integrated pharmacy services company offering a variety of primarily healthcare related products and services. The Caremark Pharmacy Services segment, the results of a \$26.5 billion purchase of Caremark Rx in 2007, provides managed-care drug programs to insurers, employers, and other healthcare plan providers. The CVS/pharmacy retail segment operates the nation's largest retail pharmacy chain.

After more than 40 years of growth, the company operates over 7,500 stores across 41 states. The company also operates 640 retail healthcare clinics in 26 states, 633 of which are located in CVS/pharmacy stores, where minor health conditions are diagnosed and treated by board-certified physician assistants and nurse practitioners. During 2012, the CVS pharmacy/retail segment filled approximately 718.0 million retail prescriptions, or approximately 21.0 percent of the U.S. retail pharmacy market.

In November 2008, CVS closed on its \$2.7 billion acquisition of rival Longs Drug Stores Corporation. The transaction included 529 retail drug stores and RxAmerica LLC, which provides pharmacy benefit management services. Longs ran a similar business to CVS and was heavily concentrated in California, Hawaii, Nevada and Arizona, markets with few or no CVS store locations.

CVS Caremark in late 2011 sold its TheraCom consulting business to AmerisourceBergen for \$250.0 million. (TheraCom serves pharmaceutical and biotechnology drug makers by primarily providing reimbursement and patient-access help support.) The move follows CVS Caremark's acquisition of the Medicare prescription drug

services unit of Universal American for \$1.25 billion. The deal reportedly more than doubles the size of the CVS Medicare Part D program, adding nearly 2.0 million Medicare Part D members to a current base of 1.0 million. CVS Caremark also won a contract in early 2011 to administer Aetna's retail pharmacy network. Estimated to garner \$8.2 billion in revenue in 2011, CVS Caremark is managing both purchasing and prescription filling for Aetna's mail-order and specialty pharmacy operations.

In Spring 2012, Express Scripts purchased Medco Health Solutions, who are two of the three largest pharmacy benefit managers in a deal valued at \$29.0 billion. The third largest manager in the industry was CVS. The three pharmacy benefit managers used to hold roughly 50.0 percent of the market. Following the merger, the combined entity (Express Scripts Holdings Company) is about twice the size of CVS and is North America's largest pharmacy benefits manager, with more than 150 million prescription drug consumers and 50.0 percent of the large employer market.

Both CVS and Express Scripts stand to benefit from increased generic utilization, the shift toward mail orders, strong specialty growth and an aging population.

Credit Ratings

CVS/Caremark is rated investment grade by Moody's, Fitch, and Standard & Poor's.

CREDIT RATINGS			
Agency	Issuer Rating	Last Rating Action	Outlook
Moody's	Baa1	Sep-13	Stable
Fitch	BBB+	Dec-12	Stable
S&P	BBB+	Oct-12	Stable

Source: Moody's, Fitch, S&P

Annual Filing Data

CVS/Caremark's net revenue in fiscal 2012 totaled \$123.1 billion, a 15.0 percent increase from \$107.1 billion in fiscal 2011. Net revenues from the company's retail pharmacy segment increased \$4.1 billion, or 6.8 percent to \$63.7 billion for the year ended December 31, 2012, as compared to the prior year. This increase was primarily driven by the same store sales increase of 5.5 percent and net revenues from new stores. CVS/Caremark's net income for fiscal 2012 was nearly \$3.9 billion, a 12.0 percent increase year-over-year.

A profile of CVS/Caremark's annual sales and income performance is shown below:

CVS/CAREMARK FINANCIAL OVERVIEW					
	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008
Net Revenues (in millions)	\$123,133	\$107,100	\$95,778	\$98,215	\$87,005
Change in Revenues	15.0%	11.8%	-2.5%	12.9%	14.4%
Net Income (in millions)	\$3,877	\$3,461	\$3,427	\$3,696	\$3,212
Same Store Revenue Change	5.5%	2.3%	2.1%	5.0%	4.5%
Gross Leasable Area (SF in millions)	73.1	71.5	69.3	67.8	66.3
Net Stores Opened	120	-22	330	169	622
Number of Stores (Year End)	7,520	7,400	7,422	7,092	6,923
Number of Employees (Year End)	203,000	202,000	201,000	211,000	215,000

Source: Company filings

Store Openings / Closings

During fiscal 2012, CVS/Caremark opened 150 new retail pharmacy stores, relocated 90 stores and closed 30 stores. During the last five years, the company opened more than 1,300 new and relocated stores, and acquired approximately 500 stores. During 2013, CVS/Caremark anticipates square footage growth of between 2.0 to 3.0 percent.

TRADE AREA ANALYSIS

We considered several factors in defining boundaries for the subject's trade area. First, the property's location with respect to transportation provides the basis for regional access to the area. Second, competition and geographic boundaries help to define the potential size of the trade area as a measure of distance from the property. Third, the merchandising mix and anchor alignment provides the basic draw of customers that are likely to patronize the property.

The Century Shopping Centre is located in the Chicago CBSA and benefits from good regional and local accessibility, as well as the proliferation of peripheral draws. Major roadway proximity to the center provides the necessary access to more regional destinations throughout the area, while the property's anchor stores provide the necessary drawing power for the property.

We analyzed the subject's trade area based on the following:

- Highway accessibility, including area traffic patterns, geographical constraints, and nodes of residential development;
- The position and nature of the area's retail structure, including the location of destination retail centers which compete with the subject and the strength and composition of the retail infill; and
- The size, anchor tenancy, and merchandising composition of the subject property's tenants.

Given all of the above, we believe the subject property's primary trade area would likely span an area encompassing about three miles around the center. The subject's secondary trade area might span up to five miles from the site given its regional accessibility and location of competitive properties.

Using these observations, we analyzed a primary demographic profile for the subject based on a radius of approximately three miles from the property. To add perspective to this analysis, we segregated our survey into one, three, and five mile concentric circles with a comparison to the CBSA, state, and the United States. This data is presented on the following page.

DEMOGRAPHIC SUMMARY						
	1.0-mile Radius	3.0-mile Radius	5.0-mile Radius	Chicago CBSA	State of Illinois	United States
POPULATION STATISTICS						
2000	86,276	413,251	962,498	9,098,315	12,419,273	281,394,317
2013	85,405	413,894	952,155	9,552,640	12,909,660	314,841,431
2018	87,216	426,079	977,115	9,685,053	13,026,133	325,300,953
Compound Annual Change						
2000 - 2013	-0.08%	0.01%	-0.08%	0.38%	0.30%	0.87%
2013 - 2018	0.42%	0.58%	0.52%	0.28%	0.18%	0.66%
HOUSEHOLD STATISTICS						
2000	52,022	216,266	417,048	3,280,065	4,591,780	105,466,823
2013	49,241	222,265	446,748	3,523,235	4,884,053	119,195,327
2018	50,309	229,952	463,507	3,589,217	4,948,594	123,394,220
Compound Annual Change						
2000 - 2013	-0.42%	0.21%	0.53%	0.55%	0.48%	0.95%
2013 - 2018	0.43%	0.68%	0.74%	0.37%	0.26%	0.69%
AVERAGE HOUSEHOLD INCOME						
2000	\$86,407	\$77,501	\$64,864	\$67,525	\$61,642	\$56,674
2013	\$104,026	\$102,408	\$86,679	\$79,260	\$73,952	\$69,636
2018	\$103,080	\$101,673	\$86,597	\$80,065	\$75,801	\$71,916
Compound Annual Change						
2000 - 2013	1.44%	2.17%	2.26%	1.24%	1.41%	1.60%
2013 - 2018	-0.18%	-0.14%	-0.02%	0.20%	0.50%	0.65%
RETAIL SALES POTENTIAL						
Total Retail Sales (\$Mil)	\$1,050	\$7,017	\$14,211	\$147,022	\$190,556	\$4,947,651
General Merchandise	\$23	\$637	\$1,555	\$18,796	\$25,561	\$638,206
Apparel & Accessory	\$84	\$782	\$1,394	\$7,520	\$8,641	\$234,528
Furniture & Home Furnish.**	\$49	\$343	\$632	\$4,880	\$6,236	\$197,695
Other Sales***	\$34	\$225	\$455	\$4,705	\$6,098	\$158,325
Total GAFO Sales	\$190	\$1,987	\$4,036	\$35,900	\$46,537	\$1,228,754
Total Expenditure Potential*	\$5,122	\$22,762	\$38,724	\$279,252	\$361,185	\$8,300,286
GAFO % of Total Retail Sales	18.12%	28.31%	28.40%	24.42%	24.42%	24.84%
GAFO % of Total Expenditure Potential	3.72%	8.73%	10.42%	12.86%	12.88%	14.80%

SOURCE: Claritas, Inc.

* Households x Total Household Income

** Includes Home Appliance, Radio, T.V. Stores

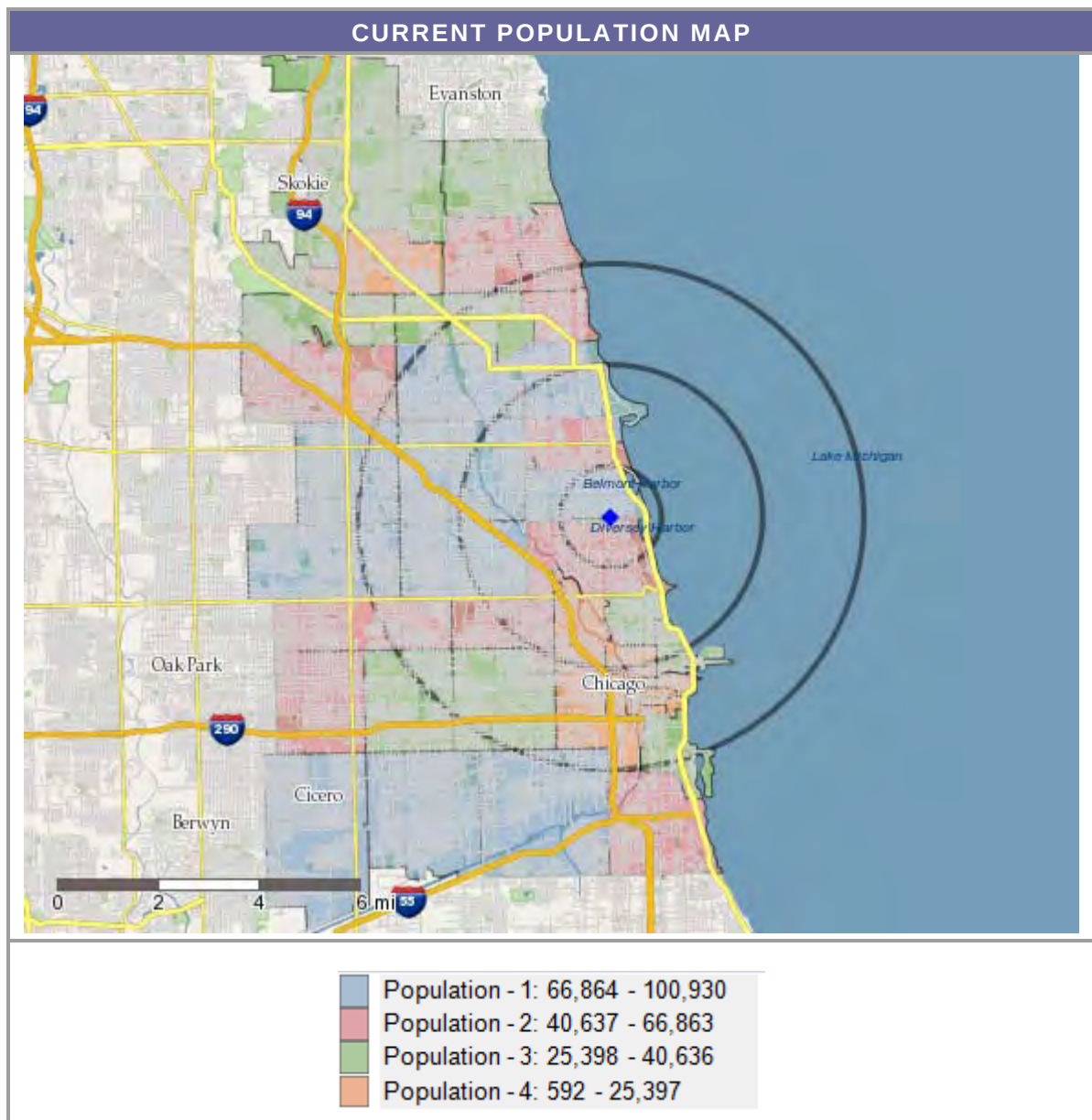
***Other Sales estimated at 3.20% of Total Retail Sales

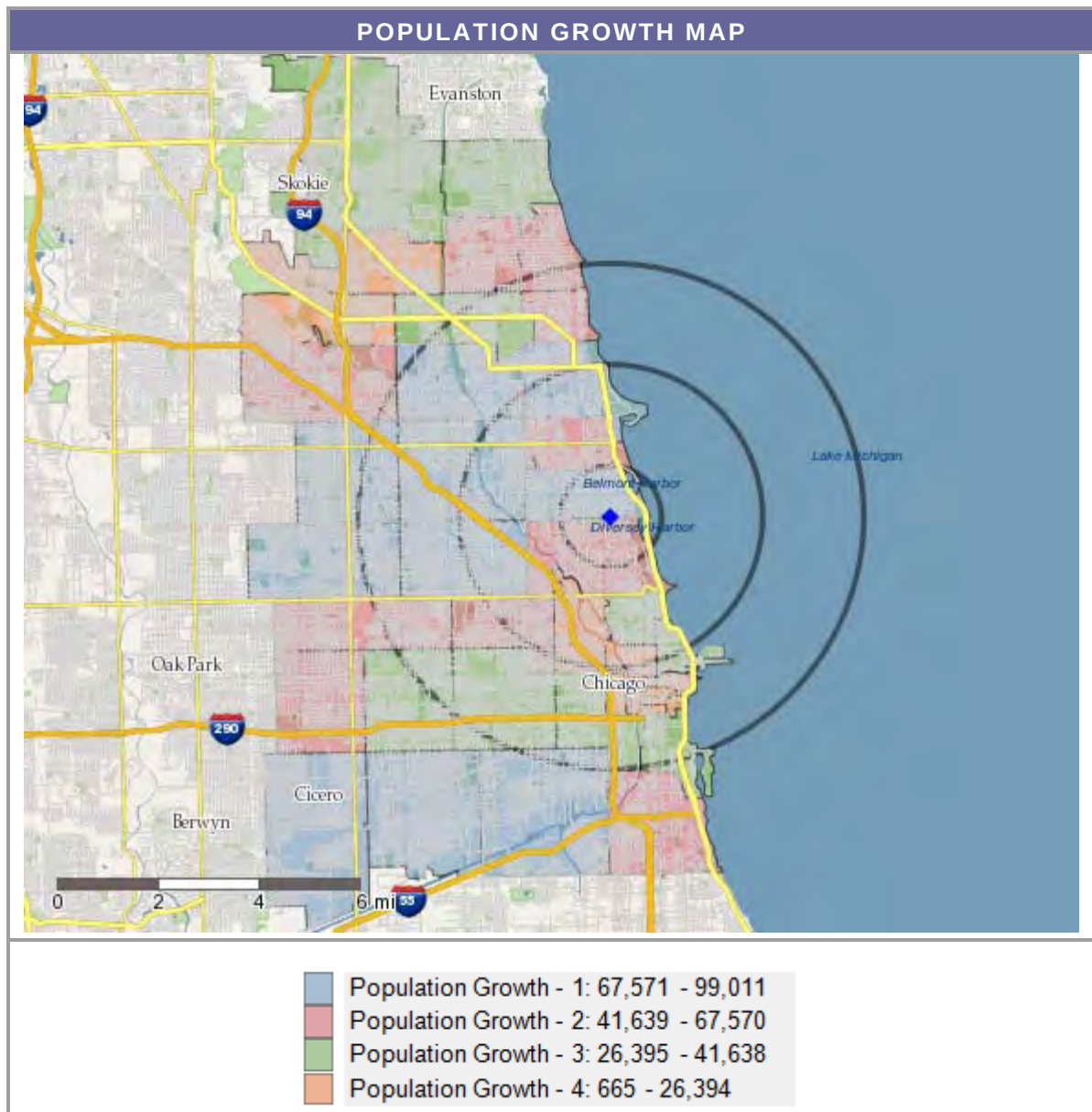
POPULATION

Having established the subject's trade area, our analysis focuses on the trade area's population. Claritas, Inc. provides historical, current and forecasted population estimates for the total trade area. Patterns of development density and migration are reflected in the current levels of population estimates.

Between 2000 and 2013, Claritas, Inc., reports that the population within the primary trade area (3-mile radius) increased at a compound annual rate of 0.01 percent. This is characteristic of desirable urban areas in this market. This trend is expected to continue into the near future at a slightly increased pace. Expanding to the total trade area (5-mile radius), population is expected to increase 0.52 percent per annum over the next five years.

The graphic on the second following page illustrates projected population growth in the trade area over the next five years (2013 - 2018). The trade area is clearly characterized by various levels of growth.





HOUSEHOLDS

A household consists of a person or group of people occupying a single housing unit, and is not necessarily a family unit. When an individual purchases goods and services, these purchases are a reflection of the entire household's needs and decisions, making the household a critical unit to be considered when reviewing market data and forming conclusions about the trade area as it impacts the retail center.

Figures provided by Claritas, Inc. indicate that the number of households is increasing at a faster rate than the growth of the population. Several changes in the way households are being formed have caused this acceleration, specifically:

- The population is living longer on average. This results in an increase of single- and two-person households;

- Higher divorce rates have resulted in an increase in single-person households; and
- Many individuals have postponed marriage, also resulting in more single-person households.

According to Claritas, Inc., the Primary Trade Area grew at a compound annual rate of 0.21 percent between 2000 and 2013. Consistent with national trends, the trade area is experiencing household changes at a rate that varies from population changes. That pace is expected to accelerate through 2018, and is estimated at 0.68 percent.

Correspondingly, a greater number of smaller households with fewer children generally indicates more disposable income. In 2000, there were 1.86 persons per household in the Primary Trade Area and by 2013, this number is estimated to have decreased to 1.82 persons. Through 2018, the average number of persons per household is forecasted to decline to 1.81 persons.

TRADE AREA INCOME

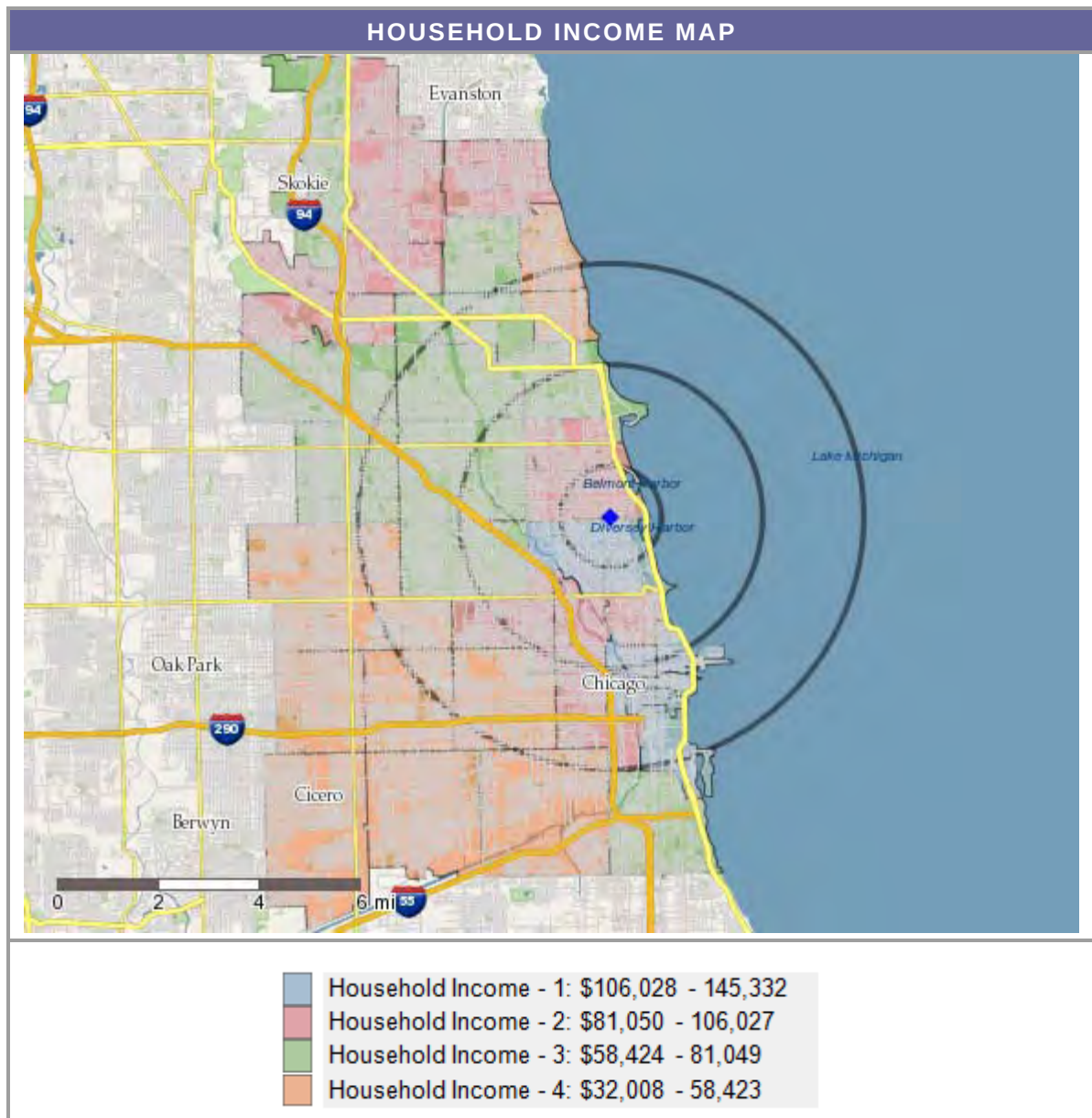
Income levels, either on a per capita, per family or household basis, indicate the economic level of the residents of the trade area and form an important component of this total analysis. Average household income, when combined with the number of households, is a major determinant of an area's retail sales potential.

Trade area income figures for the subject support the profile of a broad upper-income market. According to Claritas, Inc. average household income in the primary trade area in 2013 was approximately \$102,408, 129.21 percent of the CBSA average (\$79,260) and 138.48 percent of the state average (\$73,952).

Further analysis shows a relatively broad-based distribution of income, although skewed toward the upper income brackets. This information is summarized as follows:

DISTRIBUTION OF HOUSEHOLD INCOME						
Category	1.0-mile Radius	3.0-mile Radius	5.0-mile Radius	Chicago CBSA	State of Illinois	United States
\$150,000 or more	18.19%	17.92%	13.42%	10.51%	8.95%	8.06%
\$125,000 to \$149,999	5.36%	5.32%	4.68%	5.08%	4.56%	4.07%
\$100,000 to \$124,999	8.43%	8.53%	7.70%	8.69%	8.10%	7.35%
\$75,000 to \$99,999	11.75%	11.67%	11.24%	13.04%	12.72%	11.73%
\$50,000 to \$74,999	16.93%	16.27%	16.72%	18.10%	18.47%	18.11%
\$35,000 to \$49,999	11.99%	11.11%	12.23%	13.21%	13.77%	14.35%
\$25,000 to \$34,999	7.23%	7.16%	8.50%	9.61%	10.17%	10.94%
\$15,000 to \$24,999	6.82%	7.79%	9.82%	10.15%	10.84%	11.58%
Under \$15,000	13.29%	14.23%	15.68%	11.62%	12.42%	13.81%

Below is a graphic presentation of the household income distribution throughout the trade area.



RETAIL SALES

Perhaps an even more important measure of area income is the amount spent on retail purchases. At the end of last year, the Chicago CBSA had an aggregate retail sales level of \$150.78 billion, with average retail sales per household of \$42,795. By comparison, Illinois had average sales per household of \$42,003, while the U.S. was \$41,512.

RETAIL SALES (in \$000)			
Area	2013	2018	CAGR 2013-18
Chicago CBSA	\$150,775,870	\$161,295,574	1.4%
State of Illinois	\$205,143,610	\$220,438,623	1.4%
United States	\$4,948,055,394	\$5,443,139,078	1.9%

Source: Claritas, Inc.

Claritas, Inc. projects retail sales in the CBSA will grow at a pace similar to the state and below the nation.

CONCLUSION

We analyzed the retail trade history and profile of the subject's region and primary trade area in order to make reasonable assumptions regarding the continued performance of the property.

A metropolitan and locational overview was presented which highlighted important points about the study area. Demographic and economic data specific to the trade area were also presented. Marketing information relating to these sectors was presented and analyzed in order to determine patterns of change and growth as it impacts the Century Shopping Centre. The data quantifies the dimensions of the total trade area, while our comments provide qualitative insight into this market. A compilation of this data forms the basis for our projections and forecasts for the subject property. The following are our key conclusions.

- The subject has very good accessibility via the regional Interstate network and local arterials that provide linkages throughout the Chicago CBSA.
- As such we believe the property will serve a market encompassing a primary radius of 3-miles and a total radius of 5-miles. Over the next five years, both the population and number of households in the subject's trade area are projected to grow at a moderate pace. Household income levels in the area are significantly higher than CBSA, state and national levels.
- According to REIS, Inc. the Chicago Retail market is showing signs of improvement since 2009. Over the near term, new construction activity is expected to trail absorption, resulting in a decline in vacancy levels. Over the next five years, vacancy is projected to decline from 11.10 to 10.10 percent, while asking rental rates are expected to increase from \$24.03 per square foot to \$27.94 per square foot.
- The local competitive retail properties are generally well maintained and have high occupancy rates. The Century Shopping Centre does not appear to have a competitive advantage over most of its competitors as most offer an onsite parking garage for their patrons, similar to the subject. However, the subject is anchored by a movie theatre, one of only a few in the immediate area.
- Generally, the subject's tenant alignment is perceived with average ratings. The property also benefits from its historic architecture coupled with its recent renovations.

Based on our analysis, we conclude that the subject is well positioned within its market area and the prospect for net appreciation in real estate values is expected to be good.

Property Analysis

SITE DESCRIPTION

Location:	2828 North Clark Street Chicago, Cook County, Illinois 60657 The subject property is located on the northwest corner of the intersection of North Clark Street and Diversey Parkway, in the Lakeview neighborhood of Chicago, IL.											
Shape:	Irregularly shaped											
Topography:	Level at street grade											
Land Area:	1.72 acres / 75,000 square feet											
Frontage:	The subject property has good frontage.											
Access:	The subject property has good access.											
Visibility:	The subject property has good visibility.											
Soil Conditions:	We were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.											
Utilities:	Utility providers for the subject property are as follows: <table><tr><td>Water</td><td>City of Chicago</td></tr><tr><td>Sewer</td><td>City of Chicago</td></tr><tr><td>Electricity</td><td>Exelon Power</td></tr><tr><td>Gas</td><td>People's Energy</td></tr><tr><td>Telephone</td><td>Several</td></tr></table>		Water	City of Chicago	Sewer	City of Chicago	Electricity	Exelon Power	Gas	People's Energy	Telephone	Several
Water	City of Chicago											
Sewer	City of Chicago											
Electricity	Exelon Power											
Gas	People's Energy											
Telephone	Several											
Site Improvements:	The site improvements include asphalt paved parking areas, curbing, signage, landscaping, site lighting and drainage.											
Land Use Restrictions:	We were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.											
Flood Zone Description:	The subject is located in flood zone X (Areas determined to be outside the 500 year flood plain) as indicated by FEMA Map 17031C0417J, dated August 19, 2008.											
Hazardous Substances:	We observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.											
Overall Site Utility:	The subject site is functional for its current use.											

Location Rating: Good

IMPROVEMENTS DESCRIPTION

The following description of improvements is based on our physical inspection of the improvements.

GENERAL DESCRIPTION

Year Built:	1920
Year Renovated:	2000
Number of Buildings:	1
Number of Stories:	8 with an 8-level covered parking structure
Land To Building Ratio:	0.44 to 1
Gross Building Area:	170,265 square feet
Gross Leasable Area:	170,265 square feet

RETAIL GLA SUMMARY

Component	Owned	Area	Total
Gym	x	50,779 SF	
Cinema	x	32,285 SF	
Total Anchor GLA		83,064 SF	49%
Major Tenant	x	17,951 SF	
Major Tenant	x	16,192 SF	
Major Tenant	x	10,531 SF	
Total Major GLA		44,674 SF	26%
Inline GLA	x	42,527 SF	
Total Center GLA		170,265 SF	100%
Total Owned GLA		170,265 SF	100%

CONSTRUCTION DETAIL

Basic Construction:	Steel and masonry
Foundation:	Poured concrete slab
Framing:	Structural steel with masonry and concrete encasement
Floors:	Concrete slab
Exterior Walls:	Brick with stone banding
Roof Type:	Flat with parapet walls
Roof Cover:	Sealed membrane
Windows:	Thermal windows in aluminum frames
Pedestrian Doors:	Glass and metal

MECHANICAL DETAIL

Heat Source:	Gas
Heating System:	Forced Air
Cooling:	HVAC
Cooling Equipment:	The cooling equipment is roof mounted.
Plumbing:	The plumbing system is assumed to be adequate for the existing use and in compliance with local law and building codes. The plumbing system is typical of other properties in the area with a combination of PVC, steel, copper and cast iron piping throughout the building.
Electrical Service:	Electricity for the building is obtained through low voltage power lines.
Electrical Metering:	Each tenant is separately metered
Emergency Power:	None
Elevator Service:	The building contains five passenger elevators (each rated for 2,500 Lbs.) available to the general public, one of which is dedicated exclusively to the 7 th floor as the entrance in the fitness center space. The building also contains one freight elevator that is rated for 5,000 Lbs. and services the basement through the 4 th floor.
Fire Protection:	100% sprinklered
Exterior Lighting:	Site lighting is provided by city-owned street lights with high intensity lamps (mercury vapor). Building exterior lighting is provided by light fixtures surface-mounted on the exterior walls.
Security:	All public areas and stairwells are served by lighting connected to the emergency power circuit. There is a central life safety monitoring system, which connects to a monitoring service that contacts the appropriate authorities in case of fire or other emergencies. Magnetic card key access system and electronic doors serve building entrances and parking garage locks. Elevators are coded to allow access to only authorized individuals during off-hours.

INTERIOR DETAIL

Layout:	Pedestrian entrance doors are located along Clark Street. The interior layout consists of inline store space spanning levels 1 through 4. The theatre is located on levels 5 and 6. The fitness center tenant leases space on the seventh and eighth levels.
Floor Covering:	Carpet & Tile
Walls:	Drywall
Ceilings:	2 x 2 acoustical tile
Lighting:	Fluorescent and Incandescent

Restrooms: The property features adequate restrooms for men and women.

SITE IMPROVEMENTS

Parking: The property contains approximately 408 structured parking spaces, reflecting an overall parking ratio of 2.40 spaces per 1,000 square feet of gross leasable area. Access to the parking garage is provided by ingress and egress from Clark Street on the east side and Orchard street on the west side. All spaces are marked with yellow striping and handicap parking spaces are marked appropriately as well.

PERSONAL PROPERTY

Personal property was excluded from our valuation.

SUMMARY

Condition: Good

Quality: Good

Property Rating: After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is average, when measured against other properties in this marketplace.

Roof & Mechanical Inspections: We did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.

Actual Age: 93 years

Effective Age: 10 years

Expected Economic Life: 45 years

Remaining Economic Life: 35 years

PHYSICAL DETERIORATION

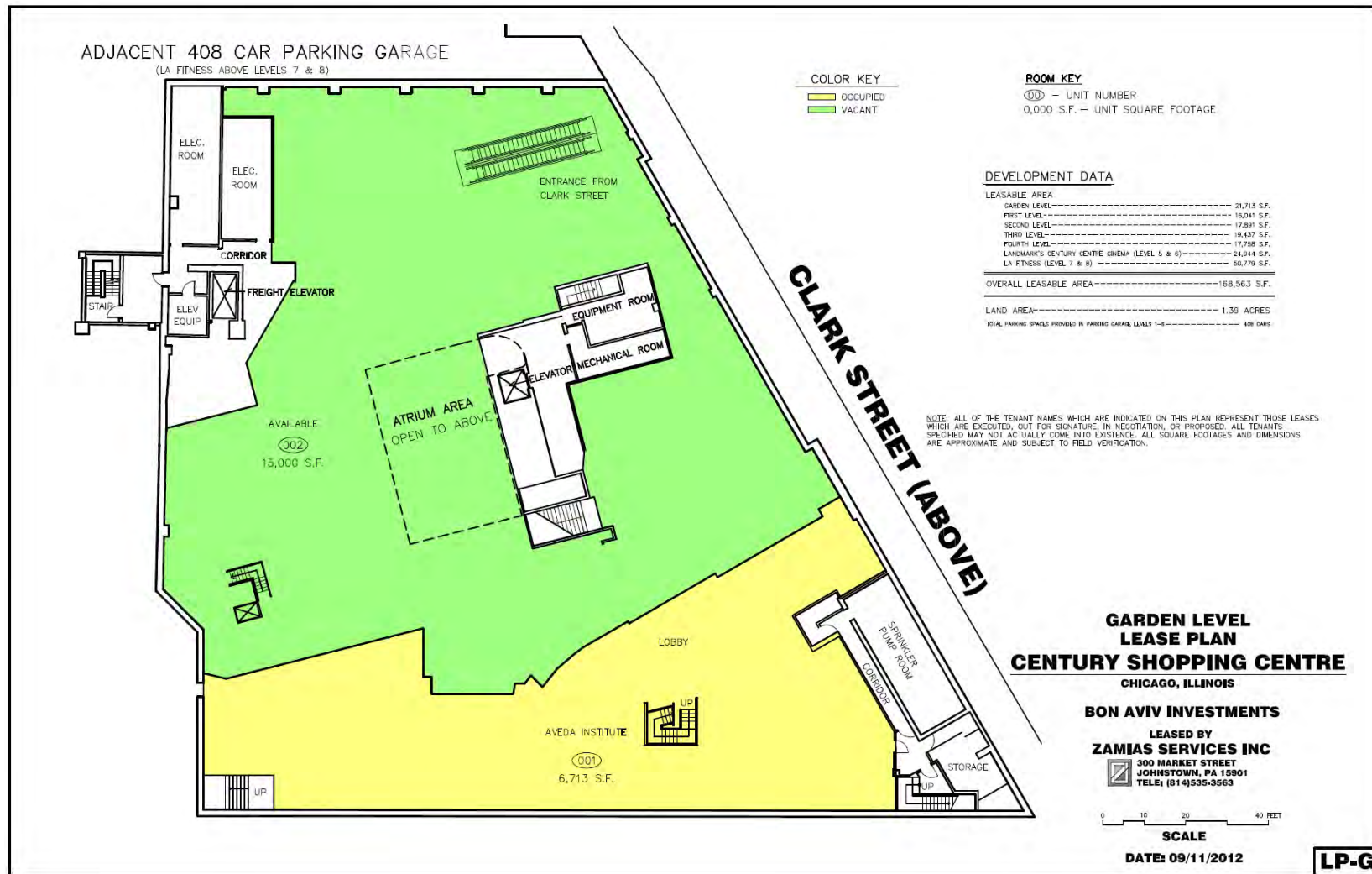
Cost to Cure: Curable physical deterioration refers to those items that are economically feasible to cure as of the effective date of the appraisal. One category of physical deterioration is deferred maintenance and is measured as the cost repairing or restoring the item to new or reasonably new condition. We have not been provided with a capital expenditure plan or an engineering report that would identify specific costs required to repair deficiencies at the subject property.

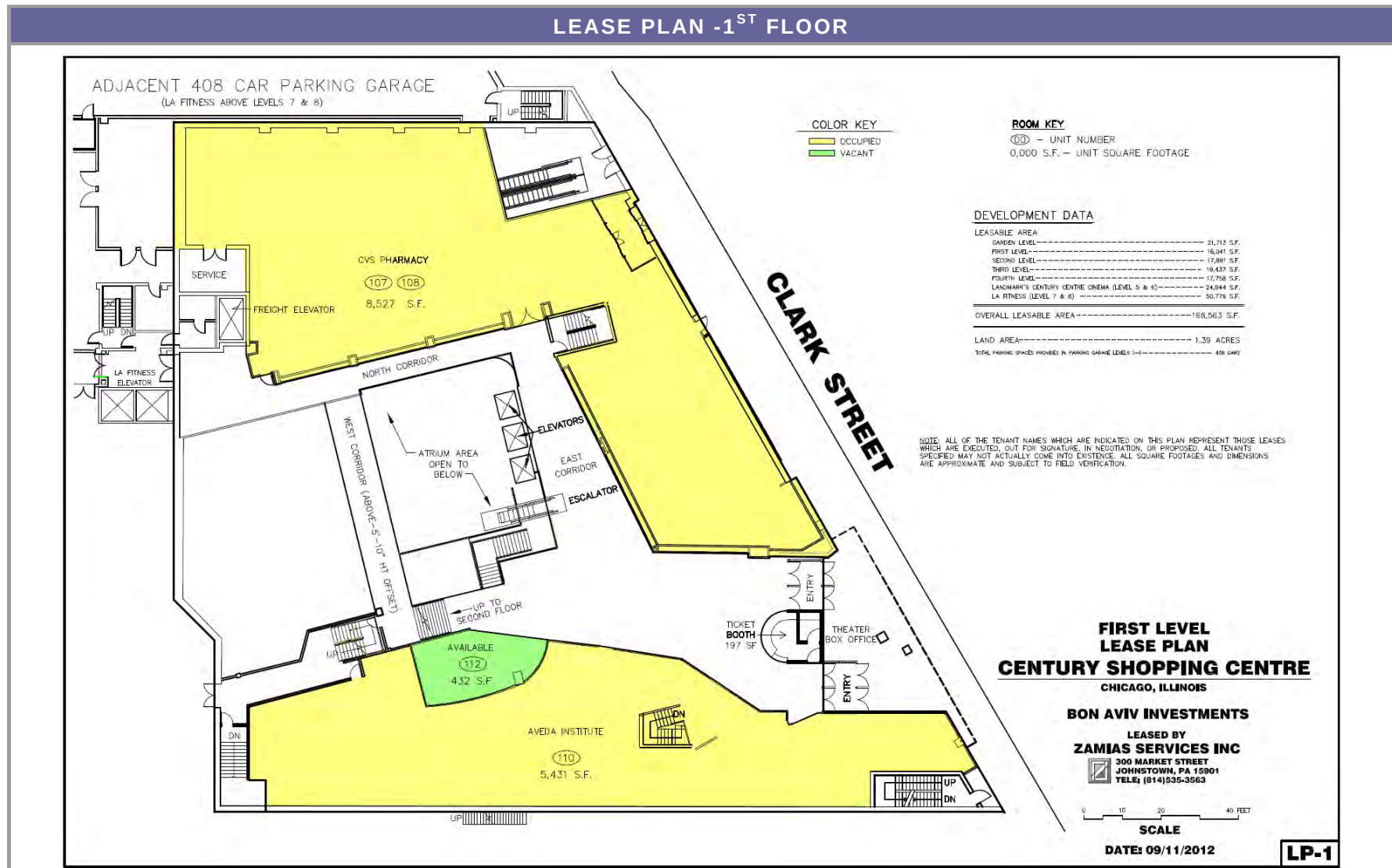
During our inspection, we did not notice any apparent physical deterioration that would require immediate repair.

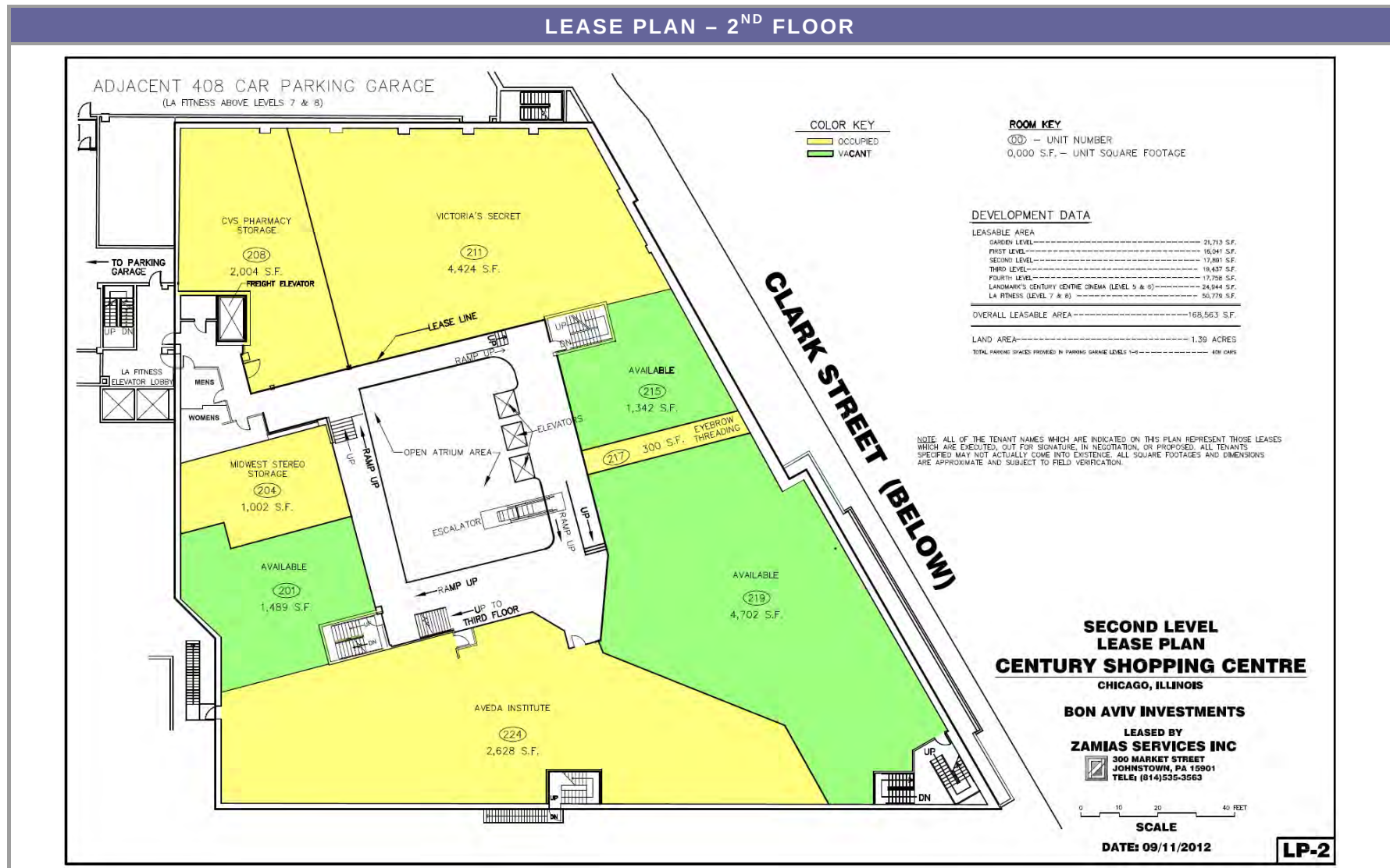
FUNCTIONAL OBSOLESCENCE

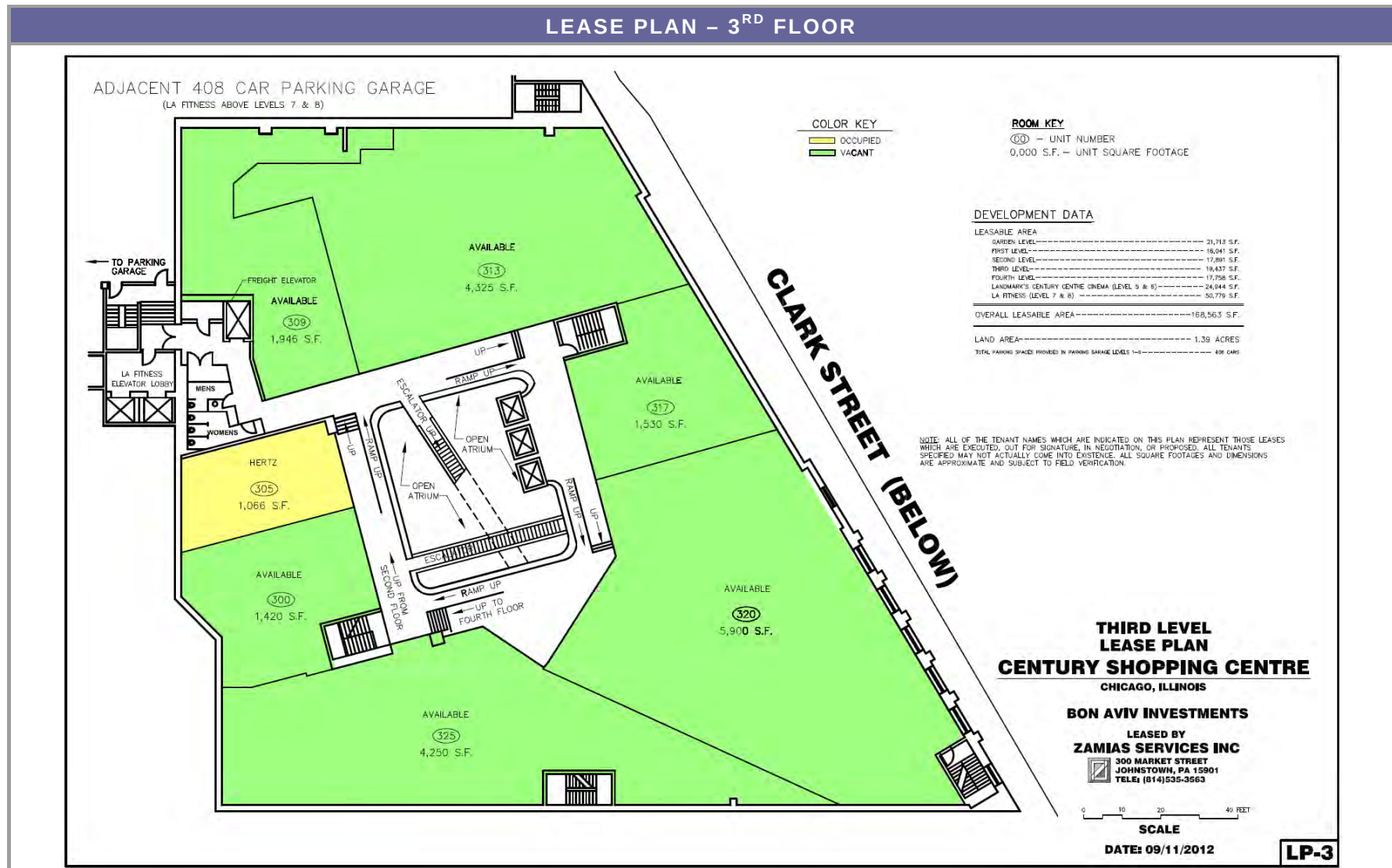
Description: There is no apparent functional obsolescence present at the subject property.

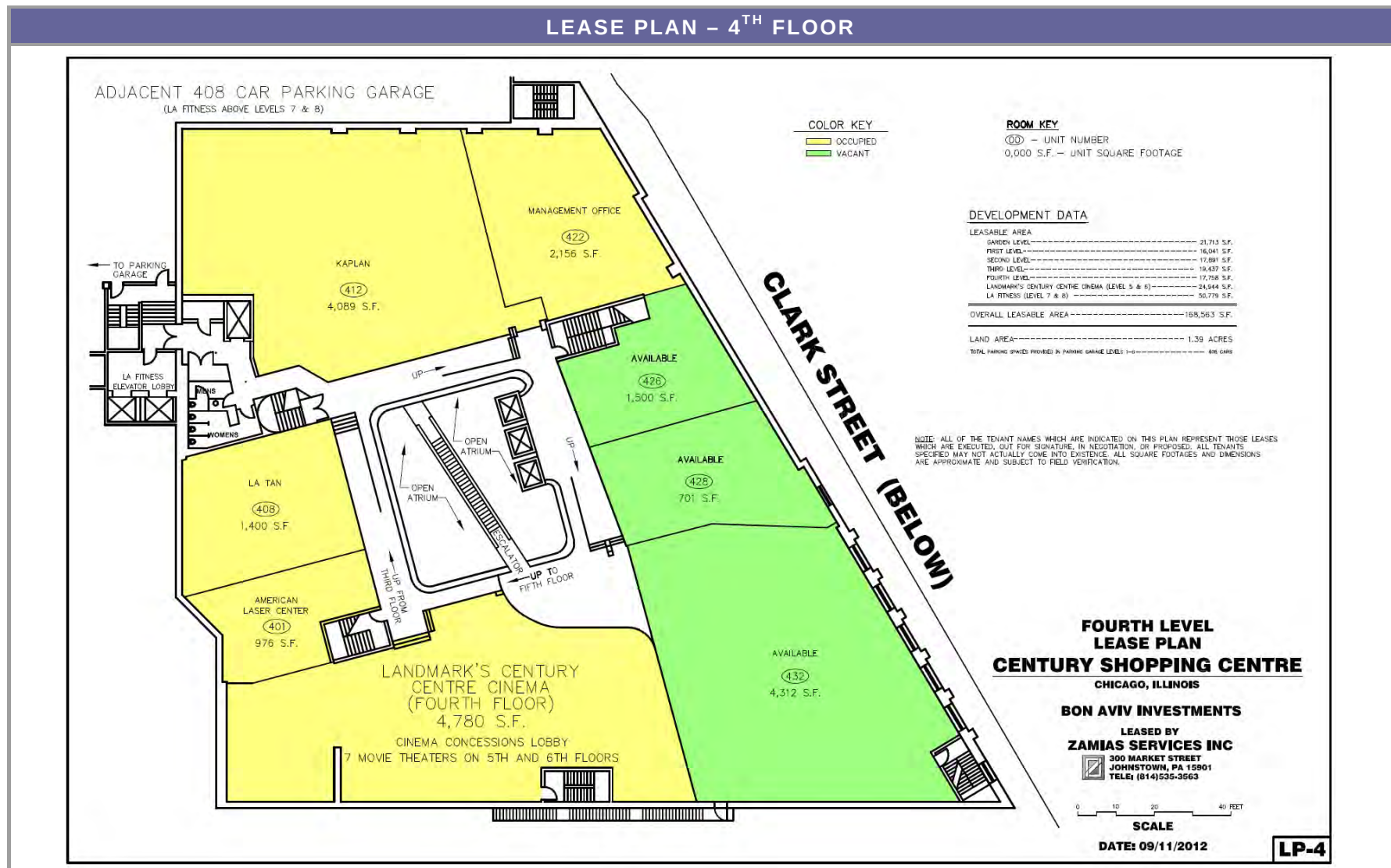
LEASE PLAN - BASEMENT LEVEL





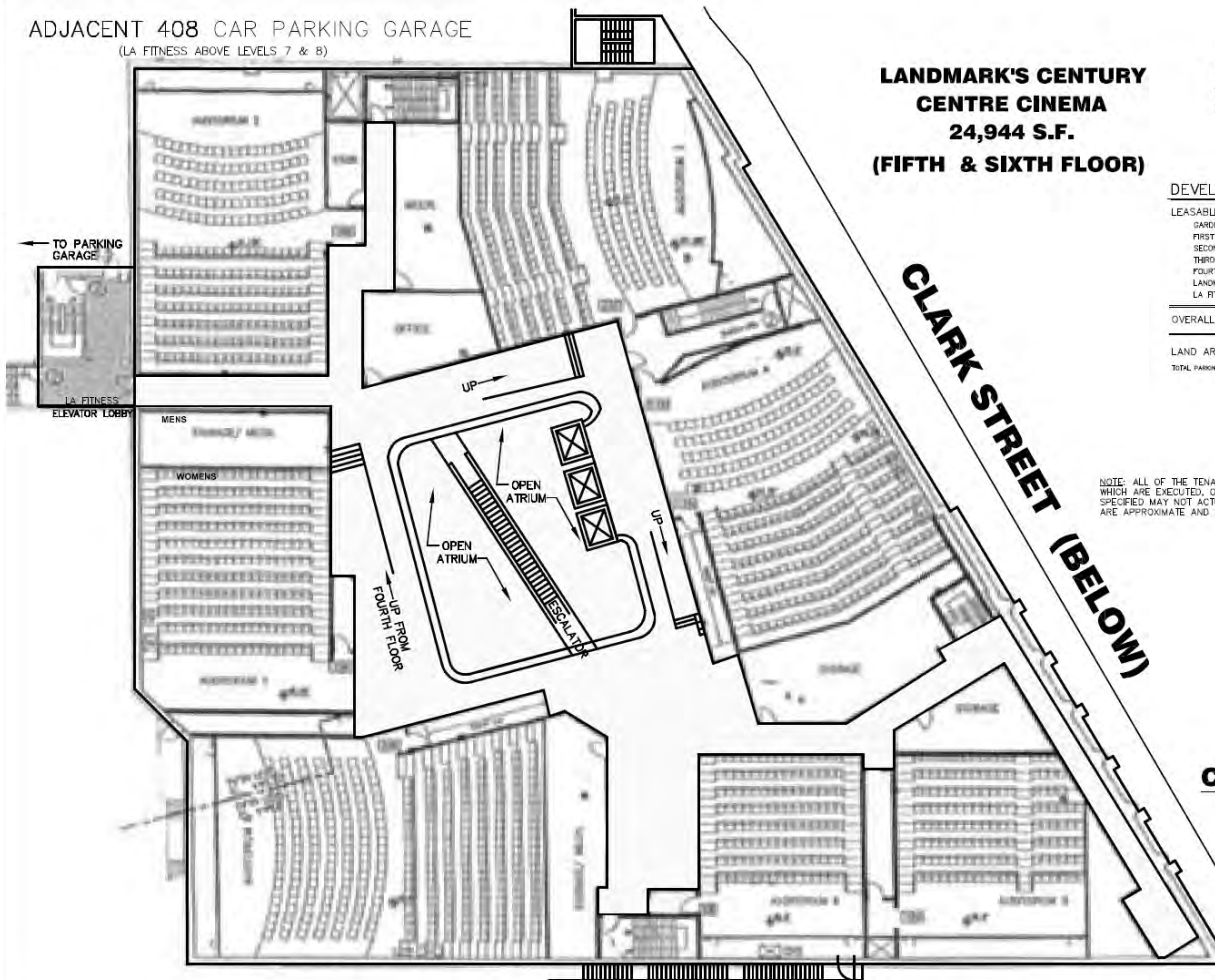






LEASE PLAN - 5TH AND 6TH FLOORS (THEATRE)

ADJACENT 408 CAR PARKING GARAGE
(LA FITNESS ABOVE LEVELS 7 & 8)



**LANDMARK'S CENTURY
CENTRE CINEMA**
24,944 S.F.
(FIFTH & SIXTH FLOOR)

ROOM KEY

Ⓢ — UNIT NUMBER
0,000 S.F. — UNIT SQUARE FOOTAGE

DEVELOPMENT DATA

LEASABLE AREA	
GARDEN LEVEL	21,713 S.F.
FIRST LEVEL	16,241 S.F.
SECOND LEVEL	17,801 S.F.
THIRD LEVEL	19,437 S.F.
FOURTH LEVEL	17,758 S.F.
LANDMARK'S CENTURY CENTRE CINEMA (LEVEL 5 & 6)	24,944 S.F.
LA FITNESS (LEVEL 7 & 8)	50,779 S.F.
OVERALL LEASABLE AREA	178,563 S.F.
LAND AREA	1.39 ACRES
TOTAL PARKING SPACES PROVIDED IN PARKING GARAGE LEVELS 1-6	408 CARS

NOTE: ALL OF THE TENANT NAMES WHICH ARE INDICATED ON THIS PLAN REPRESENT THOSE LEASES WHICH ARE EXECUTED, OUT FOR SIGNATURE, IN NEGOTIATION, OR PROPOSED. ALL TENANTS SPECIFIED MAY NOT ACTUALLY COME INTO EXISTENCE. ALL SQUARE FOOTAGES AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO FIELD VERIFICATION.

**THEATER LEVEL
LEASE PLAN**
CENTURY SHOPPING CENTRE
CHICAGO, ILLINOIS

BON AVIV INVESTMENTS

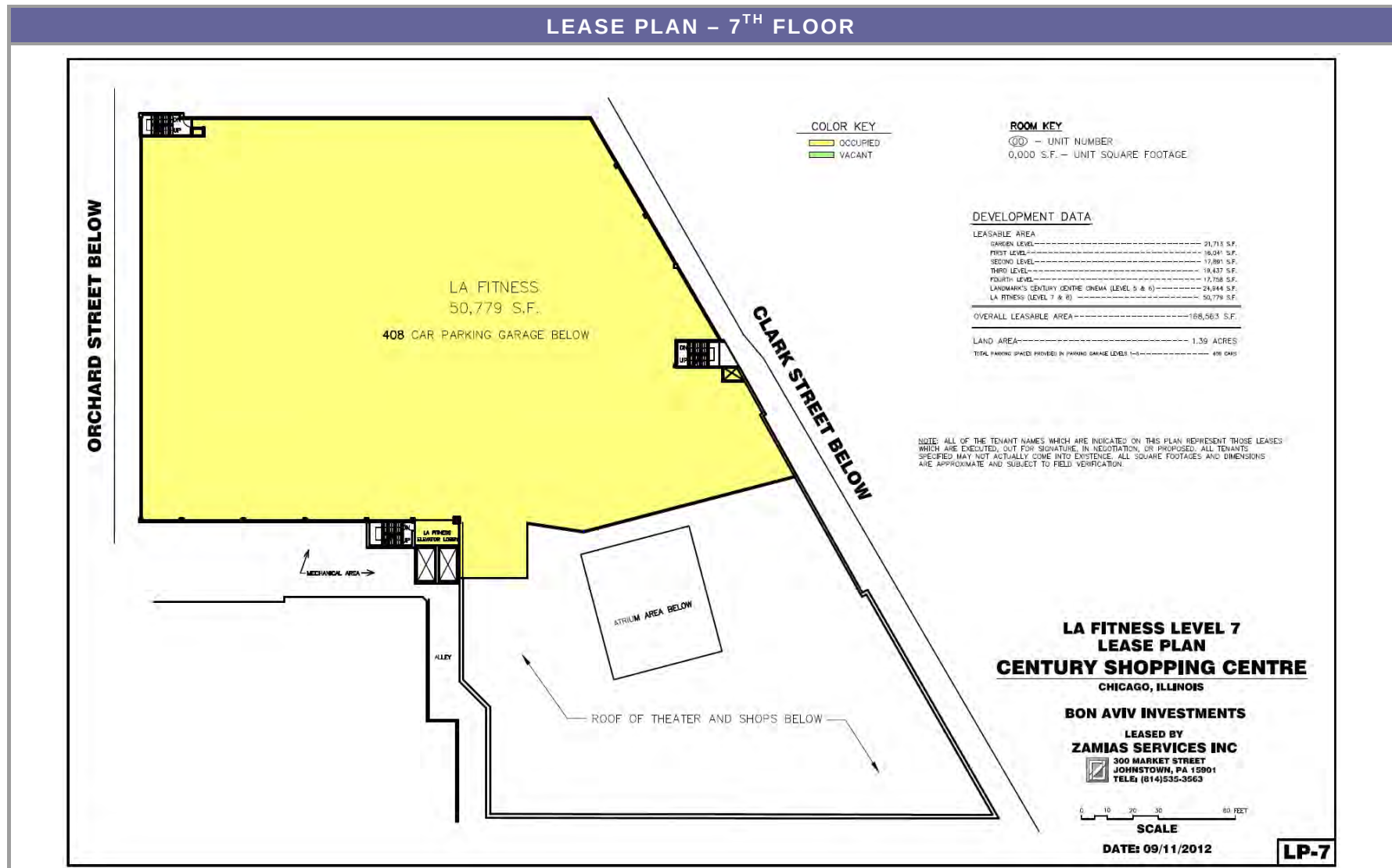
LEASED BY
ZAMIAS SERVICES INC
300 MARKET STREET
JOHNSTOWN, PA 15901
TEL: (814) 535-3563

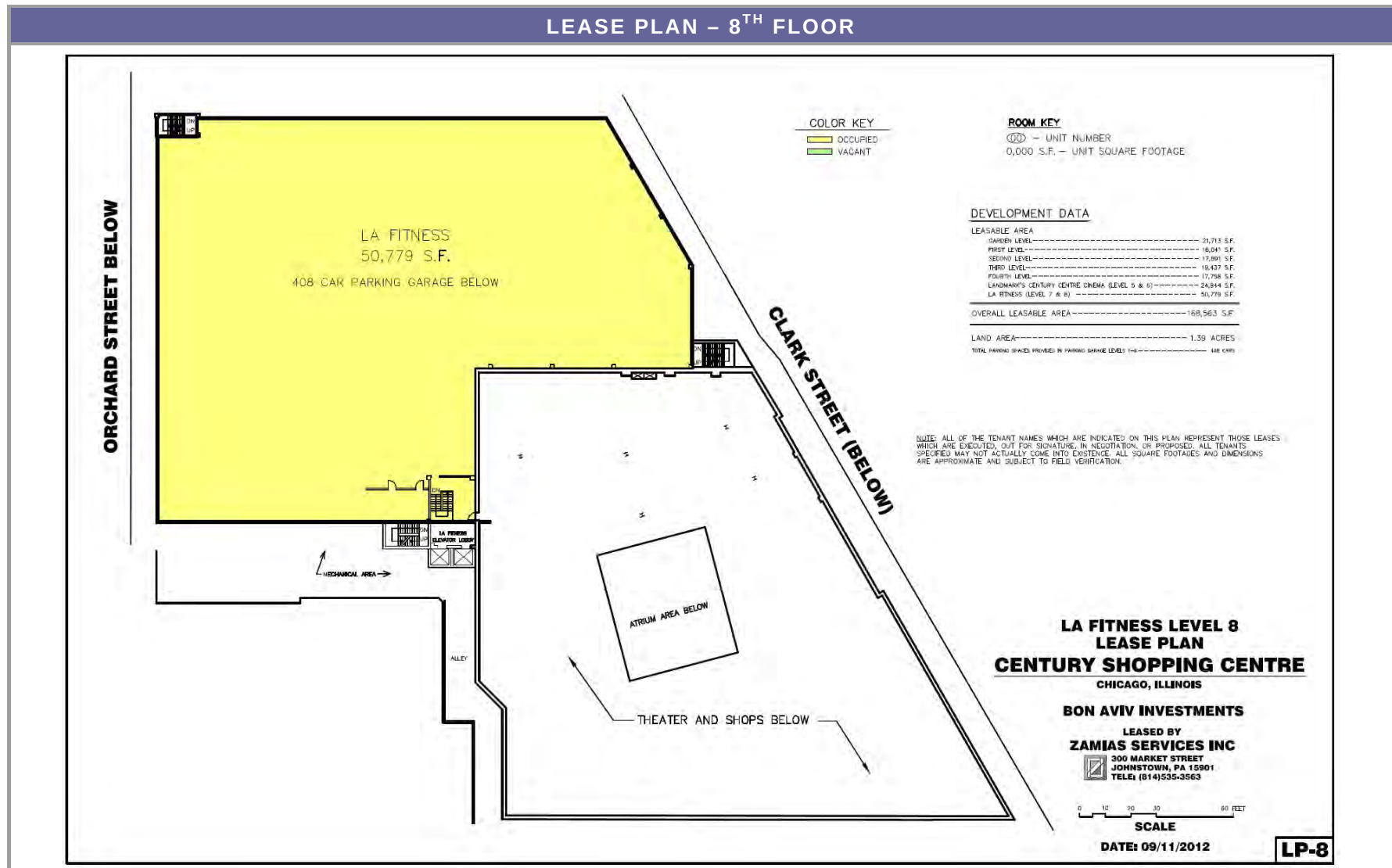
0 10 20 40 FEET

SCALE

DATE: 09/11/2012

LP-5





REAL PROPERTY TAXES AND ASSESSMENTS

The State of Illinois requires all counties to be assessed at the statutory level (33 1/3%) of market value. Market value as defined by the current text of the International Association of Assessing Officers is "The most probable sale price of a property in terms of money in a competitive and open market, assuming that the buyer and seller are acting prudently and knowledgeably, allowing sufficient time for the sale, and assuming that the transaction is not affected by undue pressures."

In Cook County, real estate taxes are paid one year in arrears. Therefore, the 2011 taxes are payable in 2012. The taxes are paid in two installments and the first installment is always due March 1st and is an estimate equal to 50 percent of the prior year's total tax. The second installment due date fluctuates because it is based upon data provided by other state and county agencies. The new tax amount is a composite of all new tax rates, assessments and levies submitted by the taxing bodies.

Certain properties, including farmland, coal assessments and property assessed by the Department of Revenue (railroad operating property, pollution control facilities, and low sulfur dioxide coal fueled devices) are not subject to equalization.

Within Cook County, the assessed value is modified by a multiplier based on property type. In the 2009/2010 tax year, the levels of assessment were changed. The following table summarizes the old levels of assessment, the new levels of assessment and the percent change in assessments.

COOK COUNTY LEVELS OF ASSESSMENT				
Major Class	Description	2008 Level of Assessment	2009 Level of Assessment	Percent Change
1	Vacant Land	22%	10%	54.5%
2	Residential (single-family and six units or less)	16%	10%	37.5%
3	Apartment Buildings (More than six units)	20%	16% in 2009/13% in 2010/10% thereafter	50.0%
4	Not-for-Profit Property	30%	25%	16.7%
5a	Industrial Property	36%	25%	30.6%
5b	Commercial Property	38%	25%	34.2%

County multipliers (or equalization factors) can be issued by the State Department of Revenue to individual counties within the state to equalize each county to the required level. Township multipliers can be also be issued at the county level by the County Supervisor of Assessments and/or the County Board of Review which forces the individual townships within the county to the required level of assessments. When these multipliers are assigned on the township level, then the multiplier assigned by the state to the county is usually 1.0000 which has no additional impact on the assessment. The current Cook County Multiplier is **2.8056** (which is applied to the 2012 assessment for taxes payable in 2013).

In addition to the six main categories of assessment, there are several smaller categories that are directed to specialty properties. These are summarized as follows:

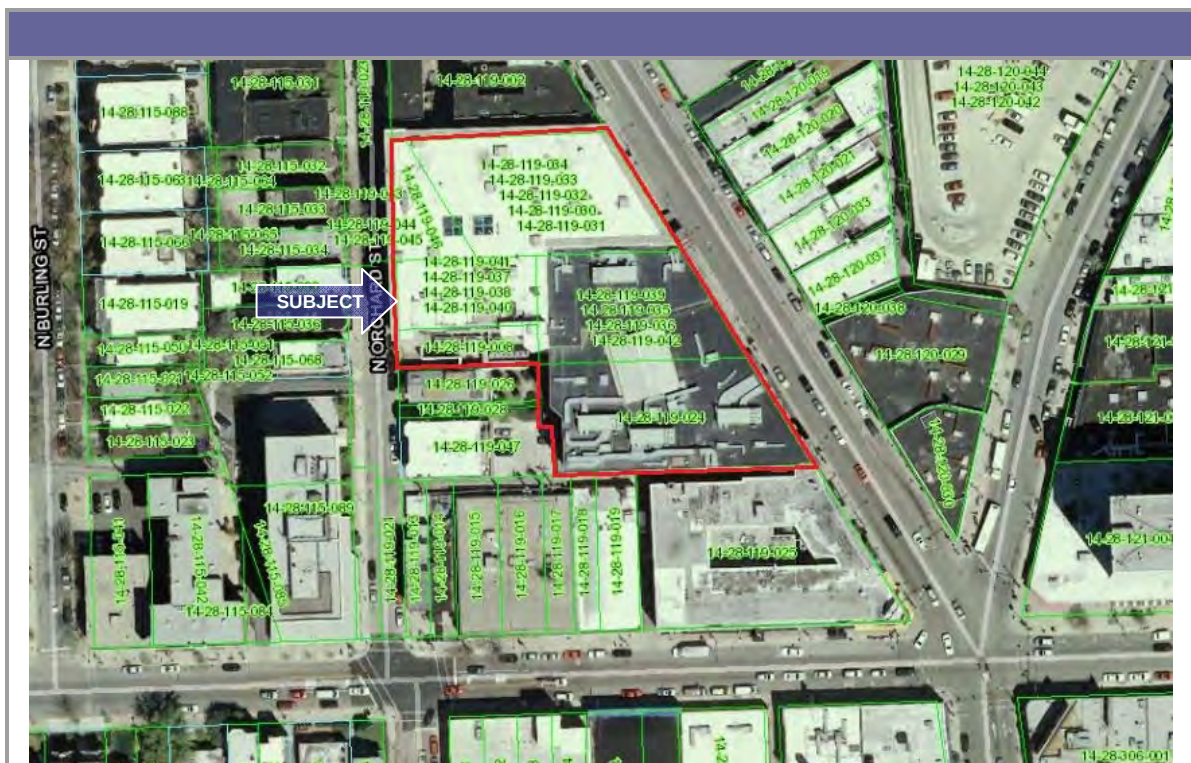
ADDITIONAL COOK COUNTY LEVELS OF ASSESSMENT

Major Class	Description	2009 Level of Assessment
6b	Industrial Incentive	10% for first 10 years and any subsequent renewals. if not renewed, 15% in year 11, 20% in year 12
7a	Commercial Incentive Under \$2,000,000 in Development Costs	10% for first 10 years, 15% in year 11, 20% in year 12 and 25% thereafter
7b	Commercial Incentive Over \$2,000,000 in Development Costs	10% for first 10 years, 15% in year 11, 20% in year 12 and 25% thereafter
8	Commercial and Industrial in Areas of Severe Economic Stagnation	10% for first 10 years, 15% in year 11, 20% in year 12 and 25% thereafter
9	Low Income Multi-Family	10% for an initial 10-year period, renewable upon application for additional 10 year periods
C	Contaminated Commercial and Industrial	10% for first 10 years, 15% in year 11, 20% in year 12 and 25% thereafter
L	Landmark Commercial and Industrial	10% for first 10 years and for any subsequent 10-year renewal periods; if the incentive is not renewed, 15% in year 11, 20% in year 12 and 25% thereafter
S	Multi-family Section 8 Housing	10% for the term of the Section 8 contract renewal

There are two grounds on which an appeal of the assessed value may be based; 1) the assessment is inaccurate based on market value (you could not sell your property for that amount if you were to list it for sale) or 2) the assessment is inequitable (similar properties do not have a similar assessment.) Supporting either of these two arguments requires the taxpayer to have some supporting documentation, either sale prices or assessments of comparable (similar) properties.

CURRENT PROPERTY TAXES

The subject property is located in the taxing jurisdiction of Cook County, and the assessor's parcel identification numbers include: 14-28-119-008, -024, -030 through -046. According to the local tax collector's office, taxes are current.



The assessment and taxes for the property are detailed below:

TAX PARCEL DETAIL								
Lot Number	Description	Land Assessment	Improved Assessment	Total Assessment	Equalization Rate	Taxable Assessment	Tax Rate	Tax Liability
Real Property								
14-28-119-008	Vacant Lot	\$37,040	\$35,431	\$72,471	2.8056	\$203,325	6.80601%	\$13,838
14-28-119-024	Mall	\$182,471	\$1,381,273	\$1,563,744	2.8056	\$4,387,240	4.37051%	\$191,745
14-28-119-030	Garage	\$49,811	\$649,580	\$699,391	2.8056	\$1,962,211	6.80600%	\$133,548
14-28-119-031	Garage	\$27,125	\$35,431	\$62,556	2.8056	\$175,507	6.80600%	\$11,945
14-28-119-032	Fitness Center	\$13,175	\$169,603	\$182,778	2.8056	\$512,802	8.44831%	\$43,323
14-28-119-033	Fitness Center	\$3,875	\$49,905	\$53,780	2.8056	\$150,885	8.44839%	\$12,747
14-28-119-034	Fitness Center	\$18,741	\$241,458	\$260,199	2.8056	\$730,014	8.44845%	\$61,675
14-28-119-035	Mall	\$6,340	\$82,876	\$89,216	2.8056	\$250,304	4.24466%	\$10,625
14-28-119-036*	Mall/Garage	\$73,977	\$1,128,533	\$1,202,510	2.8056	\$3,373,762	4.07977%	\$137,642
14-28-119-037	Fitness Center	\$14,161	\$181,985	\$196,146	2.8056	\$550,307	8.44815%	\$46,491
14-28-119-038	Mall	\$21,066	\$27,625	\$48,691	2.8056	\$136,607	5.24158%	\$7,160
14-28-119-039	Fitness Center	\$493	\$6,191	\$6,684	2.8056	\$18,753	8.44554%	\$1,584
14-28-119-040	Fitness Center	\$493	\$105,251	\$105,744	2.8056	\$296,675	8.56767%	\$25,418
14-28-119-041**	Mall/Garage	\$27,477	\$362,858	\$390,335	2.8056	\$1,095,124	3.67343%	\$40,229
14-28-119-042	Mall	\$21,066	\$27,625	\$48,691	2.8056	\$136,607	5.24158%	\$7,160
14-28-119-043	Garage	\$15,359	\$200,779	\$216,138	2.8056	\$606,397	6.80600%	\$41,271
14-28-119-044	Garage	\$9,018	\$11,810	\$20,828	2.8056	\$58,435	6.80600%	\$3,977
14-28-119-045	Fitness Center	\$4,368	\$55,908	\$60,276	2.8056	\$169,110	8.44766%	\$14,286
14-28-119-046	Fitness Center	\$6,335	\$43,338	\$49,673	2.8056	\$139,363	8.35028%	\$11,637
Grand Total		\$532,391	\$4,797,460	\$5,329,851		\$14,953,430	5.45896%	\$816,301

*Parcel 14-28-119-036 consists of a blend of approximately 89.0 percent attributable to the mall and 11.0 percent attributable to the garage.

**Parcel 14-28-119-041 consists of a blend of approximately 61.0 percent attributable to the mall and 39.0 percent attributable to the garage.

PROPERTY ASSESSMENT INFORMATION

Assessor's Parcel Number:	14-28-119-008, -024, -030 through -046
Assessing Authority:	Cook County
Current Tax Year:	2012/2013
Assessment Ratio (% of market Value):	25%
Equalization Rate:	2.8056
Are taxes current?	Taxes are current
Is there a grievance underway?	Not to our knowledge
The subject's assessment and taxes are:	At market levels

ASSESSMENT INFORMATION

Assessed Value	Totals
Land:	\$532,391
Improvements:	4,797,460
Total:	\$5,329,851
Taxable Assessment:	\$14,953,430
Assessor's Implied Market Value	\$21,319,404

TAX LIABILITY

Total Tax Rate	5.45896%
Total Property Taxes	\$816,301
Gross Leasable Area (SF)	170,265
Property Taxes per Square Foot of GLA	\$4.79

Compiled by Cushman & Wakefield of Illinois, Inc.

Total taxes for the property are \$816,301, or \$4.79 per square foot.

TAX COMPARABLE ANALYSIS

To determine if the taxes on the property are reasonable, we examined the actual tax burdens of similar properties in the market. They are illustrated in the table below.

REAL ESTATE TAX COMPARABLES							
No.	Property Name & Location	County	Building Area (SF)	Year Built	Assessment Year	Total Taxes	Taxes/SF
S	Subject Property	Cook	170,265	1920	2012/2013	\$816,301	\$4.79
1	Veterans Square 4831-4867 North Milwaukee Avenue Chicago, IL	Cook	139,180	1993 / 2001	2011/2012	\$493,555	\$3.55
2	Lincoln Park Plaza 1935 - 1965 N. Clybourn Avenue Chicago, IL	Cook	30,667	1990	2011/2012	\$198,702	\$6.48
3	Clybourn Avenue Retail Center 2053 N. Clybourn Avenue Chicago, IL	Cook	33,200	1989	2011/2012	\$228,130	\$6.87
4	Clybourn Place 1800 N Clybourn Avenue Chicago, IL	Cook	112,815	1920/ 2001	2011/2012	\$584,129	\$5.18
5	Sun Plaza 4853-4883 North Broadway Street Chicago, IL	Cook	61,375	1993	2010/2011	\$381,551	\$6.22
6	Six Corners Plaza 3970-80 North Milwaukee Avenue Chicago, IL	Cook	80,650	1992	2011/2012	\$377,259	\$4.68
STATISTICS							
Low:			30,667	1989		\$198,702	\$4.68
High:			112,815	1993		\$584,129	\$6.87
Average:			63,741	1991		\$353,954	\$5.88

Compiled by Cushman & Wakefield of Illinois, Inc.

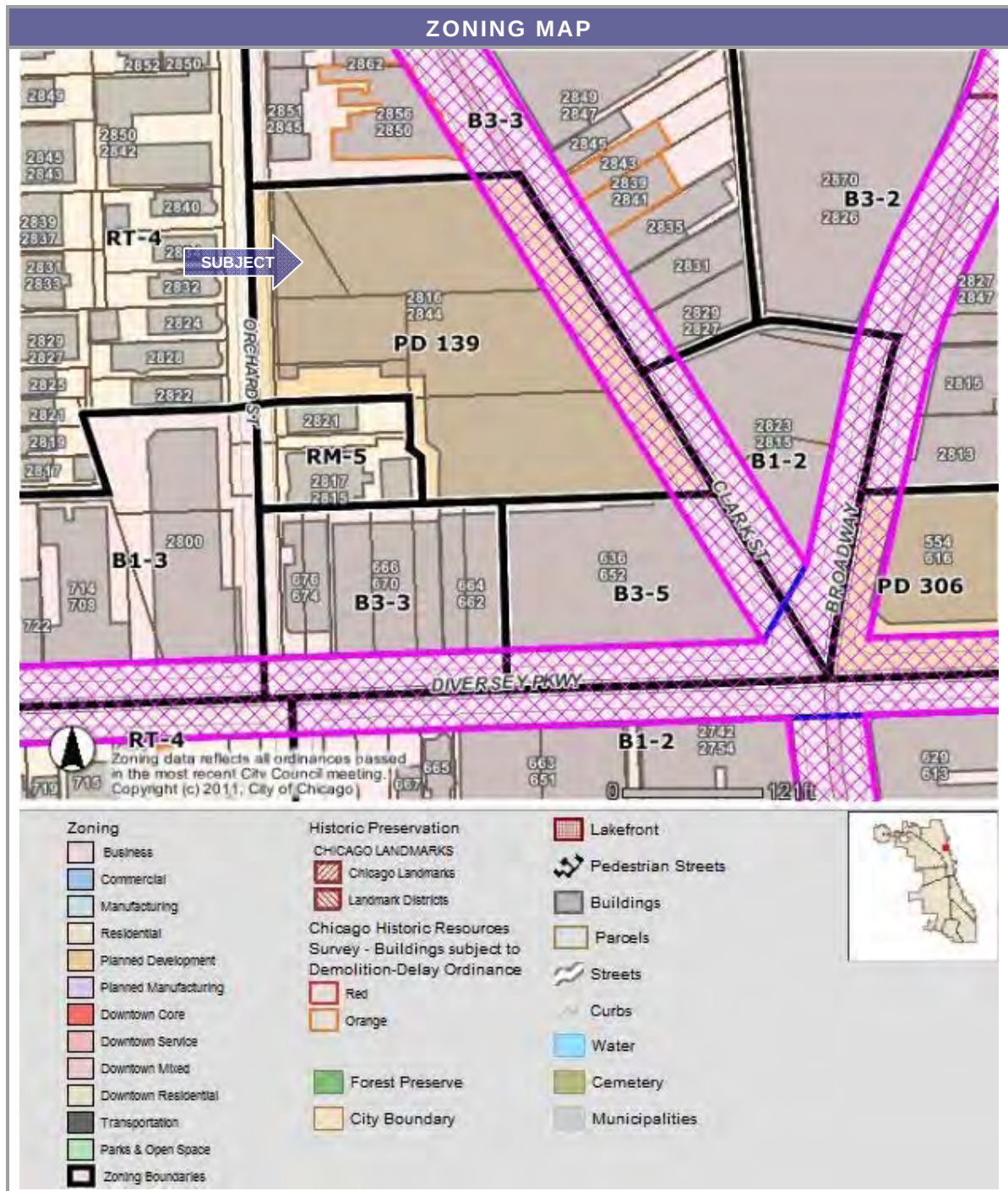
REAL PROPERTY TAX CONCLUSION

The comparable properties reflect taxes ranging from \$4.68 to \$6.87 per square foot with an average of \$5.88 per square foot of gross leasable area. Based upon these comparables, the subject is generally tax commensurate with the comparable properties. Therefore, it is our opinion that the subject's real estate assessment and taxes are at market levels. Based on historical trends, we assumed taxes will increase 3.00 percent per annum over the projection period.

ZONING

GENERAL INFORMATION

The property is zoned PD-139 by the City of Chicago.



A summary of the subject's zoning is provided below:

ZONING

Municipality Governing Zoning:	City of Chicago
Current Zoning:	PD-139
Current Use:	Urban Retail
Is current use permitted:	Yes
Change In Zone Likely:	No
Permitted Uses:	Permitted uses within this district include retail, office, and various service commercial uses
Prohibited Uses:	Prohibited uses within this district include industrial and residential uses

ZONING COMPLIANCE

Property value is affected by whether or not an existing or proposed improvement complies with zoning regulations, as discussed below.

Complying Uses

An existing or proposed use that complies to zoning regulations implies that there is no legal risk and that the existing improvements could be replaced “as-of-right.”

Pre-Existing, Non-Complying Uses

In many areas, existing buildings pre-date the current zoning regulations. When this is the case, it is possible for an existing building that represents a non-complying use to still be considered a legal use of the property. Whether or not the rights of continued use of the building exist depends on local laws. Local laws will also determine if the existing building may be replicated in the event of loss or damage.

Non-Complying Uses

A proposed non-complying use to an existing building might remain legal via variance or special use permit. When appraising a property that has such a non-complying use, it is important to understand the local laws governing this use.

OTHER RESTRICTIONS

We know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or title company can usually uncover such restrictive covenants. We recommend a title examination to determine if any such restrictions exist.

ZONING CONCLUSIONS

We analyzed the zoning requirements in relation to the subject property, and considered the compliance of the existing or proposed use. We are not experts in the interpretation of complex zoning ordinances but based on our review of public information, the subject property appears to be a complying use.

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our study correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence.

We note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

HIGHEST AND BEST USE

HIGHEST AND BEST USE DEFINITION

The Dictionary of Real Estate Appraisal, Fifth Edition (2010), a publication of the Appraisal Institute, defines the highest and best use as:

The most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

To determine the highest and best use we typically evaluate the subject site under two scenarios: as though vacant land and as presently improved. In both cases, the property's highest and best use must meet the four criteria described above.

HIGHEST AND BEST USE OF PROPERTY AS THOUGH VACANT

Legally Permissible

The zoning regulations in effect at the time of the appraisal determine the legal permissibility of a potential use of the subject site. As described in the Zoning section, the subject site is zoned PD-139 by the City of Chicago. Permitted uses within this district include retail, office, and various service commercial uses. We are not aware of any further legal restrictions that limit the potential uses of the subject. In addition, rezoning of the site is not likely due to the character of the area.

Physically Possible

The physical possibility of a use is dictated by the size, shape, topography, availability of utilities, and any other physical aspects of the site. The subject site contains 1.72 acres, or 75,000 square feet. The site is irregularly shaped and level at street grade. It has good frontage, good access, and good visibility. The overall utility of the site is considered to be good. All public utilities are available to the site including public water and sewer, gas, electric and telephone. Overall, the site is considered adequate to accommodate most permitted development possibilities.

Financially Feasible and Maximally Productive

In order to be seriously considered, a use must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment. A positive net income or acceptable rate of return would indicate that a use is financially feasible. Financially feasible uses are those uses that can generate a profit over and above the cost of acquiring the site, and constructing the improvements. Of the uses that are permitted, possible, and financially feasible, the one that will result in the maximum value for the property is considered the highest and best use.

CONCLUSION

We considered the legal issues related to zoning and legal restrictions. We also analyzed the physical characteristics of the site to determine what legal uses would be possible, and considered the financial feasibility of these uses to determine the use that is maximally productive. Considering the subject site's physical characteristics and location, as well as the state of the local market, it is our opinion that the Highest and Best Use of the subject site as though vacant is a street retail development built to its maximum feasible building area.

HIGHEST AND BEST USE OF PROPERTY AS IMPROVED

The Dictionary of Real Estate Appraisal defines highest and best use of the property as improved as:

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

In analyzing the Highest and Best Use of a property as improved, it is recognized that the improvements should continue to be used until it is financially advantageous to alter physical elements of the structure or to demolish it and build a new one.

Legally Permissible

As described in the Zoning Analysis section of this report, the subject site is zoned PD-139. The site is improved with a shopping center containing 170,265 square feet of gross building area. In the Zoning section of this appraisal, we determined that the existing improvements represent a complying use. We also determined that the existing use is a permitted use in this zone.

Physically Possible

The subject improvements were constructed in 1920 and were renovated in 2000. The improvements are in good condition. We know of no current or pending municipal actions or covenants that would require a change to the current improvements.

Financially Feasible and Maximally Productive

In the Reconciliation section, we concluded to a market value for the subject property, as improved, of \$32,000,000, which is deemed to be greater than the value of the site as though vacant. In our opinion, the improvements contribute significantly to the value of the site.

MOST LIKELY BUYER

The subject is currently leased to 14 tenants. Its size, type, and configuration make it ideally suited for multiple-tenant occupancy. An examination of recent rental activity in the area suggests that there is demand for similar space in such properties by tenants within the market, and recent comparable sales indicate such properties are typically purchased by real estate investors. As a result, we conclude that the most likely purchaser of the subject is an investor, who would typically rely on the income approach to value the property.

CONCLUSION

It is our opinion that the existing improvements add value to the site as though vacant, dictating a continuation of its current use. In addition, the leases encumbering the subject property mandate a continuation of the current use. It is our opinion that the Highest and Best Use of the subject property as improved is a street retail center as it is currently improved.

VALUATION PROCESS

METHODOLOGY

There are three generally accepted approaches to developing an opinion of value: Cost, Sales Comparison and Income Capitalization. We considered each in this appraisal to develop an opinion of the market value of the subject property. In appraisal practice, an approach to value is included or eliminated based on its applicability to the property type being valued and the quality of information available. The reliability of each approach depends on the availability and comparability of market data as well as the motivation and thinking of purchasers.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

We considered each approach in developing our opinion of the market value of the subject property. We discuss each approach below and conclude with a summary of their applicability to the subject property.

Cost Approach

The Cost Approach is based on the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements which represent the Highest and Best Use of the land; or when relatively unique or specialized improvements are located on the site for which there are few improved sales or leases of comparable properties.

In the Cost Approach, the appraiser forms an opinion of the cost of all improvements, depreciating them to reflect any value loss from physical, functional and external causes. Land value, entrepreneurial profit and depreciated improvement costs are then added, resulting in an opinion of value for the subject property.

Sales Comparison Approach

In the Sales Comparison Approach, sales of comparable properties are adjusted for differences to estimate a value for the subject property. A unit of comparison such as price per square foot of building area or effective gross income multiplier is typically used to value the property. When developing an opinion of land value the analysis is based on recent sales of sites of comparable zoning and utility, and the typical units of comparison are price per square foot of land, price per acre, price per unit, or price per square foot of potential building area. In both cases, adjustments are applied to the unit of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive an opinion of value for the subject property.

Income Capitalization Approach

In the Income Capitalization Approach the income-producing capacity of a property is estimated by using contract rents on existing leases and by estimating market rent from rental activity at competing properties for the vacant space. Deductions are then made for vacancy and collection loss and operating expenses. The resulting net operating income is divided by an overall capitalization rate to derive an opinion of value for the subject property. The capitalization rate represents the relationship between net operating income and value. This method is referred to as Direct Capitalization.

Related to the Direct Capitalization Method is the Yield Capitalization Method. In this method periodic cash flows (which consist of net operating income less capital costs) and a reversionary value are developed and discounted to a present value using an internal rate of return that is determined by analyzing current investor yield requirements for similar investments.

SUMMARY

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. Typical purchasers do not generally rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not utilized the Cost Approach to develop an opinion of market value.

SALES COMPARISON APPROACH

METHODOLOGY

Using the Sales Comparison Approach, we developed an opinion of value by comparing the subject property to similar, recently sold properties in the surrounding or competing area. This approach relies on the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

By analyzing sales that qualify as arm's-length transactions between willing and knowledgeable buyers and sellers, we can identify value and price trends. The basic steps of this approach are:

- Research recent, relevant property sales and current offerings in the competitive area;
- Select and analyze properties that are similar to the subject property, analyzing changes in economic conditions that may have occurred between the sale date and the date of value, and other physical, functional, or locational factors;
- Identify sales that include favorable financing and calculate the cash equivalent price;
- Reduce the sale prices to a common unit of comparison such as price per square foot of gross leasable area or effective gross income multiplier;
- Make appropriate comparative adjustments to the prices of the comparable properties to relate them to the subject property; and
- Interpret the adjusted sales data and draw a logical value conclusion.

The most widely used and market-oriented unit of comparison for properties such as the subject is the sales price per square foot of gross leasable area. All comparable sales were analyzed on this basis. The following pages contain a summary of the improved properties that we compared to the subject property, a map showing their locations, and the adjustment process. Comparable improved sale data sheets are presented in the Addenda of this report.

Due to the nature of the subject property and the level of detail available for the comparable data, we elected to analyze the comparables through the application of a traditional adjustment grid using percentage adjustments. This methodology is commonly used by participants that buy and sell property similar to the subject property, therefore; it is considered the appropriate methodology to use in this assignment.

In the Sales Comparison Approach we determined the Prospective Market Value Upon Stabilization.

SUMMARY OF IMPROVED SALES															
PROPERTY INFORMATION							TRANSACTION INFORMATION								
No.	Property Name Address, City, State	Land (AC)	Land to Building Ratio	Sold GLA	Year Built	Year Ren.	Grantor	Grantee	Sale Date	Sale Price	\$/SF	NOI/SF	OAR	Occup.	Comments
S	Subject Property	1.72	0.44:1	170,265	1920	2000									
1	Clybourn Galleria 1845 N. Clybourn Avenue Chicago, IL	0.74	1.27:1	25,301	2003	-	Greenstreet R.E. Partners LP	Newport Capital Partners	8/13	\$11,750,000	\$464.41	\$28.98	6.24%	91%	This is an institutional quality "high-street" retail asset located at the heart of Chicago's prominent Clybourn retail corridor. Over 80 "CA's" were signed for this deal. Parking is located on the roof, and nearly 20% of the GLA was to roll in the first few years, allowing for upside potential. Traffic counts were 14,000 VPD along Clybourn. Population is 57k within one mile, and median household income is \$83k. Tenants at this center include Ann Taylor Loft, Jos A. Bank and Massage Envy. Nearby retailers include Trader Joe's, Whole Foods, Sam's Wines & Liquors, Crate & Barrel Outlet, Gap Kids, and Goose Island. The underwritten IRR was 8.5 percent over a 7 year holding period.
2	Belden Centre 2301 North Clark Street Chicago, IL	0.90	0.74:1	52,806	1991	2011	VTH 3 LLC	Newport Capital Partners Fund I, L.P.	6/13	\$17,800,000	\$337.08	\$28.13	8.34%	100%	This comparable is an urban shopping center which is anchored by Little GEMS, a high-end preschool. Little GEMS occupies over half of the GLA, which had a significant affect on the capitalization rate due to the unknown credit worthiness of the tenant. Little GEMS, however, recently signed a 15-year lease in May 2012, with two 10-year extension options. Other tenants at the center include a variety of high end local tenants. The office space was occupied by Prudential. The sale also included an income-producing underground parking garage and a rear surface lot, with a total of 76 parking stalls.
3	Kingsbury Center 1415 North Kingsbury Street Chicago, IL	2.33	1.91:1	53,082	2012	-	Structured Development LLC	Cole Real Estate Investments	5/13	\$26,400,000	\$497.34	\$32.33	6.50%	100%	This is a newly constructed shopping center in a prime neighborhood of Chicago. All tenants' leases are at least 10 years, resulting in zero rollover until 2022.
4	651-671 West Diversey Parkway 651-671 West Diversey Parkway Chicago, IL	0.32	0.32:1	44,409	2011	-	M Development LLC	Acadia Realty Trust	5/11	\$28,400,000	\$639.51	\$39.65	6.20%	100%	The center was redeveloped by M Development LLC's Mark Hunt. The North Side developer signed a lease in 2009 with gourmet grocer Trader Joe's for a vacant lot on the Diversey site and subsequently landed the two apparel stores to fill vacancies left by home furnishings retailer Pier 1 Imports and a Barnes & Noble bookstore.
5	The Heritage Shops At Millennium Park 55 East Randolph Drive Chicago, IL	1.09	0.45:1	105,449	2004	-	Heritage at Millennium Park Commercial	Acadia Heritage Shops LLC	4/11	\$31,600,000	\$299.67	\$23.67	7.90%	95%	This is the 4-level retail and office component of a 57-story, 356-unit residential condo tower in the Chicago CBD adjacent to Millennium Park and the Theater District. The property includes 25,253 SF of pedway retail, 26,271 SF of street retail, 33,371 SF of 2nd level health club space and 20,544 SF of 3rd floor office. LA Fitness had 14 years of term remaining and McDonald's had 33 years of term. Retail tenants include Lane Bryant, Ann Taylor Loft, Subway and Fifth Third Bank. Total occupancy was 75%; however, the retail component was 95% leased and the remaining vacancy was 3rd floor office. The buyer did not attribute value to the vacant office space.
6	Joffco Square 560 West Roosevelt Road Chicago, IL	6.02	2.75:1	95,572	2008	-	River West Plaza - Chicago, LLC	Inland	1/11	\$23,800,000	\$249.03	\$17.71	7.11%	94%	This is a two-level retail development, with three-levels of parking above. The selling broker indicated that this auction sale was at a market price due to the competitive interest realized during the sale process. There was good credit and long term leasing which drove this sale. Access to vacant suite was challenged.
7	The Pointe @ Clark Street 3131 North Clark Street Chicago, IL	1.00	0.46:1	95,455	1996	-	The Point at Clark Street, LLC	Inland Pointe at Clark	6/10	\$28,816,000	\$301.88	\$23.34	7.73%	100%	The improvements consist of 3-story shopping center with 175 multi-level parking garage. Tenants are DSW Shoe Warehouse and Marshalls.
STATISTICS															
Low		0.32	0.32:1	25,301	1991	2011			6/10	\$11,750,000	\$249.03	\$17.71	6.20%	91%	
High		6.02	2.75:1	105,449	2012	2011			8/13	\$31,600,000	\$639.51	\$39.65	8.34%	100%	
Average		1.77	1.13:1	67,439	2004	2011			1/12	\$24,080,857	\$398.42	\$27.69	7.15%	97%	

Compiled by Cushman & Wakefield of Illinois, Inc.

IMPROVED SALE ADJUSTMENT GRID													
ECONOMIC ADJUSTMENTS (CUMULATIVE)							PROPERTY CHARACTERISTIC ADJUSTMENTS (ADDITIVE)						
No.	Price PSF & Date	Property Rights Conveyed	Conditions of Sale	Financing	Market ⁽¹⁾ Conditions	Subtotal	Location	Size	Age, Quality & Condition	Economics	Other	Adj. Price PSF	Overall
1	\$464.41 8/13	Leased Fee 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 7.4%	\$498.77 7.4%	Superior -10.0%	Smaller -20.0%	Superior -15.0%	Inferior 5.0%	Similar 0.0%	\$299.26 -40.0%	Superior
2	\$337.08 6/13	Leased Fee 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 7.9%	\$363.71 7.9%	Similar 0.0%	Smaller -10.0%	Superior -20.0%	Superior -10.0%	Similar 0.0%	\$218.23 -40.0%	Superior
3	\$497.34 5/13	Leased Fee 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 8.2%	\$538.13 8.2%	Superior -10.0%	Smaller -10.0%	Superior -20.0%	Superior -10.0%	Similar 0.0%	\$269.06 -50.0%	Superior
4	\$639.51 5/11	Leased Fee 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 14.8%	\$734.16 14.8%	Similar 0.0%	Smaller -10.0%	Superior -20.0%	Superior -30.0%	Similar 0.0%	\$293.66 -60.0%	Superior
5	\$299.67 4/11	Leased Fee 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 15.1%	\$344.92 15.1%	Superior -15.0%	Smaller -5.0%	Superior -15.0%	Inferior 5.0%	Similar 0.0%	\$241.44 -30.0%	Superior
6	\$249.03 1/11	Leased Fee 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 15.9%	\$288.62 15.9%	Superior -5.0%	Smaller -5.0%	Superior -10.0%	Inferior 20.0%	Similar 0.0%	\$288.62 0.0%	Similar
7	\$301.88 6/10	Leased Fee 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 18.0%	\$356.22 18.0%	Similar 0.0%	Smaller -5.0%	Superior -5.0%	Superior -20.0%	Similar 0.0%	\$249.35 -30.0%	Superior
STATISTICS													
	\$249.03	- Low									Low -	\$218.23	
	\$639.51	- High									High -	\$299.26	
	\$398.42	- Average									Average -	\$265.66	

Compiled by Cushman & Wakefield of Illinois, Inc.

(1) Market Conditions Adjustment

Compound annual change in market conditions: 3.00%

Date of Value (for adjustment calculations): 1/1/16

(2) Utility Footnote

Utility includes site layout, signage, visibility

PERCENTAGE ADJUSTMENT METHOD

Adjustment Process

The sales we used were the best available comparables to the subject property. The major points of comparison for this type of analysis include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

The first adjustment made to the market data takes into account differences between the subject property and the comparable property sales with regard to the legal interest transferred. Advantageous financing terms or atypical conditions of sale are then adjusted to reflect a normal market transaction. Next, changes in market conditions are accounted for, creating a time adjusted price. Lastly, adjustments for location, physical traits and the economic characteristics of the market data are made in order to generate the final adjusted unit rate for the subject property.

We made a downward adjustment to those comparables considered superior to the subject and an upward adjustment to those comparables considered inferior. Where expenditures upon sale exist, we included them in the sales price.

Property Rights Conveyed

The property rights conveyed in a transaction typically have an impact on the price that is paid. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. Acquiring a leased fee interest typically means that the property being acquired is encumbered by at least one lease, which is a binding agreement transferring rights of use and occupancy to the tenant. A leasehold interest involves the acquisition of a lease, which conveys the rights to use and occupy the property to the buyer for a finite period of time. At the end of the lease term, there is typically no reversionary value to the leasehold interest. Since we are valuing the leased fee interest as reflected by each of the comparables, an adjustment for property rights is not required.

Financial Terms

The financial terms of a transaction can have an impact on the sale price of a property. A buyer who purchases an asset with favorable financing might pay a higher price, as the reduced cost of debt creates a favorable debt coverage ratio. A transaction involving above-market debt will typically involve a lower purchase price tied to the lower equity returns after debt service. We analyzed all of the transactions to account for atypical financing terms. To the best of our knowledge, all of the sales used in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments were required.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. However, all sales used in this analysis are considered to be "arm's-length" market transactions between both knowledgeable buyers and sellers on the open market. Therefore, no adjustments were required.

Market Conditions

In this analysis, we determined the Prospective Market Value Upon Stabilization using the value date of January 2016. All of the comparables were adjusted to this date. The sales that are included in this analysis occurred between June 2010 and August 2013. The market has improved over this time period, reflecting a recovery from

the low-point of the recent national recession. As the market has improved over this time period, we applied an annual adjustment of 3.00 percent.

Location

An adjustment for location is required when the locational characteristics of a comparable property differ from those of the subject property. The location of the subject property is rated good, and it has good access and good visibility. Each comparable was adjusted for locational differences accordingly.

Physical Traits

Each property has various physical traits that determine its appeal. These traits include size, age, condition, quality, parking ratio and utility. Each comparable was adjusted for physical traits accordingly.

Economic Characteristics

The economic characteristics of a property include its occupancy levels, operating expense ratios, tenant quality, and other items not covered under prior adjustments that would have an economic impact on the transaction. These characteristics typically influence the revenues attainable at a property. In order to quantify the appropriate adjustments to the indicated per square foot unit values, we have compared the subject's first stabilized year pro forma net operating income to the pro forma income of the individual sale properties. In our opinion, a buyer's criteria for the purchase of a retail property is predicated primarily on the property's income characteristics. Thus, we have identified a relationship between the net operating income and the sales price of the property. Typically, a higher net operating income per square foot corresponds to a higher sales price per square foot. Therefore, this adjustment incorporates factors such as location, tenant mix, tenant quality, rent levels, operating characteristics, and building quality. Each comparable was adjusted accordingly.

Other

This category accounts for any other adjustments not previously discussed. Based on our analysis of these sales, none required any additional adjustment.

DISCUSSION OF COMPARABLE SALES

After adjustments, the comparable improved sales reflect unit prices ranging from \$218.23 to \$299.26 per square foot with an average adjusted price of \$265.66 per square foot. Of these comparables, we believe the subject would fall towards the lower-end of the range because of its vertical orientation, which is in less demand in the marketplace than more traditionally oriented retail centers.

Summary of Percentage Adjustment Method

Therefore, we concluded that the indicated value by the Percentage Adjustment Method was:

APPLICATION TO SUBJECT	
Prospective Market Value Upon Stabilization	
Indicated Value per Square Foot GLA	\$220.00
Gross Leasable Area in Square Feet	x 170,265
Preliminary Value	\$37,458,300
Rounded to nearest \$100,000	\$37,500,000
Per square foot	\$220.24

APPLICATION TO SUBJECT	
Market Value As-Is	
Prospective Market Value Upon Stabilization	\$37,500,000
LESS FV-PV Spread	(\$2,558,300)
Indicated Value	\$34,900,000
Rounded to nearest \$100,000	\$34,900,000
Per square foot	\$204.97

Compiled by Cushman & Wakefield of Illinois, Inc.

ADJUSTMENTS TO PRELIMINARY VALUE

We used the Sales Comparison Approach to determine the Prospective Market Value Upon Stabilization of the subject property. From that value, we made certain adjustments, which are described below.

Present Value Calculation

We previously determined the Prospective Value Upon Stabilization, which is scheduled to occur on January 1, 2016. From that prospective value, we can also determine the present value as of December 31, 2013 through an analysis of the interim cash flows that are anticipated between today and the future date of stabilization. A detailed calculation of the present value adjustment is presented below:

PRESENT VALUE CALCULATION				
Prospective Value (indicated by the Sales Approach)		\$37,458,300		
Absorption Period (years)		2.00		
Discount Rate		9.50%		
	Number of Periods	Cash Flow Amount	Discount Factor	Discounted Value
Year 1 Cash Flow	1	\$1,537,659	0.91324	\$1,404,255
Year 2 Cash Flow	2	\$2,716,443	0.83401	\$2,265,543
				\$3,669,798
Market Value As-Is				
Present value of estimated Prospective Market Value Upon Stabilization discounted @ 9.5% over a 2-year holding period.				\$31,240,633
Plus: The present value of interim cash flows, including all costs, over the 2-year holding period discounted annually @ 9.5% discount rate.				\$3,669,798
Total				\$34,910,431
Rounded to nearest \$100,000				\$34,900,000

Compiled by Cushman & Wakefield of Illinois, Inc.

SALES COMPARISON APPROACH CONCLUSION

The following is a summary of our concluded values within the Sales Comparison Approach:

SALES COMPARISON APPROACH CONCLUSION				
Methodology	Market Value As-Is	PSF	Prospective Market Value Upon Stabilization	PSF
Percentage Adjustment Method	\$34,900,000	\$204.97	\$37,500,000	\$220.24
Sales Comparison Conclusion	\$34,900,000	\$204.97	\$37,500,000	\$220.24

Compiled by Cushman & Wakefield of Illinois, Inc.

INCOME CAPITALIZATION APPROACH

METHODOLOGY

The Income Capitalization Approach determines the value of a property based on the anticipated economic benefits. The principle of “anticipation” is essential to this approach, which recognizes the relationship between an asset’s potential future income and its value. To value the anticipated economic benefits of a property, potential income and expenses must be projected, and the most appropriate capitalization method must be selected.

The most common methods of converting net income into value are Direct Capitalization and Yield Capitalization. In direct capitalization, net operating income is divided by an overall capitalization rate to indicate an opinion of market value. In the yield capitalization method, anticipated future cash flows and a reversionary value are discounted to an opinion of net present value at a chosen yield rate (internal rate of return).

Investors acquiring this type of asset will typically look at year one returns but must also consider long-term strategies. Hence, depending on certain factors, each of the income approach methods has merit. We used both Yield and Direct capitalization, and each method is well-supported by ample, recent market data. As a result, we placed roughly equal reliance on each of the techniques, and feel that a prospective purchaser would follow this approach.

POTENTIAL GROSS INCOME

Potential gross income is generated by a number of distinct elements:

- Minimum rent determined by the lease agreement
- Reimbursement of certain expenses incurred in the ownership and operation of the real estate
- Other miscellaneous revenues

Minimum base rent is a legal contract between landlord and tenant establishing a return to investors in the real estate. The lease terms also dictate specific expense reimbursement charges that can be billed to the tenant. Finally, miscellaneous income can be generated from a variety of sources. The first step in this appraisal is to analyze all potential gross income, starting with an analysis of the subject’s tenancy.

SUBJECT TENANCY

The subject property is demised for multi-tenant occupancy. On the following pages we will discuss the subject’s occupancy, lease structure and rent levels, and we will contrast this information against comparable properties in the market.

SPACE SUMMARY & OCCUPANCY STATUS

The following is a summary of the occupied and vacant space within the subject property. The subject property contains 170,265 square feet of space, of which 140,082 square feet are occupied.

SPACE SUMMARY & OCCUPANCY STATUS							
Tenant Category	SPACE SUMMARY				TENANT COUNT		
	Occ. SF	Vct. SF	Total SF	Occupancy	Occupied	Vacant	Total
1st Floor < 1,999 SF	-	629	629	0.0%	0	2	2
2nd Floor < 1,999 SF	1,789	1,342	3,131	57.1%	2	1	3
2nd Floor > 2,000 SF	4,424	5,704	10,128	43.7%	1	2	3
3rd Floor < 1,999 SF	1,066	-	1,066	100.0%	1	0	1
4th Floor < 1,999 SF	976	5,352	6,328	15.4%	1	4	5
4th Floor > 2,000 SF	4,089	2,156	6,245	65.5%	1	1	2
Lower Level	-	15,000	15,000	0.0%	0	1	1
Major	44,674	-	44,674	100.0%	3	0	3
Cinema	32,285	-	32,285	100.0%	1	0	1
Gym	50,779	-	50,779	100.0%	1	0	1
Misc.	-	-	-		3	0	3
Total	140,082	30,183	170,265	82.3%	14	11	25

Compiled by Cushman & Wakefield of Illinois, Inc.

There are a total of 25 tenant spaces, of which 14 spaces are leased, and 11 are vacant. The chart summarizes the occupancy level based on the leases in place as of the date of appraisal.

Base rent produced by the subject property is derived from that paid by the various tenant types. The projection used in this analysis is based on the actual rent roll as of the date of appraisal, together with our assumptions regarding the absorption of the vacant space, market rent growth, and renewal/turnover probability.

The rental income an asset such as the subject property will generate for an investor is analyzed based on its quality, quantity, and durability. The quality and probable duration of income will affect the amount of potential risk over the property's investment holding period. By segregating the income stream along these lines we can control the variables related to the forecasted performance with greater accuracy.

Minimum rents forecasted at the subject property are derived from various tenant categories. We grouped the tenants into categories that enable us to make like-kind comparisons to other subject leases, which ultimately allows us to make a meaningful comparison of each tenant category to the appropriate set of comparable rents. As an aid to the reader, we preface our analysis of the subject's leases with a discussion of their lease structure.

LEASE STRUCTURE

Types of Leases

In addition to base rent, tenants are often required to reimburse the landlord for certain expenses. Expense recovery clauses range from triple net (whereby the tenant pays all property expenses) to fully gross (in which the tenant pays no expenses). Recovery provisions can vary by property type and locale, and can fall anywhere within the net to gross range.

Local Market Lease Structure

The market in which the subject property is located recognizes these basic lease structures, with slight variations. In the subject's market, leases are typically written on a net basis, whereby the tenants are

responsible for their pro-rata share of all operating expenses including real estate taxes, insurance, common area maintenance (CAM) and management.

Lease terms are generally between 3 and 10 years for retail tenants. Leases typically include annual escalations of 2.0 to 4.0 percent. Longer lease terms generally include a 5.0 to 10.0 percent rent bump every five years.

Subject Property Lease Structure

The existing retail leases at the subject property are a mixture of a gross basis or triple net, with the tenants responsible for their pro-rata share of all operating expenses including real estate taxes, insurance, and CAM with an additional administration fee ranging from 10 to 15 percent of the CAM in lieu of management fees.

At the subject property, lease terms are generally between 1 and 10 years and typically include annual escalations of 3.0 percent or remain flat. The longer lease terms generally include a 10.0 percent rent bump every five years.

MARKET RENT ESTIMATE

Attained Rent Summary

We presented a table detailing the individual leases encumbering the subject property. Below is a synopsis of the attained rent schedule (unadjusted for lease type equivalency).

ANNUALIZED RENT - OCCUPIED SPACE				
Tenant Category	No.		Total Rent	Avg. \$/SF
	Occ. SF	Spaces		
2nd Floor < 1,999 SF	1,789	2	\$10,800	\$6.04
2nd Floor > 2,000 SF	4,424	1	\$77,460	\$17.51
3rd Floor < 1,999 SF	1,066	1	\$96,636	\$90.65
4th Floor < 1,999 SF	976	1	\$40,908	\$41.91
4th Floor > 2,000 SF	4,089	1	\$37,332	\$9.13
Major	44,674	3	\$1,192,032	\$26.68
Cinema	32,285	1	\$500,004	\$15.49
Gym	50,779	1	\$1,089,072	\$21.45
Misc.	-	3	\$7,500	
Total	140,082	14	\$3,051,744	\$21.79

Compiled by Cushman & Wakefield of Illinois, Inc.

Rent Roll Equivalency Adjustment

To account for atypical leases at the subject property, we also incorporated a rent roll equivalency adjustment (illustrated on the following page). With the rent roll equivalency adjustment, a uniform standard of comparison can be obtained by adjusting contractual rent levels for those leases that have variances in lease terms. We adjusted all leases to reflect net lease terms. The net equivalent average contract rent was estimated to be \$7.84 per square foot. This equivalency adjustment will be useful later when we compare the contract rent to the market, which only has merit when there is a like-kind comparison.

Attained Rent Schedule

The attained base rent listed for each tenant equals current monthly base rent annualized, excluding any future contractual rent increases, except for the contracted leases which start after the analysis start date, where the initial monthly base rent is annualized.

A snapshot of the attained rents of the subject property can be found on the following page:

ATTAINED RENT SCHEDULE								
As Of Value Date: Dec-13						Equivalency Adjustment (2)		
Tenant Name	Start Date	End Date	Contract Rent/Year	Contract Rent/SF	Lease Type(1)	Equiv. Adjus.	Modified Equiv.	Equiv. Annual.
2nd Floor < 1,999 SF								
Tenant	Feb-10	Jun-14	\$6,000	\$20.00	Gross	-\$7.84	\$12.16	\$3,648
Tenant	Feb-12	Jun-14	\$4,800	\$3.22	Gross	-\$7.84	-\$4.62	-\$6,874
2 tenants subtotal			\$10,800	\$6.04			-\$1.80	-\$3,226
2nd Floor > 2,000 SF								
Tenant	Aug-85	Jan-15	\$77,460	\$17.51	Gross	-\$7.84	\$9.67	\$42,776
1 tenant subtotal			\$77,460	\$17.51			\$9.67	\$42,776
3rd Floor < 1,999 SF								
Tenant	Sep-10	Sep-16	\$96,636	\$90.65	Net	\$0.00	\$90.65	\$96,636
1 tenant subtotal			\$96,636	\$90.65			\$90.65	\$96,636
4th Floor < 1,999 SF								
Tenant	Apr-05	Mar-14	\$40,908	\$41.91	Net	\$0.00	\$41.91	\$40,908
1 tenant subtotal			\$40,908	\$41.91			\$41.91	\$40,908
4th Floor > 2,000 SF								
Tenant	Aug-02	Jan-18	\$37,332	\$9.13	Net	\$0.00	\$9.13	\$37,332
1 tenant subtotal			\$37,332	\$9.13			\$9.13	\$37,332
Major								
Tenant	Mar-14	Jul-19	\$499,524	\$27.83	Gross	-\$7.84	\$19.99	\$358,788
Tenant	Aug-01	Dec-19	\$319,704	\$19.74	Net	\$0.00	\$19.74	\$319,704
Tenant	Oct-12	Jan-38	\$372,804	\$35.40	Net	\$0.00	\$35.40	\$372,804
2 tenants subtotal			\$1,192,032	\$26.68			\$15.50	\$692,508
Cinema								
Tenant	Apr-00	Mar-20	\$500,004	\$15.49	Gross	-\$7.84	\$7.65	\$246,890
1 tenant subtotal			\$500,004	\$15.49			\$7.65	\$246,890
Gym								
Tenant	Jul-13	Jul-28	\$1,089,072	\$21.45	Net	\$0.00	\$21.45	\$1,089,072
1 tenant subtotal			\$1,089,072	\$21.45			\$21.45	\$1,089,072
GRAND-TOTALS			\$3,051,744	\$21.79			\$18.57	\$2,601,684

Note: Attained rent equals current rent annualized for twelve months, and it excludes contractual rent increases

Compiled by Cushman & Wakefield of Illinois, Inc.

(1) Lease Types as defined by The Appraisal Institute

(2) The equivalency adjustment is applied to atypical leases to reflect a common lease standard for this building or space category

A total of 14 tenants currently lease space within the property. The average rent for all of the existing tenants is \$21.79 per square foot. The grand-totals exhibited in the attained rent schedule for contract rent do not incorporate lease-up or downtime provisions. Hence, the grand-totals might differ from the projections shown later in this section.

Pending Leases

There are currently no pending new leases at the subject property. However, according to the property manager, a tenth amendment to extend the lease agreement for the tenant of Unit #201 is currently being negotiated for similar terms as the previous extensions.

Month-To-Month Leases

Unit #300: This space is listed as month-to-month according to the rent roll provided by ownership, but further discussions with the property manager have lead us to model this leased space in conjunction with the other component of this tenant's agreement. It was revealed to us that there is a significant amount of product storage for use in the tenant's other leased areas and it is logical that while the tenant continues to lease other areas of the center, they would likely need the continued use of this storage space.

Unit #401: This space is listed as month-to-month according to the rent roll provided by ownership. According to lease documents, this tenant's original agreement expired on December, 31, 2012 and the tenant agreed to a 6 month extension at the same rental rate in place at the expiration date. Since then, they have extended for a period of 3 months and most recently, a period of 6 months expiring on March 31, 2014 at the same rental rate. We have modeled this lease as expiring at the end of their current term.

Unit #217: This space is listed as month-to-month according to the rent roll provided by ownership. This tenant's original lease agreement originally expired on February 28, 2011 and they have been leasing this space on a month-to-month basis since. We have modeled this tenant to vacate their space in six months from the date of analysis.

Asking Rents At Subject Property

The subject property has its vacant space currently listed on the open market for lease, but there are no formal asking rates for each of the spaces.

Recent Leasing At Subject Property

The following chart summarizes the property's recent leases.

RECENT LEASING AT SUBJECT PROPERTY (BY CATEGORY)											
Tenant Name	Start Date	End Date	Term (Yrs)	Initial rent	Initial Rent/SF	Final Rent	Final Rent/SF	Rent Change over Term	Rent Steps	Lease Type	T/SF
Major											
Tenant	Mar-14	Jul-19	5	\$499,525	\$27.83	\$579,072	\$32.26	15.92%	3% per year	Gross	\$ (29.40)
Tenant	Oct-12	Jan-38	25	\$372,800	\$35.40	\$381,157	\$36.19	2.24%	2% in year 11	Net	\$ -
Sub-Total				\$372,800	\$35.40	\$381,157	\$36.19	2.24%			
Gym											
Tenant	Jul-13	Jul-28	15	\$1,089,074	\$21.45	\$1,753,965	\$34.54	61.05%	10% every 5 years	Net	\$ 10.00
Sub-Total				\$1,089,074	\$21.45	\$1,753,965	\$34.54	61.05%			
GRAND TOTALS											
No. of Recent Leases		3	12	\$1,966,199	\$24.35	\$2,718,994	\$33.67	38.29%			

Compiled by Cushman & Wakefield of Illinois, Inc.

The recent leases at the subject property will be discussed in further detail in the following section of the report, the *Analysis of Comparable Retail Rents*, pertaining to each of their respective rental categories.

RECENT LEASING - EQUIVALENCY ADJUSTMENT

							Equivalency Adjustment				
							Contract Reimb.	Market Reimb.	Equiv. Adjus.	Equiv. Rent	Equiv. Annual.
Tenant Name	Start Date	End Date	Area (SF)	Contract Rent/Year	Contract Rent/SF	Lease Type(1)					
Major											
Tenant	Mar-14	Jul-19	17,951	\$499,525	\$27.83	Gross	\$0.00	\$7.84	(\$7.84)	\$19.99	\$358,789
Tenant	Oct-12	Jan-38	10,531	\$372,800	\$35.40	Net	\$12.60	\$7.84	\$4.76	\$40.16	\$422,967
Sub-Total			10,531	\$372,800	\$35.40					\$40.16	\$422,967
Gym											
Tenant	Jul-13	Jul-28	50,779	\$1,089,074	\$21.45	Net	\$6.23	\$7.84	(\$1.61)	\$19.83	\$1,007,072
Sub-Total			50,779	\$1,089,074	\$21.45					\$19.83	\$1,007,072
GRAND TOTALS											
			80,750	1,966,199						\$22	\$1,784,871

Analysis of Comparable Retail Rents

The following tables summarize rental activity for each comparable space by type from competing buildings in the market.

RETAIL RENT COMPARABLES - ANCHORS														
PROPERTY INFORMATION							LEASE INFORMATION							
NO.	Property Name Address, City, State	SUB-TYPE	CENTER GLA	ANCHOR GLA	YEAR BUILT	YEAR RENOVATED	TENANT NAME	LEASE DATE	SIZE (GLA)	TERM (Yrs.)	INITIAL RENT/SF	RENT STEPS	LEASE TYPE	COMMENTS
GYM COMPARABLES														
1	Mount Prospect Plaza 1000-1145 Mount Prospect Mount Prospect, IL	Community Center	301,045	191,630	1958	2010	LA Fitness	2/14	37,600	15	\$20.50	10% every 5 years	Triple Net	This comparable represents the new lease of an end-cap anchor space within the Mount Prospect Plaza shopping center. This site was previously occupied by a Garden Fresh Market but was demolished in February 2013 to make way for the newly constructed fitness center occupied by the tenant. The tenant's estimated opening date is November 14, 2013 and rent commencement is February 14, 2014. The tenant received 50% rent abatement for the first six months of the lease. The tenant has three 5-year options to extend with increases of 10% at each option. The anchors at this center include Marshalls, Ross, Aldi, Petco and it is also shadow anchored by a Walmart. Reimbursable operating expenses and taxes are estimated at \$6.93/SF, with CAM being \$1.28/SF.
2	Chatham Market 8331 South Holland Road Chicago, IL	Free Standing	333,356	116,000	2007	--	Planet Fitness	8/12	20,000	15	\$17.51	2% annual increases	Triple Net	This comparable is an outparcel to the Chatham Market lifestyle center on the south side of Chicago, IL. The tenant signed a 15 year lease with 2% annual increases and with two 5-year options to extend with 4% increases annually during those periods. This property is also currently listed for sale at \$4.7M with a 7.45% cap rate. This center is anchored by a Lowe's and a Walmart.
3	LA Fitness 55 East Randolph Street Chicago, IL	Urban Retail	49,878	--	2007	--	LA Fitness	10/11	49,878	15	\$21.50	Yes	Triple Net	This LA Fitness is located on the bottom floors of an office building located on the southeast corner of Randolph Street and Wabash Avenue in the East Loop neighborhood of Downtown Chicago.
4	Presidential Towers 555 W. Madison Chicago, IL	Urban Mixed Use	--	--	1985	--	Fitness Formula Club	10/11	45,000	10	\$20.50	Yes; unknown amount	Triple Net	A four-building apartment complex with 1st and 2nd floor retail located in the west loop. Effective NNN rent reported. Actual rent is \$25.50/SF modified gross (CAM of \$5/SF is built into MG rent). Effective gross rent is \$32/SF when adding Tax of \$6.25 and Ins of \$0.25. TI's of +/- \$17/SF. 4 months free. GF space is 6,000 SF; remainder is 2nd floor.
CINEMA COMPARABLES														
1	Mail St. Matthews 5000 Shelbyville Road Louisville, KY	Megaplex Cinema	1,086,378	515,705	--	--	Cinemark	6/13	43,000	15	\$21.00	\$22/SF Yr. 6 \$23/SF Yr. 11	Triple Net	Tenant will build on pad ready site; will be a portion of a demolished vacant department store. T.I.'s will amount to approximately \$100/SF. Mail is healthy (sales \$390/SF+; occupancy 95%) and anchored by Dillard's Womens, Dillard's Men's & Home, and JCPenney. Triple nets are fixed at \$2/SF.
2	Goodrich Theaters 1550 North Green Street Brownsburg, IN	Free-Standing	1,100,000	25,420	2005	--	Goodrich Theaters	12/10	25,420	5	\$10.00	None	Triple Net	This is a free-standing theater building located in the northwest suburbs of Indianapolis.
3	Arboretum of South Barrington 100 West Higgins South Barrington, IL	Power Center	381,222	--	2008	--	IPC-Entertainment Gold Class Cinema	10/10	37,576	15	\$12.00	Increase to \$16.00 psf Year 4 and \$1 psf Increase every 3 Years, thereafter	Triple Net	This center is anchored by an IPC Cinema, Pinstripes, DSW, and Arhaus Furniture.
4	ICE Theater 210 W. 87th St. Chicago, IL	Megaplex Cinema	65,186	--	1998	--	ICE Theater	12/09	65,186	5	\$13.35	Flat	Triple Net	Located 10 miles south of the Chicago CBD, adjacent to the Chatham Ridge center (Cub Foods, Marshalls, Bally).
5	The Promenade Lifestyle Center Interstate 355 and Boughton Road Bolingbrook, IL	Movie Theatre	769,688	453,634	2009	--	Village Roadshow Gold Class Cinemas	1/09	42,000	15	\$22.00	\$1/SF steps every 5 years	Triple Net	A lifestyle center anchored by Bass Pro and Macy's. Landlord is currently expanding the theater space to accommodate Village Roadshow. The space will be delivered to the tenant in vanilla box condition.
STATISTICS														
Low			49,878	25,420	1958	2010		1/09	20,000	5	\$10.00			
High			1,100,000	515,705	2009	2010		2/14	65,186	15	\$22.00			
Average			510,844	260,478	1997	2010		7/11	40,629	12	\$17.60			

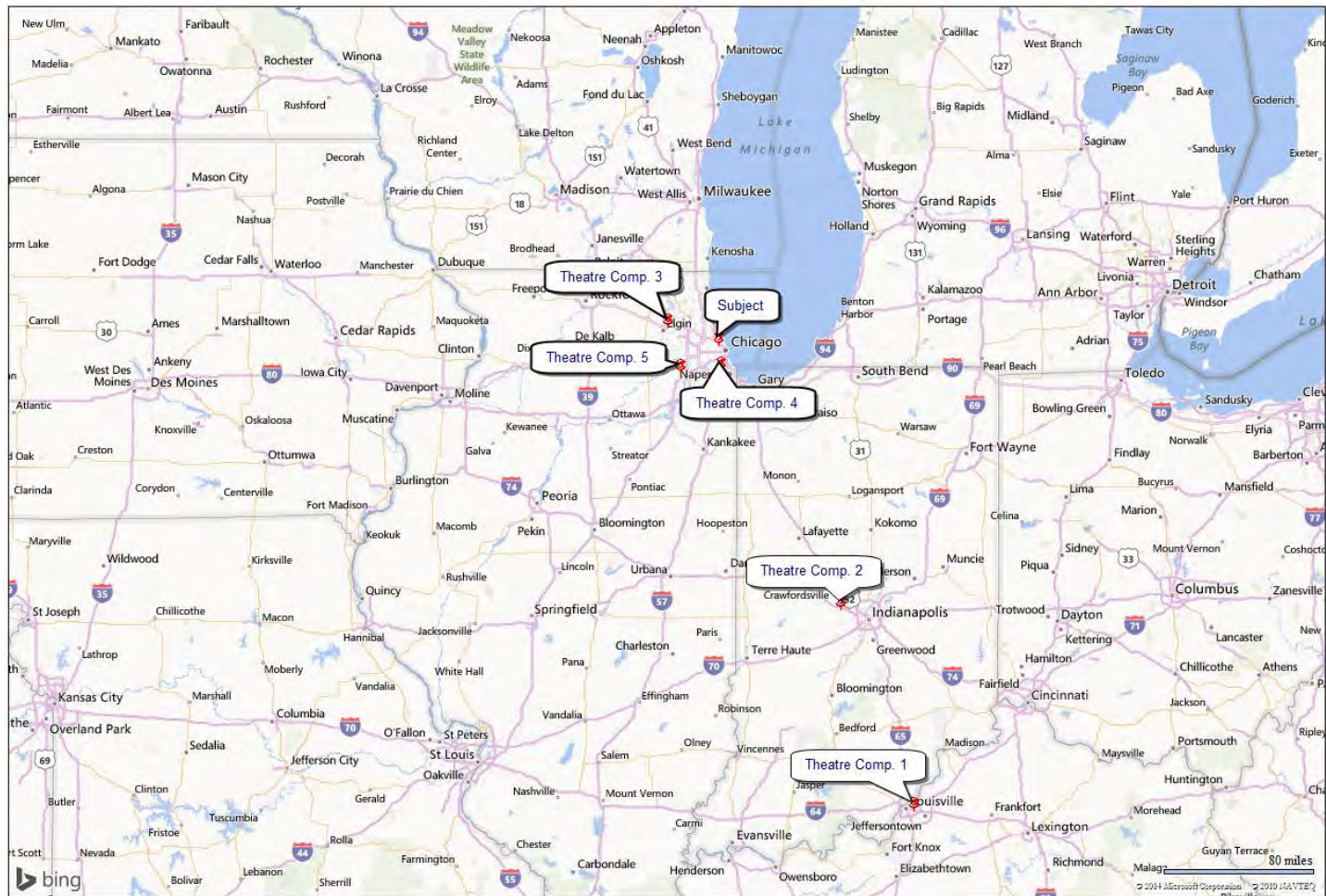
Compiled by Cushman & Wakefield of Illinois, Inc.

The map displays the Chicago metropolitan area and surrounding regions. Four specific locations are highlighted with red dots and labeled in callout boxes:

- Fitness Comp. 1:** Located in the northwest, near Mount Prospect and Arlington Heights.
- Subject:** Located in the east, near Lakeview and Irving Park.
- Fitness Comp. 2:** Located in the south, near Cicero and Berwyn.
- Fitness Comp. 3:** Located in the southeast, near Oak Park and Maywood.

The map shows major highways (Interstates 90, 55, 290, 294, 355, 354, 35, 4, 14, 19, 20, 26, 36, 38, 41, 43, 50, 54, 58, 64, 72, 78, 94, 103, 12, 171, 20, 30, 31, 34, 37, 40, 42, 44, 45, 46, 47, 48, 49, 51, 52, 53, 56, 57, 59, 60, 61, 62, 63, 65, 66, 67, 68, 69, 70, 71, 73, 74, 75, 76, 77, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 95, 96, 97, 98, 99, 100, 101, 102, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 8

CINEMA RENT COMPARABLES LOCATION MAP



DISCUSSION OF COMPARABLE RENTS – GYM

For the purposes of this assignment, we have divided the subject's anchor spaces into respective categories as they are currently demised. We have defined the "Gym" space as the leasable area that is currently occupied by a national fitness tenant possessing a total gross leasable area 50,779 square feet. According to the provided lease plan, the subject property's gym space is located on the seventh and eighth floors of the parking garage.

Attained Rent – Gym

The tenant has signed a new lease as of July 23, 2013, which superseded the January 10, 2012 assignment of ownership's previous agreement with the prior occupant. The new lease agreement calls for a 15 year term with three 5-year options to extend at an initial rental rate of \$21.45, net. The lease has rent steps of 10.0 percent every five years of the lease and at each extension option. The tenant received approximately \$507,790 in tenant improvement contributions from ownership, which equates to \$10.00 per square foot. When this expense to the owner is amortized over the life of the initial term, we can subtract out an additional \$0.67 per square foot from the initial rate to arrive at \$20.78 for the leasable area itself.

Comparable Market Rents – Gym

The comparables range in size from 20,000 to 49,878 square feet, have terms ranging from 10 to 15 years, and exhibit a range of rents from \$17.51 to \$21.50 per square foot, net, with an average of \$20.00 per square foot, net. We have relied equally on each of the presented Gym comparables.

Market Rate Conclusion – Gym

We have relied primarily on rent comparables, recent leasing, and discussions with local market participants to arrive at a rent conclusion of **\$20.50 per square foot, net**, for this category.

DISCUSSION OF COMPARABLE RENTS – CINEMA

For the purposes of this assignment, we have divided the subject's anchor spaces into respective categories as they are currently demised. We have defined the "Cinema" space as the leasable area that is currently occupied by a national cinema operator possessing a total gross leasable area 32,285 square feet. According to the provided lease plan, the subject property's cinema space is located partially on the fourth floor and on the fifth and sixth floors of the main concourse.

Attained Rent – Cinema

The Cinema space has been occupied by the current tenant since March 30, 2000, pursuant to their original 20-year lease agreement. The agreement's rental rate was last updated in the third amendment dated July 1, 2001 which called for a flat annual rental rate of \$500,000 or roughly \$15.49 per square foot, gross, as well as 20.0 percent of total retail sales exceeding \$3,000,000 in revenue. The agreement has been amended twice from 2012 to 2013, only to include minimal expansion space on the fourth floor, but the rental rate has been static through both amendment agreements. While very dated at this point, the attained base rent for this space category gives us an indicator of the lower end or floor of the rental range and the overage retail sales rent can give us a good indicator of an adjustment to a market rate. The overage rent paid by the current tenant has ranged from \$1.78 per square foot in 2013 to \$5.44 per square foot in 2010. Combining the base rental rate and the retail sales rent provides a range of \$17.27 to \$20.93 per square foot, gross. Bringing this figure to a net rent basis shows a range of \$9.43 to \$13.09 per square foot, net. As cinema sales have been trending downward, the lower end of this adjusted range would be most applicable.

Comparable Market Rents – Cinema

The comparables in this category range in size from 25,420 to 65,186 square feet, have terms ranging from 5 to 15 years, and exhibit a range of rents from \$10.00 to \$22.00 per square foot, net, with an average of \$15.67 per

square foot, net. Cinema comparables 2, 3, and 4 are most similar to the subject and provide a tighter rental rate range of \$10.00 to \$13.35 per square foot, net.

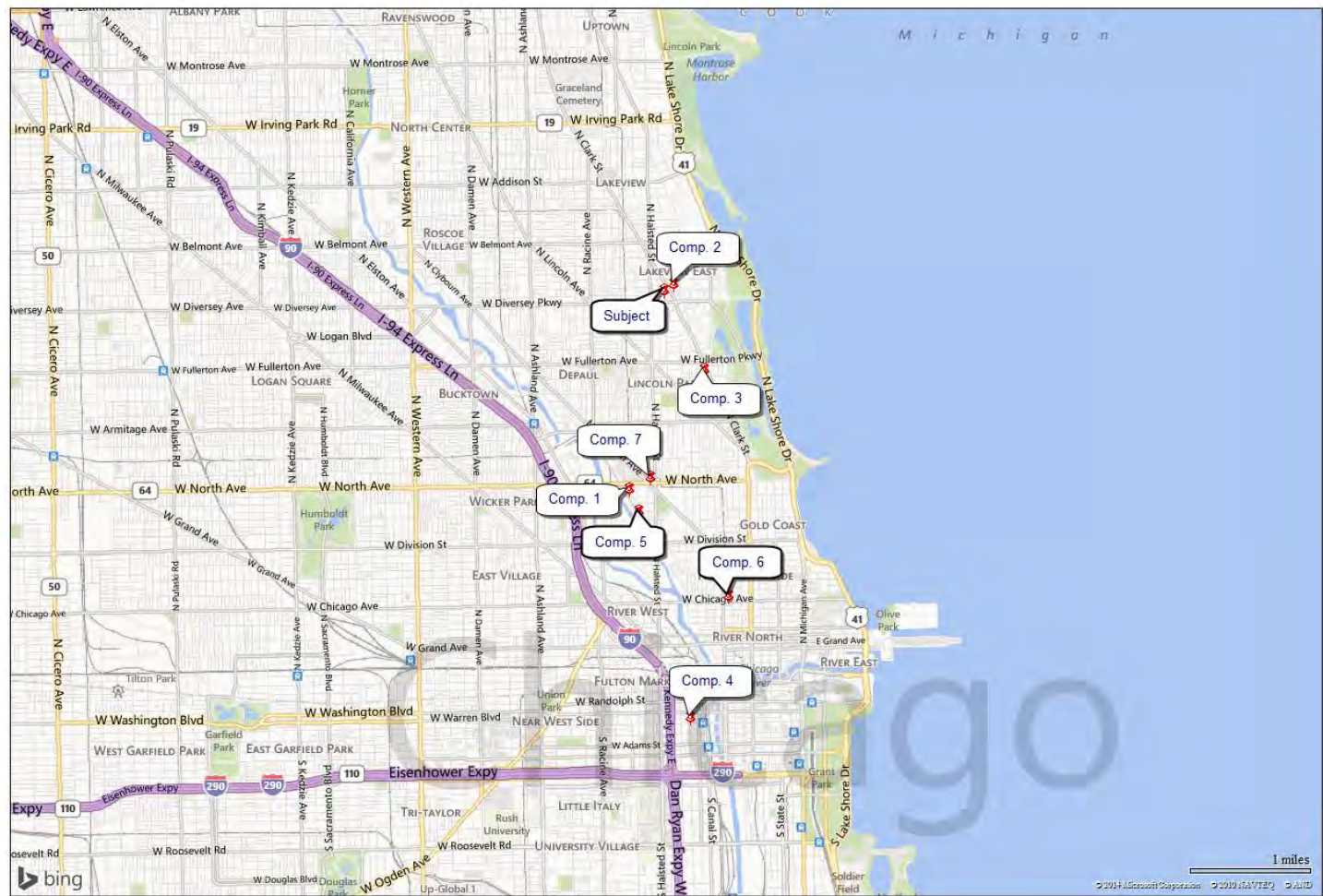
Market Rate Conclusion – Cinema

We have relied primarily on rent comparables, recent leasing, and discussions with local market participants to arrive at a rent conclusion of **\$12.00 per square foot, net**, for this category.

RETAIL RENT COMPARABLES - MAJORS														
PROPERTY INFORMATION							LEASE INFORMATION							
NO.	Property Name Address, City, State	SUB-TYPE	CENTER GLA	ANCHOR GLA	YEAR BUILT	YEAR RENOVATED	TENANT NAME	LEASE DATE	SIZE (GLA)	TERM (Yrs.)	INITIAL RENT/SF	RENT STEPS	LEASE TYPE	COMMENTS
1	Urban Retail 901 West Weed Street Chicago, IL	Free Standing	42,615	42,615	2012	--	Nordstrom Rack	4/14	42,615	10	\$34.03	10% every 5 years	Triple Net	This comparable represents a blended rate for both the first and second floors. The tenant has five 5-year options to extend with 10% increases at each option. The agreement was signed on 9/28/12 during pre-construction.
2	The Broadway at Surf Broadway Street & Surf Street Chicago, IL	Community Center	134,254	105,236	1998	--	T.J.Maxx	2/14	38,000	5	\$18.25	Flat	Triple Net	This represents T.J.Maxx exercising its option, which essentially sets a "floor" for a rental rate. No tenant allowance was provided.
3	Belden Centre 2301 North Clark Street Chicago, IL	Urban Retail	52,806	35,250	1991	2011	Little GEMS	5/12	35,250	15	\$25.92	1.5% per year	Triple Net	This is a blended rental rate for two spaces located on the ground-level and the second level of a two-story commercial portion of an urban mixed-use building in the Lincoln Park neighborhood of Chicago. The ground-level space consists of 11,283 square feet (32%), which rents for \$28.50 psf, and the second floor space consists of 23,967 square feet (68%), which rents for \$24.00 psf. Operating expenses and taxes are \$12.15/sf. The tenant also has two 10-year extension options. This tenant, a preschool, anchors the center it is located in and accounts for over half of the total GLA.
4	Presidential Towers 555 W. Madison Chicago, IL	Urban Mixed Use	--	--	1985	--	Walmart	10/11	28,000	20	\$18.50	Yes; unknown amount	Triple Net	A four-building apartment complex with 1st and 2nd floor retail located in the west loop. Effective NNN rent reported. Actual rent is \$23.50/SF modified gross (CAM of \$5/SF is built into MG rent). Effective gross rent is \$30/SF when adding Tax of \$6.25 and Ins of \$0.25. No TI's.
5	Kingsbury Center 1415 North Kingsbury Street Chicago, IL	Community Center	53,082	45,027	2012	--	Petsmart	9/11	18,210	10	\$34.00	\$36/SF in Yr. 6	Triple Net	Space was delivered in turnkey condition. Anchors at this center include Petsmart and BuyBuyBaby.
6	Free Standing Retail 225 W Chicago Avenue Chicago, IL	Free Standing	14,500	--	1994	2011	Walmart Express	8/11	14,500	10	\$18.97	Flat	Triple Net	This property was fully renovated in 2011 for Wal-Mart. The tenant has five 5-year renewal options with 10% rent increases per option period. The property is currently offered for sale with an asking price of \$5 million, indicating a 5.5% cap rate.
7	Lincoln Park Centre 755 West North Avenue Chicago, IL	Urban Street Retail	61,810	--	2004	2013	Mitchell Gold + Bob Williams	6/11	10,112	10	\$32.00	12.5% Mid Term	Triple Net	This is a blended rate for a ground and 2nd floor street retail location at the corner of Halsted and North. The first floor is comprised of 2,453 SF and the 2nd is comprised of 7,659 SF. The lease has three 5-year options to extend with 11% increases. Appraiser estimated stabilized operating expenses and taxes are \$20.84/sf.
STATISTICS														
Low			14,500	35,250	1985	2011		6/11	10,112	5	\$18.25			
High			134,254	105,236	2012	2013		4/14	42,615	20	\$34.03			
Average			59,845	57,032	1999	2012		6/12	26,670	11	\$25.95			

Compiled by Cushman & Wakefield of Illinois, Inc.

MAJORS RENT COMPARABLES LOCATION MAP



DISCUSSION OF COMPARABLE RENTS – MAJORS

For the purposes of this assignment, we have further divided the subject's inline spaces into respective categories based on floor height and square footage. We have defined the "Majors" space as the leasable area that is currently occupied by the tenants that lease more than 10,000 square feet of space. There are three major tenants who occupy a total of 16,192 square feet spanning the basement through the third floors, 10,531 square feet spanning the first and second floors and 17,951 square feet on the third floor.

Recent Leasing – Majors

Unit #300: has recently signed a lease that was dated May 29, 2013 for the balance of vacant square feet on the third floor for an initial term of 65 months (5+ years). The agreement calls for 5 months of rent abatement at possession of the space, currently targeted for March 1, 2014, and then a base rental rate of \$26.50 per square foot, gross, for the remainder of the first year. The agreement has 3.0 percent increases every year thereafter. The tenant took the space under stipulation that ownership deliver it to their specified needs while contributing \$527,800 toward the improvements. This equates to an approximate \$5.43 per square foot expense to the tenant amortized over the life of the initial term. When comparing to the market, it would be necessary to add this tenant expense to the base rent, as the tenant likely negotiated a lower rental rate in exchange for a significant capital contribution towards the build-out of their space. Combining the two figures give a rental rate equivalent to \$31.93 per square foot, gross. In order to bring the rental rate to a net basis, we must also subtract out the expected reimbursements of \$7.83 for the initial year of the lease, giving us a net rental rate of \$24.10 per square foot, net.

Unit #01/110/114/300: their most recent lease amendment in March of 2010 extended their term for an additional three years. The negotiated agreement called for an initial base rent of \$19.22 per square foot, net. In addition, they have also been responsible for an overage rent of 6.0 percent of retail sales exceeding \$2,138,940. While slightly dated at this point, the attained base rent for this space category gives us an indicator of the lower end or floor of the rental range and the overage retail sales rent can give us a good indicator of an adjustment to a market rate. The overage rent paid by the current tenant has ranged from \$8.30 per square foot in 2013 to \$3.43 per square foot in 2010. Combining the base rental rate and the retail sales rent provides a range of \$27.52 to \$22.65 per square foot, net. As sales have been trending upward, the higher end of this adjusted range would be most applicable.

Unit #107/208: they have also recently amended their initial lease as of March 16, 2012 with a rent commencement of September 23, 2012. The amendment agreement called for a base rental rate of \$35.40 per square foot, net, for an initial 25 year term and possession of eight 5-year renewal options.

The recent leasing of the subject shows a range of \$24.10 to \$35.40 per square foot, net. Logically, the higher floors should command less rent than spaces located on the first floor. Two of the tenants, however, have leases that span multiple floors which will be addressed in the following *Blended Rental Rates Discussion* section.

Comparable Market Rents – Majors

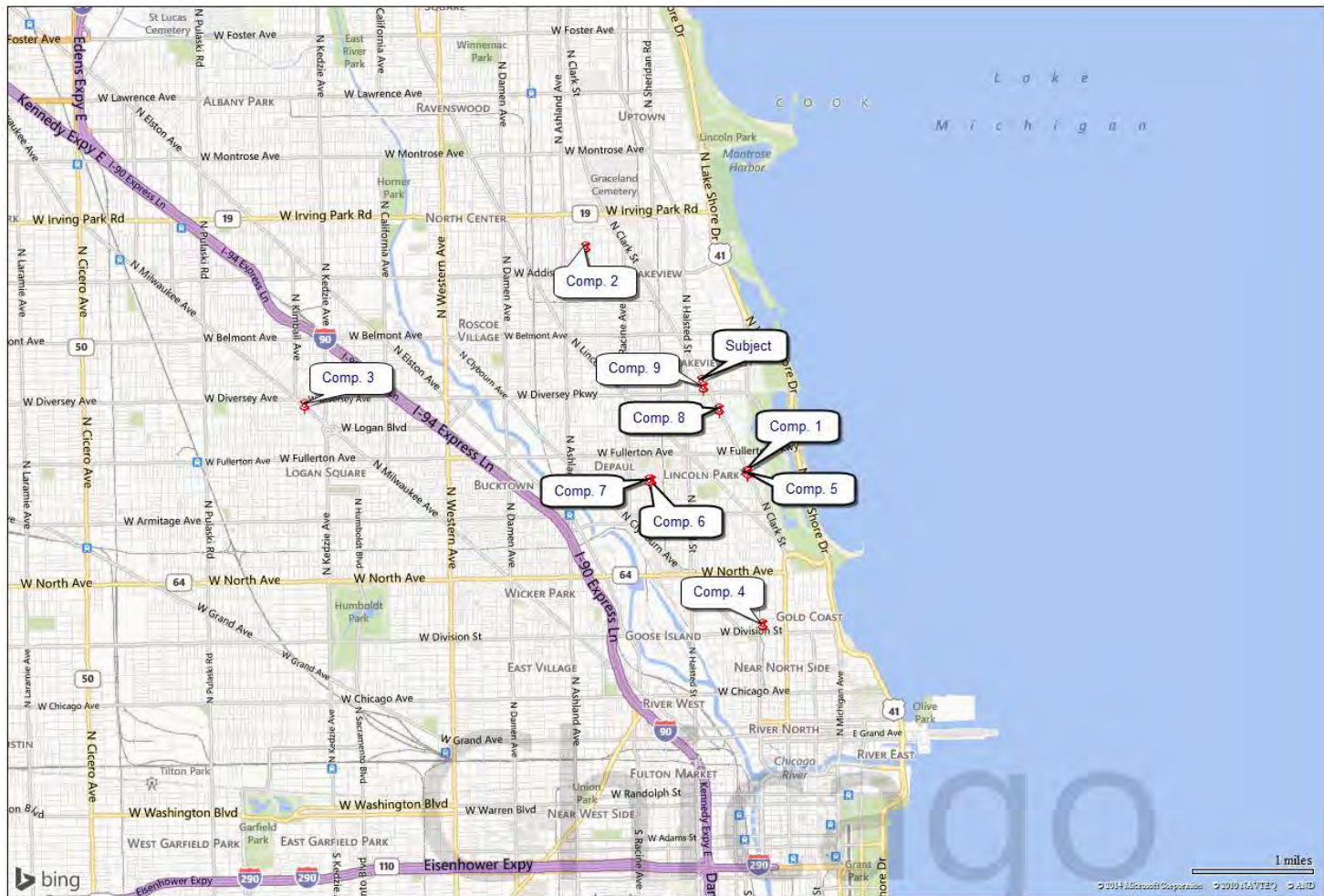
The comparables in this category range in size from 10,112 square feet to 42,615 square feet square feet, have terms ranging from 5 to 20 years, and exhibit a range of rents from \$18.25 to \$34.03 per square foot, with an average of \$25.95 per square foot. We have relied equally on the presented comparable rents.

Market Rate Conclusion – Majors

We have relied primarily on rent comparables, recent leasing, and discussions with local market participants to arrive at a rent conclusion of **\$24.00 per square foot, net**, for this category. Two of the major tenant's leases and lease options run through the end of the valuation analysis, so concluding to a market rental rate was only necessary to compare to their in-place rents.

RETAIL RENT COMPARABLES - INLINE SPACE														
PROPERTY INFORMATION							LEASE INFORMATION							
NO.	Property Name Address, City, State	SUB-TYPE	CENTER GLA	ANCHOR GLA	YEAR BUILT	YEAR RENOVATED	TENANT NAME	LEASE DATE	SIZE (GLA)	TERM (yrs.)	INITIAL RENT/SF	RENT STEPS	LEASE TYPE	COMMENTS
1	Belden Centre 2301 North Clark Street Chicago, IL	Urban Retail	52,806	35,250	1991	2011	Eleven City Diner	4/13	5,222	11	\$14.00	3% per year	Triple Net	This comparable is located on the ground-floor of a two-story commercial portion of an urban mixed-use building in the Lincoln Park neighborhood of Chicago. Leases at this center are typically written on a triple net basis. Reimbursable operating expenses and taxes are \$12.15/sf. The anchor at the center is Little GEMS, a preschool, and accounts for over half of the GLA. The tenant took the space in the as-is condition and has inferior exposure to the street.
2	Ground Floor Retail 3718 North Southport Avenue Chicago, IL	Urban Retail	2,900	--	1998	--	Massage Envy	9/12	2,585	10	\$38.14	12.5% mid-term	Triple Net	This is a ground floor space in a mixed-use retail/residential building.
3	Mixed-Use 2700 North Milwaukee Avenue Chicago, IL	Mixed-Use Residential/ Retail	75,359	860	1932	1970	Penny Lane Studios LLC	8/12	860	3	\$17.33	3% per annum	Triple Net	This is a gross lease at \$22.33. Reimbursements are estimated at \$5.00, resulting in an equivalent net rent of \$17.33.
4	Unnamed Retail 230 W Division Street Chicago, IL	Urban Retail	5,000	--	2005	--	Confidential Retailer	6/12	2,500	--	\$18.00	3% per annum	Triple Net	Ground floor retail above approximately 200 residential units.
5	Belden Centre 2301 North Clark Street Chicago, IL	Urban Retail	52,806	35,250	1991	2011	Belden Cleaners	10/11	795	5	\$18.04	5% - Yr 3 9.5% - Yr 4 9% - Yr 5	Effective Net	This comparable is a negotiated renewal of a gross lease at a rental rate of \$30.19 per square foot. The space is located on the ground-floor of a two-story commercial portion of an urban mixed-use building in the Lincoln Park neighborhood of Chicago. It is also located towards the rear of the property with inferior street exposure. The rental rate has been adjusted downwards to reflect an effective net basis as the leases at this center are typically written on a triple net basis. Reimbursable operating expenses and taxes are \$12.15/sf. The anchor at the center is Little GEMS, a preschool, and accounts for over half of the GLA.
6	Urban Retail 1005 West Webster Chicago, IL	Urban Retail	1,600	--	1907	--	Kevin Hammett (Independent Artist)	10/11	1,600	10	\$29.50	--	Triple Net	Newer construction property.
7	Urban Retail 1001 West Webster Chicago, IL	Urban Retail	2,200	--	2010	--	Shear Greatness	7/11	1,200	5	\$28.00	--	Triple Net	Newer construction. In-line storefront space.
8	Urban Retail 2577 N Clark St Chicago, IL	Urban Retail	8,300	7,537	1928	--	Vapiano	6/11	7,537	10	\$26.00	--	Triple Net	This comparable is a new 10-year NNN lease of a street retail space along the Clark Street retail corridor of Lincoln Park. The space was previously converted from a Blockbuster Video in street retail shops. The tenant, Vapiano, is a sit-down Italian pizza and pasta full service restaurant. The space was taken in the As-Is condition with no tenant improvement allowance.
9	Urban Retail 651 West Diversey Chicago, IL	Urban Retail	6,389	--	--	--	State Farm	3/11	6,389	5	\$22.50	--	Triple Net	State Farm leases this space as their new Café concept.
STATISTICS														
Low			1,600	860	1907	1970		3/11	795	3	\$14.00			
High			75,359	35,250	2010	2011		4/13	7,537	11	\$38.14			
Average			23,040	19,724	1970	1997		1/12	3,188	7	\$23.50			
Compiled by Cushman & Wakefield of Illinois, Inc.														

INLINE RENT COMPARABLES LOCATION MAP



DISCUSSION OF COMPARABLE RENTS – INLINE SPACE

For the purposes of this assignment, we have further divided the subject's inline spaces into respective categories based on floor height and square footage. We have defined the "Inline" spaces as those possessing a total gross leasable area of less than 10,000 square feet located on the first through fourth floors. We have further distinguished between spaces smaller and larger than 2,000 square feet per floor.

Recent Leasing – Inline

2nd Floor

Unit #211: On October 17, 2013, the tenant extended their lease, which was originally signed in 1985, for a period of one additional year ending on January 31, 2015. The tenant has been paying a base rental rate exclusively of 3.0 percent of sales revenue. This has equated to a rental range from \$9.77 per square foot, gross, in 2013 to \$9.83 per square foot, gross in 2010, with a period high of \$11.27 per square foot, gross, in 2011. A perpetual lease renewal, similar to this tenant's, is a good indicator that the rental rate is either at or below market rental rates.

3rd Floor

Unit #305: has recently exercised its first of three 3-year extensions as of January 4, 2013. The agreement took effect in October of 2013 at the same rental rate of the previous agreement equating to \$96,640 per year, which also includes 30 dedicated parking spaces in the parking structure.

Another tenant of the center recently signed a rental agreement for 75 general parking spaces within the subject's parking structure that was consummated on July 20, 2012. The agreement classifies as a ground lease with 26,250 square feet being leased, which equates to 350 square feet per parking space. Utilizing the average annual rental rate of \$146,996 over the life of the three year agreement, we can arrive at a general rental rate of \$5.60 per square foot or \$1,959.95 per parking space.

Since this tenant's agreement calls for a designated area and designated parking spaces, it would be logical that market rates for premium space would be higher than a rental rate for general parking spaces. Applying \$6.00 per square foot to the 30 parking spaces of the lease yields an annual rental rate of \$63,000. Subtracting that figure from the total rental agreement gives a rental rate attributable to the inline space of approximately \$31.56 per square foot.

4th Floor

Unit #415: has recently negotiated an extension option as of October 12, 2012 for a 5-year term. The negotiated rental rate is affected by a clause that allows the landlord to physically reduce the leasable area that is currently occupied by the tenant of 4,089 square feet to 2,045 square feet. The extension option calls for an annual rental rate of \$37,332.60, net, which equates to \$18.26 per square foot, net, when utilizing the potentially smaller footprint.

The recent leasing of the subject shows a wide range of approximately \$9.70 per square foot, gross, to \$31.56 per square foot, net, spread across multiple floors. Logically, the higher floors should command less rent than spaces on the first floor just the same as larger spaces should command less rent than smaller spaces.

Comparable Market Rents – Inline

The comparables in this category range in size from 795 square feet to 7,537 square feet square feet, have terms ranging from 3 to 11 years, and exhibit a range of rents from \$14.00 to \$38.14 per square foot, with an average of \$23.50 per square foot.

Market Rate Conclusion – Inline

We have relied primarily on rent comparables, recent leasing, and discussions with local market participants to arrive at the following rental rate conclusions:

MARKET RENT SYNOPSIS					
TENANT CATEGORY	1st Floor < 1,999 SF	2nd Floor < 1,999 SF	2nd Floor > 2,000 SF	3rd Floor < 1,999 SF	4th Floor > 2,000 SF
Market Rent	\$35.00	\$26.00	\$24.00	\$22.00	\$16.00
Lease Term (years)	3	3	5	3	5
Lease Type (reimbursements)	Net	Net	Net	Net	Net
Contract Rent Increase Projection	2% Per Yr.	2% Per Yr.	2% Per Yr.	2% Per Yr.	2% Per Yr.

Compiled by Cushman & Wakefield of Illinois, Inc.

DISCUSSION OF LOWER LEVEL MARKET RENT LEVEL

For the purposes of this assignment, we have defined the “Basement” space as the leasable area that is currently vacant and demised as a cafeteria-style or market-style eatery located on the lower level of the shopping center. According to the provided lease plan, the subject basement space is comprised of 15,000 square feet and has a direct entrance from Clark Street via escalators.

Asking Rent – Lower Level

According to the ownership, this space has not had very much interest from the market. Ownership's opinion of what the lower level might receive in a market rent resides in the range of \$14.00 to \$25.00 per square foot, gross. As this area is not a prime location and is specifically currently demised for a food service type tenant, occupancy of this leasable area is seen as a “bonus” to ownership when compared to the other areas of the shopping center.

Market Rate Conclusion – Lower Level

We have relied primarily on discussions with local market participants to arrive at a rent conclusion of **\$15.00 per square foot, gross**, for this category.

BLENDING RENTAL RATES DISCUSSION

In further support of our forecast for market rent levels, we undertook a study of the previous market rate conclusions for their respective categories and applied them to a blended rate based on gross leasable area per floor.

The subject features blended rental rates in some of the larger tenants of the shopping center, as the configuration is vertical, which are represented in the following discussion.

Market Rate Support – Blended

When applied to a weighted calculation based on the square footage mix represented on each floor, we were able to conclude to a blended rate for each unique space. Based on the subject's various, the following conclusions are indicated:

BLENDED MARKET RENT ANALYSIS					
Tenant	Floor	GLA	Ratio	Rent	Component
Unit #107/208					
	1st	8,527	81.0%	\$35.00	\$28.34
	2nd	2,004	19.0%	\$24.00	\$4.57
	Blend	10,531	100.0%		\$32.91

As shown above, when the concluded market rates for the first and second floor are applied to this tenant's leased space based on the square foot ratios, a blended rate of \$32.91 per square foot, net, is achieved. As previously discussed, their recent lease rate of \$35.10 per square foot, net, adequately supports the difference between our market rate conclusions.

BLENDED MARKET RENT ANALYSIS					
Tenant	Floor	GLA	Ratio	Rent	Component
Unit #1/110/114/300					
	Basement	6,713	41.0%	\$15.00	\$6.14
	1st	5,431	33.1%	\$35.00	\$11.60
	2nd	2,828	17.3%	\$24.00	\$4.14
	3rd	1,420	8.7%	\$22.00	\$1.91
	Blend	16,392	100.0%		\$23.79

As shown above, when the concluded market rates for the basement through the fourth floor are applied to this tenant's leased space based on the square foot ratios, a blended rate of \$23.79 is achieved. As previously discussed the combined base rental rate and the retail sales rent provides a range from \$27.52 to \$22.65 per square foot, net, which adequately supports the difference between our market rate conclusions.

STORE SALES HEALTH RATIO DISCUSSION

In further support of our forecast for market rent levels, we undertook a comparison of minimum rent-to-sales and total occupancy costs-to-sales ratios.

Generally, our research and experience with regional malls, which features similar sized tenancy to that of the subject, shows that the ratio of minimum rent-to-sales falls within the 8.0 to 10.0 percent range in the initial year of the lease. By adding additional costs to the tenant, such as real estate tax and common area maintenance recoveries, a total occupancy cost may be derived. The typical range for total occupancy cost-to-sales ratios falls between 11.0 and 15.0 percent. As a general rule, where sales exceed \$300 per square foot, 13.0 to 14.0 percent

would be a reasonable cost of occupancy. Experience and research show that most tenants will resist total occupancy costs that exceed this level. Obviously, this comparison will vary from tenant to tenant and property to property.

In higher-end markets where tenants are able to generate sales above industry averages, tenants can generally pay rents that fall toward the upper-end of the ratio range. Moreover, if tenants perceive that their sales will be increasing at real rates that are in excess of inflation, they will typically be more inclined to pay higher initial base rents. Obviously, the opposite would be true for poorer performing centers, in that tenants would be squeezed by the thin margins related to below average sales. With fixed expenses accounting for a significant portion of the tenants' contractual obligation, there would be little room left for base rent.

In this context, we provided an occupancy cost analysis for a number of regional malls with which we had direct insight over the past several years. This information is provided on the following chart. On average, these ratio comparisons provide a realistic check against projected market rental rate assumptions.

MALL SHOP OCCUPANCY COST ANALYSIS / COMPARISON								
Classification	Center GLA	Mall Shop GLA	Avg Rent	Expense Recovery	Avg Sales	Rent/Sales	Total Cost	
Centers with Sales Over \$500/SF	1,198,717	387,375	\$ 61.38	\$ 40.64	\$ 659.75	9.23%	15.44%	
Centers with Sales of \$400-\$499/SF	1,377,409	451,856	\$ 42.04	\$ 28.00	\$ 426.31	9.86%	16.46%	
Centers with Sales of \$300-\$399/SF	977,441	300,916	\$ 31.01	\$ 20.37	\$ 355.37	8.74%	13.49%	
Centers with Sales of \$200-\$299/SF	695,401	207,506	\$ 21.04	\$ 11.80	\$ 255.80	8.21%	11.20%	
Centers with Sales Below \$200/SF	541,578	201,175	\$ 12.63	\$ 2.77	\$ 147.34	8.49%	8.49%	
Overall Survey Low:	232,392	83,118	\$ 8.32	\$ 2.40	\$ 115.31	3.89%	7.71%	
Overall Survey High:	2,280,082	873,527	\$ 130.87	\$ 76.31	\$ 1,153.89	14.13%	23.18%	
Overall Survey Median:	884,177	284,575	\$ 26.96	\$ 18.25	\$ 342.28	8.35%	13.85%	
Overall Survey Average:	927,845	290,851	\$ 31.29	\$ 20.20	\$ 352.14	8.73%	14.05%	

From this analysis we see that the ratio of base rent-to-sales ranges from approximately 3.89 to 14.13 percent, while the total occupancy cost ratios vary from 7.71 to 23.18 percent when all recoverable expenses are included. The surveyed average and industry standards analyzed are 8.35 percent and 13.85 percent, respectively. Some of the higher ratios are found in older properties situated in urban areas that have higher operating structures due to less efficient layout and designs, older physical plants, and higher security costs.

We also looked to the portfolio performance of several publicly traded companies to ascertain further support for rent-to-sales ratios and total occupancy cost ratios. The following chart presents a summary of these findings:

PORTFOLIO OCCUPANCY ANALYSIS - YEAR END 2012							
Company/REIT	No. of Mall Properties	Total Mall GLA (000)	Average Occupancy ¹	Average Rent/SF	Comparable Mall shop Sales/SF	Rent-Sales Ratio	Occupancy Cost Ratio ²
General Growth Properties	144	135,147	96.1%	\$69.12	\$545	12.7%	12.7%
Simon Property Group	160	163,649	95.3%	\$40.73	\$568	7.2%	13.5%
Macerich Company, The	61	56,639	93.8%	\$40.98	\$517	7.9%	12.7%
CBL & Associates	86	71,667	94.6%	\$29.72	\$354	8.4%	12.6%
Pennsylvania REIT	36	27,626	93.9%	\$31.33	\$378	8.3%	12.3%
Taubman Centers	24	11,360	91.8%	\$46.69	\$688	6.8%	12.7%
Glimcher Realty Trust	25	21,125	93.2%	\$28.00	\$435	6.4%	11.0%
Westfield America	47	54,896	94.4%	\$63.56	\$485	13.1%	14.8%
Weighted Average	73	67,764	94.9%	\$47.84	\$508	9.41%	13.05%

*Occupancy Cost Ratio for SPG is estimated

Footnotes

¹ Percent of inline mall shops leased

² Ratio of Rent and reimbursement to sales for in-line mall shop tenants. Does not include overage rent.

Source: Annual 10K filings and various analyst reports.

The REITs outlined above show rent-to-sales ratios averaging 6.4 to 13.1 percent portfolio wide, with an overall average of 9.4 percent. Occupancy cost averages range from 11.0 to 14.8 percent, averaging 13.1 percent overall. In general, while the rental ranges and ratio of base rent-to-sales vary substantially from property to property and tenant to tenant, they do provide general support for the rental ranges and ratios that are considered for the subject property.

The current store sales for the applicable retailers of the subject are summarized as follows:

Cinema:

STORE SALES ANALYSIS			
Tenant	Total	\$/SF	% Change
Unit #432A/500-600			
12/2012-11/2013*	\$3,287,011	\$101.81	-7.5%
4/2012 - 3/2013	\$3,553,196	\$110.06	-3.5%
4/2011 - 3/2012	\$3,683,918	\$114.11	-5.0%
4/2010 - 3/2011	\$3,877,519	\$120.10	

***T-12 sales figures from Nov. 2013**

Since tenant recoveries are forecasted to be near the mid-aspect for a property of the subject's caliber and its location in a dense, urban, high-end area, we believe that the subject's rent-to-sales ratio could support a range of 12.50 to 13.50 percent range. We can test the subject's rent achievement potential relative to forecasted sales levels. This sensitivity is shown on the following table.

RENT TO SALES CALCULATION					
Average Sales/SF		Rent to Sales Ratio		Average Rent	
\$	110.00	x	12.50%	= \$	13.75
\$	110.00	x	12.75%	= \$	14.03
\$	110.00	x	13.00%	= \$	14.30
\$	110.00	x	13.25%	= \$	14.58
\$	110.00	x	13.50%	= \$	14.85

From this rent-to-sales ratio analysis, we would be inclined to look toward an average market rental rate between \$13.75 and \$14.85 per square foot for the subject property. This range of rates is generally supportive of recent activity for the property, and is well bracketed by comparable properties. Again, some sensitivity must also be given to the total occupancy cost. Further, based upon the property's projected sales levels, we believe that total occupancy costs should average around 20.00 percent.

MARKET RENT-SALES RATIOS						
Center Classification	Median Sales per Sq. Foot	Median Rent per Sq. Foot	Median Rent/ Sales Ratio	Number in Sample	Median GLA	Occupancy Costs Total Charges as a % of Sales
Super Regional Mall						
Cinema	\$100.80	\$17.45	17.31%	30	50,000	20.23%
Regional Mall						
Cinema	\$78.47	\$11.02	14.04%	10	26,340	20.02%
Source: ICSC/ULI Dollars & Cents of Shopping Centers 2008					Average	8.44%

The following table illustrates the subject total occupancy cost.

OCCUPANCY COST ANALYSIS	
Tenant Cost	Estimated \$/SqFt
Economic Base Rent	
Average Rent	\$14.30
Occupancy Costs	
Common Area Maintenance	\$5.64
Real Estate Taxes	\$2.20
Total Tenant Costs	\$22.14
Projected Average Sales	\$110.00
Rent-to-Sales Ratio	13.00%
Cost of Occupancy Ratio	20.13%

Compiled by Cushman & Wakefield of Illinois, Inc.

After considering all of the above, relative to the subject's position in the market, it appears that an average rental rate of approximately \$13.75 and \$14.85 per square foot, net, is reasonable for the subject property's "Cinema" space given its anticipated sales performance.

Inline Tenant:

STORE SALES ANALYSIS			
Tenant	Total	\$/SF	% Change
Unit #211			
2013*	\$1,440,304	\$325.57	-5.0%
2012	\$1,515,390	\$342.54	-8.8%
2011	\$1,661,636	\$375.60	14.6%
2010	\$1,449,596	\$327.67	

***T-12 sales figures from Sept. 2013**

Since tenant recoveries are forecasted to be near the mid-aspect for a property of the subject's caliber and its location in a dense, urban, high-end area, we believe that the subject's rent-to-sales ratio could support a range of 7.00 to 8.00 percent range. We can test the subject's rent achievement potential relative to forecasted sales levels. This sensitivity is shown on the following table.

RENT TO SALES CALCULATION					
Average Sales/SF		Rent to Sales Ratio		Average Rent	
\$	340.00	x	7.00%	= \$	23.80
\$	340.00	x	7.25%	= \$	24.65
\$	340.00	x	7.50%	= \$	25.50
\$	340.00	x	7.75%	= \$	26.35
\$	340.00	x	8.00%	= \$	27.20

From this rent-to-sales ratio analysis, we would be inclined to look toward an average market rental rate between \$23.80 and \$27.20 per square foot for the subject property. This range of rates is generally supportive of recent activity for the property, and is well bracketed by comparable properties. Again, some sensitivity must also be

given to the total occupancy cost. Further, based upon the property's projected sales levels, we believe that total occupancy costs should average around 9.00 to 11.00 percent.

MARKET RENT-SALES RATIOS						
Center Classification	Median Sales per Sq. Foot	Median Rent per Sq. Foot	Median Rent/ Sales Ratio	Number in Sample	Median GLA	Occupancy Costs Total Charges as a % of Sales
Power/Community Center						
Bath Shop/Linens	\$153.19	\$12.05	7.87%	18	31,278	10.81%
Women's Ready-To-Wear	\$220.81	\$16.51	7.48%	123	4,240	9.63%
Source: ICSC/ULI Dollars & Cents of Shopping Centers 2008					Average	8.44%

The following table illustrates the subject total occupancy cost.

OCCUPANCY COST ANALYSIS	
Tenant Cost	Estimated \$/SqFt
Economic Base Rent	
Average Rent	\$25.50
Occupancy Costs	
Common Area Maintenance	\$5.64
Real Estate Taxes	\$2.20
Total Tenant Costs	\$33.34
Projected Average Sales	\$340.00
Rent-to-Sales Ratio	7.50%
Cost of Occupancy Ratio	9.81%

Compiled by Cushman & Wakefield of Illinois, Inc.

After considering all of the above, relative to the subject's position in the market, it appears that an average rental rate of approximately \$23.80 and \$27.20 per square foot, net, is reasonable for the subject property's "2nd Floor > 2,000 SF" space, given its anticipated sales performance.

MARKET RATE CONCLUSIONS

Based on recent leasing activity at the subject property and our analysis of the comparables, we concluded the following market rents for the subject's leasing categories:

MARKET RENT SYNOPSIS										
TENANT CATEGORY	1st Floor < 1,999 SF	2nd Floor < 1,999 SF	2nd Floor > 2,000 SF	3rd Floor < 1,999 SF	4th Floor < 1,999 SF	4th Floor > 2,000 SF	Lower Level	Major	Cinema	Gym
Market Rent	\$35.00	\$26.00	\$24.00	\$22.00	\$18.00	\$16.00	\$15.00	\$24.00	\$12.00	\$20.50
Lease Term (years)	3	3	5	3	3	5	5	10	10	10
Lease Type (reimbursements)	Net	Net	Net	Net	Net	Net	Gross	Net	Net	Net
Contract Rent Increase Projection	2% Per Yr.	2% Per Yr.	2% Per Yr.	2% Per Yr.	2% Per Yr.	2% Per Yr.	10% Midterm	10% Midterm	10% Midterm	10% Midterm

Compiled by Cushman & Wakefield of Illinois, Inc.

COMPARISON OF CONTRACT RENTS TO MARKET

We previously outlined an attained rent schedule for all current tenants of the subject property. Adjustments were made to the subject leases to account for lease type equivalency, so all of the subject's rents could be analyzed on a like-kind basis. For comparison to the market, we will look at the lease type equivalent rates that were

developed earlier in this report. It should be noted that attained rents are calculated without reference to tenant contributions over expense stops.

The following chart outlines our estimated market rent for each tenant space in the subject property and the attained equivalent rent exclusive of contributions of each lease. Comparing these figures allows us to identify whether the attained rent levels are at, above or below the market. The results of this comparison will have an impact on our selection of the investment rates used in evaluating this property.

MARKET RENT							COMPARISON	
Contract Rent			Market Rent		Comparison			
Tenant Name	Equiv. Rent Per Year	Equiv. Rent/SF	Rent/SF	Annualized	Contract Rent Versus Market Rent			
2nd Floor < 1,999 SF								
Tenant	\$3,648	\$12.16	\$26.00	\$7,800	53.23%	below market		
Tenant	-\$6,874	-\$4.62	\$26.00	\$38,714	117.76%	below market		
	-\$3,226	-\$1.80	\$26.00	\$46,514	106.94%	below market		
2nd Floor > 2,000 SF								
Tenant	\$42,776	\$9.67	\$24.00	\$106,176	59.71%	below market		
	\$42,776	\$9.67	\$24.00	\$106,176	59.71%	below market		
3rd Floor < 1,999 SF								
Tenant	\$96,636	\$90.65	\$22.00	\$23,452	312.06%	above market		
	\$96,636	\$90.65	\$22.00	\$23,452	312.06%	above market		
4th Floor < 1,999 SF								
Tenant	\$40,908	\$41.91	\$18.00	\$17,568	132.86%	above market		
	\$40,908	\$41.91	\$18.00	\$17,568	132.86%	above market		
4th Floor > 2,000 SF								
Tenant	\$37,332	\$9.13	\$16.00	\$65,424	42.94%	below market		
	\$37,332	\$9.13	\$16.00	\$65,424	42.94%	below market		
Major								
Tenant	\$358,788	\$19.99	\$24.00	\$430,824	16.72%	below market		
Tenant	\$319,704	\$19.74	\$24.00	\$388,608	17.73%	below market		
Tenant	\$372,804	\$35.40	\$24.00	\$252,744	47.50%	above market		
	\$692,508	\$25.91	\$24.00	\$641,352	7.98%	above market		
Cinema								
Tenant	\$246,890	\$7.65	\$12.00	\$387,420	36.27%	below market		
	\$246,890	\$7.65	\$12.00	\$387,420	36.27%	below market		
Gym								
Tenant	\$1,089,072	\$21.45	\$20.50	\$1,040,970	4.62%	above market		
	\$1,089,072	\$21.45	\$20.50	\$1,040,970	4.62%	above market		
GRAND-TOTALS	\$2,601,684	\$18.57	\$19.75	\$2,767,200	5.98%	below market		

Note: Attained rent equals current rent annualized for twelve months, and it excludes contractual rent increases

Compiled by Cushman & Wakefield of Illinois, Inc.

As shown above, the subject property's average contract rent is currently 6.0 percent below market. When a property is acquired with leases that are at or close to market rent levels, the level of risk involved with the

investment is generally low. However, the potential increase to the income stream in this scenario is typically limited, which tends to normalize the investment parameters of participants for these types of properties.

When a property has attained rent levels that are below market, the early returns are generally limited but there is greater potential for the income stream to increase as the below market leases rollover. There is less risk involved with tenants with below market leases, as they have a greater ability to pay the lower rent than they would market level rent. Buyers of properties with below market leases are often entering a lower risk investment with greater upside to their eventual income earning potential, resulting in overall rates that tend to be lower than normal.

Properties that are encumbered by leases with average rents that are significantly above market have increased risk in several key areas. When a property has an average rent that is above market, there is increased risk of default, slow payment or lack of payment by those tenants in that category. Also, at some point, the above market leases will expire, at which time the spaces will be re-leased at market levels. When this occurs, there is a decline in rental revenue for the property, which many times leads to a declining net income stream. When this is the case, investors will require a higher initial return to offset the declining income stream, and to guard against the heightened risk of tenant defaults.

ABSORPTION OF VACANT SPACE

The subject property is presently 82.27 percent occupied, with 30,183 square feet of vacant space in 11 tenant spaces. The following chart summarizes our absorption forecast for this property.

ABSORPTION SCHEDULE

Vacant Space Name			GLA	Date	Tenant Category	Market Rent (1)	Annual
Management Office (Vacant)	422	2,156	Jan-14	4th Floor > 2,000 SF	\$16.00	\$34,496	
Ticket Booth (Vacant)	101	197	Jan-14	1st Floor < 1,999 SF	\$35.00	\$6,895	
Vacant	002	15,000	Jan-17	Lower Level	\$15.00	\$225,000	
Vacant	112	432	Oct-14	1st Floor < 1,999 SF	\$35.00	\$15,120	
Vacant	204	1,002	Jul-15	2nd Floor > 2,000 SF	\$24.00	\$24,048	
Vacant	215	1,342	Oct-14	2nd Floor < 1,999 SF	\$26.00	\$34,892	
Vacant	219	4,702	Jan-16	2nd Floor > 2,000 SF	\$24.00	\$112,848	
Vacant	408	1,400	Jan-17	4th Floor < 1,999 SF	\$18.00	\$25,200	
Vacant	426	1,500	Apr-16	4th Floor < 1,999 SF	\$18.00	\$27,000	
Vacant	428	701	Apr-16	4th Floor < 1,999 SF	\$18.00	\$12,618	
Vacant	432B	1,751	Jan-17	4th Floor < 1,999 SF	\$18.00	\$31,518	
Total		30,183			\$18.21	\$549,635	

(1) Reflects current market rent, which will grow at our forecasted growth rate discussed herein.

ABSORPTION STATISTICS

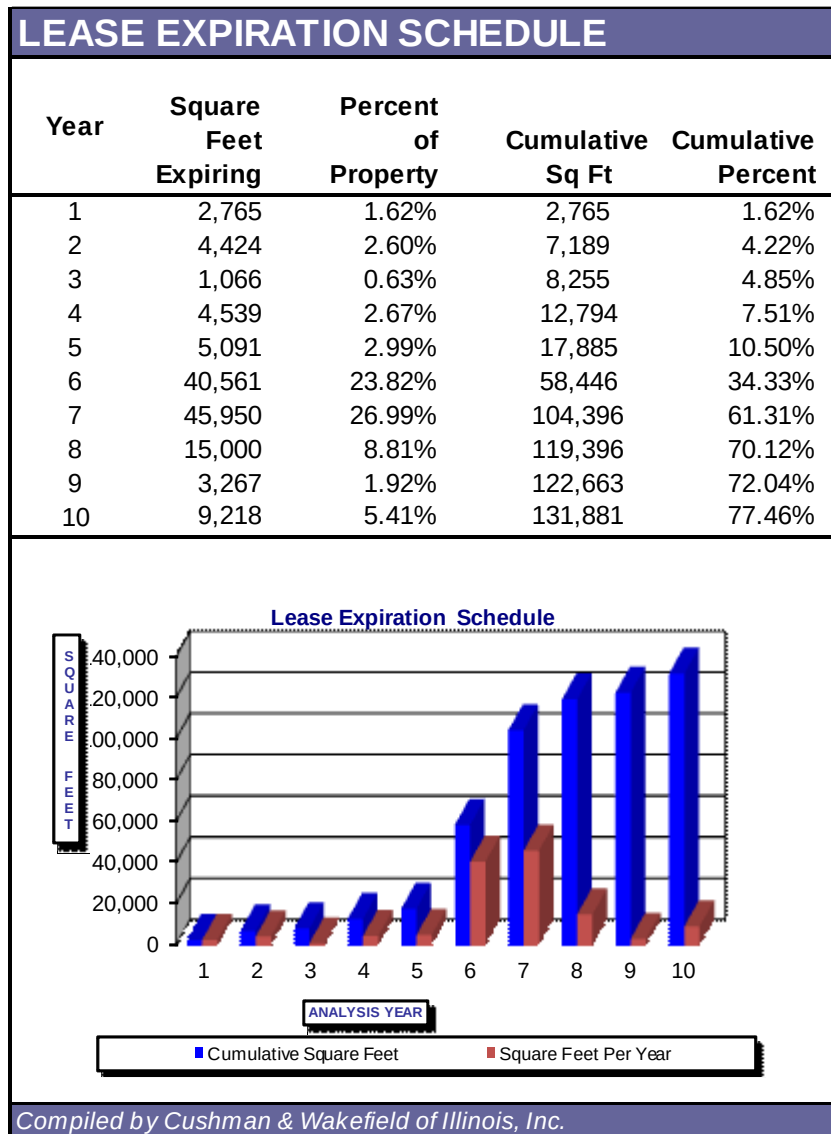
Analysis Start Date	01/01/14
Absorption Commencement	01/01/14
Absorption Completion	01/01/17
Total Absorption Period (Months)	36
Absorption Per Month (SF)	838

Compiled by Cushman & Wakefield of Illinois, Inc.

We forecast an absorption period of 36 months to lease this space. The market rent noted in the chart reflects a current market rent estimate. If the space is forecast to lease beyond year one of the analysis, the market rent listed above will have grown at our market rent growth rate derived in this report.

LEASE EXPIRATIONS

The lease expiration schedule is an important investment consideration. As leases rollover, the landlord will be required to negotiate a renewal lease with the existing tenant, or to secure a new tenant for the space. Below is the projected lease expiration schedule for this property incorporating all projected lease expirations forecast during the analysis period.



The following table provides a synopsis of the lease expiration anticipated at this property during the analysis period.

LEASE EXPIRATION ANALYSIS

Total GLA of Subject Property (SF)	170,265	100.00%
Year of Peak Expiration	7	
SF Expiring in Peak Year	45,950	26.99%
Five Year Cumulative Expirations (SF)	17,885	10.50%
Ten Year Cumulative Expirations (SF)	131,881	77.46%

Compiled by Cushman & Wakefield of Illinois, Inc.

The most desirable scenario from a leasing risk standpoint is to have expirations spread evenly over the holding period. In reality, expirations are typically not evenly dispersed. Depending upon expectations of market performance, excessive leasing exposure can increase risk and impact discount and capitalization rates for a property.

ASSUMPTIONS REGARDING EXISTING LEASES

We modeled all leases in accordance with the lease terms provided by ownership. None of the tenants are currently in default, and we assume that they will fulfill the obligations of their leases. All month-to-month tenants were assumed to vacate or sign a new lease after six months of the cash flow start date. We assumed that tenants with favorable renewal options would exercise those options. In instances when a tenant has a renewal option that is above market, we assumed a rollover to the weighted market parameters. After comparing the options terms of the existing tenants with our projection of market rent we included the following renewal options in our analysis as they are favorable to the tenant and thus likely to be exercised.

Lease Option Summary

Tenant Name	Option Start Date	Option End Date	Option Term Years	Initial Option Rent	Option Rent PSF	Market Rent at Option	Market Rent PSF at Option
Tenant	Jan-20	Dec-24	5.0	\$360,916	\$22.29	\$464,063	\$28.66

Compiled by Cushman & Wakefield of Illinois, Inc.

REVENUE & EXPENSE ANALYSIS

We developed an opinion of the property's annual income and operating expenses after reviewing both its historical performance and the operating performance of similar buildings. We analyzed each item of expense and developed an opinion regarding what an informed investor would consider typical.

A historical operating history for the property, a budget for the current year, and our opinion of future income and expenses are presented on the following chart, followed by an analysis of subject property's revenue and expenses.

REVENUE AND EXPENSE ANALYSIS

	2011 Actual		2012 Actual		2013 Annualized (2)		2014 Budget		C&W Year One ⁽¹⁾		C&W Year Three	
REVENUE	Total	PSF		PSF	Total	PSF	Total	PSF	Total	PSF	Total	PSF
Base Rental Revenue	\$1,824,089	\$10.71	\$1,594,274	\$9.36	\$2,069,485	\$12.15	\$2,651,134	\$15.57	\$2,680,784	\$15.74	\$3,333,730	\$19.58
Retail Sales Rent	466,987	2.74	220,324	1.29	284,740	1.67	270,417	1.59	279,052	1.64	291,120	1.71
Subtotal	\$2,291,075	\$13.46	\$1,814,597	\$10.66	\$2,354,225	\$13.83	\$2,921,551	\$17.16	\$2,959,836	\$17.38	\$3,624,850	\$21.29
Reimbursement Revenue												
Common Area Maintenance	\$426,424	\$2.50	\$306,076	\$1.80	\$392,565	\$2.31	\$353,120	\$2.07	\$365,218	\$2.14	\$470,374	\$2.76
Real Estate Taxes	\$325,221	1.91	\$326,004	1.91	403,725	2.37	391,940	2.30	407,545	2.39	465,619	2.73
Total Reimbursement Revenue	\$751,645	\$4.41	\$632,079	\$3.71	\$796,290	\$4.68	\$745,060	\$4.38	\$772,763	\$4.54	\$935,993	\$5.50
Miscellaneous Revenue												
Parking Income	\$751,884	\$4.42	\$693,745	\$4.07	\$627,424	\$3.68	\$715,856	\$4.20	\$715,856	\$4.20	\$759,452	\$4.46
Miscellaneous Income	28,942	0.17	13,828	0.08	8,435	0.05	8,344	0.05	8,513	0.05	9,032	0.05
Storage Income	8,423	0.05	5,542	0.03	3,927	0.02	3,600	0.02	3,600	0.02	3,819	0.02
Total Miscellaneous Revenue	\$789,250	\$4.64	\$713,114	\$4.19	\$639,785	\$3.76	\$727,800	\$4.27	\$727,969	\$4.28	\$772,303	\$4.54
POTENTIAL GROSS REVENUE	\$3,831,970	\$22.51	\$3,159,791	\$18.56	\$3,790,300	\$22.26	\$4,394,411	\$25.81	\$4,460,568	\$26.20	\$5,333,146	\$31.32
Vacancy and Collection Loss	0	0.00	0	0.00		0.00	0	0.00	(197,809)	(1.16)	(503,223)	(2.96)
EFFECTIVE GROSS REVENUE	\$3,831,970	\$22.51	\$3,159,791	\$18.56	\$3,790,300	\$22.26	\$4,394,411	\$25.81	\$4,262,759	\$25.04	\$4,829,923	\$28.37
OPERATING EXPENSES												
Management Fees	223,164	1.31	212,341	1.25	224,744	1.32	88,888	0.52	127,883	0.75	144,898	0.85
Common Area Maintenance	833,473	4.90	760,041	4.46	794,914	4.67	832,791	4.89	834,299	4.90	885,107	5.20
Non-Reimbursable	10,696	0.06	1,051	0.01	6,023	0.04	55,810	0.33	10,000	0.06	10,609	0.06
Total Operating Expenses	\$1,067,333	\$6.27	\$973,433	\$5.72	\$1,025,682	\$6.02	\$977,489	\$5.74	\$972,182	\$5.71	\$1,040,614	\$6.11
Real Estate Taxes	1,050,734	6.17	729,322	4.28	966,892	5.68	924,962	5.43	840,790	4.94	891,994	5.24
TOTAL EXPENSES	\$2,118,067	\$12.44	\$1,702,755	\$10.00	\$1,992,573	\$11.70	\$1,902,451	\$11.17	\$1,812,972	\$10.65	\$1,932,608	\$11.35
NET OPERATING INCOME	\$1,713,903	\$10.07	\$1,457,035	\$8.56	\$1,797,727	\$10.56	\$2,491,960	\$14.64	\$2,449,787	\$14.39	\$2,897,315	\$17.02

(1) Fiscal Year Beginning: 1/01/2014

Fiscal Year Ending: 12/31/2014

(2) Statement Period: 1/13 to 11/13

No. of months included: 11

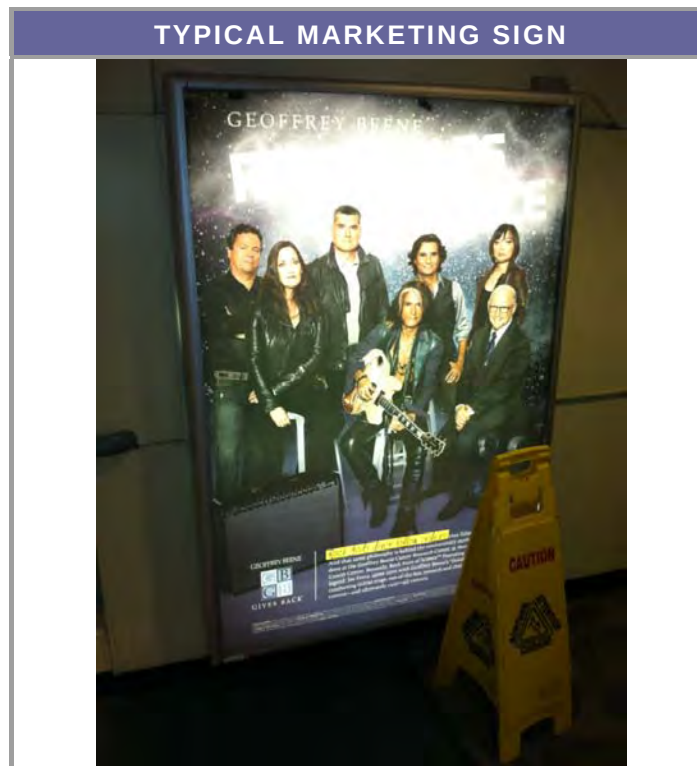
Compiled by Cushman & Wakefield of Illinois, Inc.

BASE RENTAL REVENUE

Base rental revenue is comprised of actual attained rent from existing leases, and potential rent that can be generated by vacant or rollover space.

The base rental revenue also includes a few miscellaneous tenants, namely: The Paramount Management Group, who provides ATM services, The Rejuvenation Center, who provides marketing throughout the center, and We Care Recycling LLC, who provides a clothing donation drop-box in the parking structure.





The projected base rental revenue for year one of our analysis will be an amalgamation of various factors including contractual rents and increases, base rent that will be generated by vacant space as it is absorbed, as well as rent that is lost/generated for leases expiring in the first year, weighted by our rollover assumptions. Over the analysis period base rental revenue has ranged from \$1,594,274 to \$2,069,485 averaging \$1,829,282. The budgeted amount for 2014 was \$2,651,134.

After a thorough analysis of the actual leases and detailed rent rolls, along with our forecast for future leasing, projected base rental revenue for the subject property in year one is at \$2,680,784, which equates to \$15.74 per square foot.

RETAIL SALES REVENUE

Retail sales revenue is comprised of actual attained rent from existing leases, and overage rent generated by certain tenant's agreements stipulating they contribute a percentage of their revenues over a certain amount.

Over the analysis period, retail sales revenue has ranged from \$220,324 to \$466,987 averaging \$324,017. The budgeted amount for 2014 was \$270,417. After a thorough analysis of the actual leases and detailed rent rolls, along with our forecast for future leasing, projected retail sales revenue for the subject property in year one is at \$279,052, which equates to \$1.59 per square foot.

EXPENSE REIMBURSEMENTS

The contractual lease obligations of the tenants specify that certain operating expenses are reimbursed to the landlord. The expense reimbursements that we forecast for the subject property are discussed below:

Common Area Maintenance	Historically this reimbursement has ranged from \$306,076 to \$426,424, averaging \$375,022. The 2014 budgeted amount was \$353,120. Based on our analysis, we estimated this reimbursement for year one at \$365,218, which equates to \$2.15 per square foot.
Real Estate Taxes	Historically this reimbursement has ranged from \$325,221 to \$403,725, averaging \$351,650. The 2014 budgeted amount was \$391,940. Based on our analysis, we estimated this reimbursement for year one at \$407,545, which equates to \$2.39 per square foot.

EXPENSE REIMBURSEMENTS SUMMARY

We analyzed the historical and budgeted reimbursement revenue, and made a projection of the future expense reimbursement revenue based on these figures. We also considered the contractual terms of the existing leases, together with our assumptions related to future leasing.

The majority of the existing tenants are responsible for their pro-rata share of real estate taxes and operating expenses. Over the analysis period reimbursements have ranged from \$632,079 to \$796,290 averaging \$726,672. The budgeted total for 2014 was \$745,060. Based on our analysis, we estimated total reimbursement revenue for year one at \$772,763 which equates to \$4.54 per square foot.

MISCELLANEOUS REVENUE

The miscellaneous revenue sources that we forecast for the subject property are discussed below:

Parking Income	The property contains approximately 408 structured parking spaces. The subject has the following parking rates:
----------------	---

PARKING RATES	
REGULAR RATES:	
(7 days a week)	
1 hour or less	\$10.00
1 to 2 hours	\$12.00
2 to 4 hours	\$15.00
4 to 12 hours	\$20.00
12 to 24 hours	\$25.00
Grace Period (entry to exit)	15 minutes
Grace Period (pay station to exit)	15 minutes
VALIDATION RATES	
LA FITNESS RATES:	
(7 days a week with online validator or barcode sticker)	
4 hours or less	\$5.00
4 hours to 24 hours	Regular Rates
LANDMARK THEATRE RATES:	
(7 days a week with validator or barcode sticker)	
4 hours or less	\$5.00
4 to 12 hours	\$10.00
12 to 24 hours	\$15.00
BARCODE COUPON RATES:	
Temptation; LA Tan; Victoria Secret; American Lazer; Eyebrow	
(Monday through Friday only with barcode sticker)	
2 hours or less	\$2.00
2 hours to 24 hours	Regular Rates
(Saturday and Sunday only with barcode sticker)	
2 hours or less	\$4.00
2 hours to 24 hours	Regular Rates
CVS RATES:	
(7 days a week with barcode sticker)	
1/2 hours or less	\$0.00
1/2 hour to 24 hours	Regular Rates
KAPLAN RATES:	
(Monday through Friday only with barcode sticker)	
2 hours or less	\$2.00
2 to 4 hours	\$5.00
4 hours to 24 hours	Regular Rates
(Saturday and Sunday only with barcode sticker)	
2 hours or less	\$4.00
2 to 4 hours	\$8.00
8 hours to 24 hours	Regular Rates
AVEDA RATES:	
(Monday through Friday only with barcode sticker)	
2 hours or less	\$2.00
2 to 5 hours	\$5.00
5 hours to 24 hours	Regular Rates
(Saturday and Sunday only with barcode sticker)	
2 hours or less	\$4.00
2 to 5 hours	\$5.00
5 hours to 24 hours	Regular Rates

Historically, the parking structure revenue has ranged from \$627,424 to \$751,884, averaging \$691,017. The 2014 budgeted amount was \$715,856. Based on our analysis, we estimated this miscellaneous revenue for year one at \$715,856, which equates to \$4.20 per square foot.

Miscellaneous Income Historically, the miscellaneous revenue has ranged from \$8,435 to \$28,942, averaging \$17,068. The 2014 budgeted amount was \$8,344. Based on our analysis, we estimated this miscellaneous revenue for year one at \$8,513, which equates to \$0.05 per square foot.

Storage Income Historically, the storage revenue has ranged from \$3,927 to \$8,423, averaging \$5,964. The 2014 budgeted amount was \$3,600. Based on our analysis, we estimated this miscellaneous revenue for year one at \$3,600, which equates to \$0.02 per square foot.

As previously discussed in the *Month-To-Month Leases* section, a storage unit consisting of 1,420 square feet is leased to a tenant of the center, which is separated from the bulk of their main leased area. The revenue generated in this category is currently attributable to that space.

MISCELLANEOUS REVENUE SUMMARY

We analyzed the historical and budgeted revenue from miscellaneous sources, and made a projection of the revenue based on these figures. Over the analysis period total miscellaneous revenue has ranged from \$627,424 to \$751,884, averaging \$691,017. The 2014 budgeted amount was \$715,856. Based on our analysis, we estimated total miscellaneous revenue in year one at \$727,969, which equates to \$4.28 per square foot.

VACANCY AND COLLECTION LOSS

Vacancy and collection loss is a function of the interrelationship between absorption, lease expiration, renewal probability, estimated downtime between leases, and a collection loss factor based on the relative stability and credit of the subject's tenant base. Earlier in the report we discussed the vacancy rates for the market in which the subject property is located. We also discussed the subject's occupancy level, which conversely represents its current vacancy level. The following are key statistics that we considered in projecting the appropriate vacancy and collection loss for the subject property.

VACANCY ANALYSIS		
Vacancy Statistics	Rate	Building Class and Market
Current Vacancy at Subject Property	17.7%	(Based on leases in place as of appraisal date)
Regional Vacancy Statistics	11.2%	REIS - Chicagoland Market
Local Vacancy Statistics	5.5%	REIS - North Submarket
Competitive Property Vacancy Statistics	6.9%	Competitive Set

Compiled by Cushman & Wakefield of Illinois, Inc.

Based on the historical occupancy of the subject, the current vacancy in the market, and our perception of future market vacancy, we projected a global stabilized vacancy rate of 15.00 percent. We also deducted a collection loss of 1.00 percent. Total vacancy and collection loss is equal to 16.00 percent.

For credit tenants, discussed below, we modeled the cash flow to allow for an override rate for vacancy and collection loss. The credit tenant override rate for the general vacancy rate is 0.00 percent, and for collection loss is 0.00 percent. In year one, vacancy and collection loss is projected to be \$197,809.

CREDIT TENANT SUMMARY

Due to their investment grade credit rating and low credit risk, the following credit tenants have been excluded from this vacancy and collection loss deduction:

CREDIT TENANT SUMMARY				
Tenant Name	Rating ⁽¹⁾	Outlook	Rating Agency	Size
Investment Grade Tenants				
CVS	BBB+	Stable	S&P	10,531
ANALYSIS				
Number of Investment Grade Credit Tenants				1
Total Credit Tenant GLA				10,531
% of Total Space				6.0%
Compiled by Cushman & Wakefield of Illinois, Inc.		(1) Senior unsecured debt		

The subject property has a total of 1 credit tenants occupying a total of 6 percent of the subject's space. Given this comparison, the investment rates selected will be slightly more conservative than market indicators.

VACANCY DEDUCTION METHOD

We used ARGUS - Version 15 cash flow software for the Vacancy Deduction Method. ARGUS - Version 15 is the industry standard commercial real estate cash flow projection, transaction analysis and asset valuation solution. ARGUS - Version 15 allows specific vacancy deductions, which impact the cash flow in different ways.

We selected the following, below-defined options in our cash flow model:

- ☐ A: Percent Based on Revenue Minus Absorption & Turnover Vacancy
☒ B: Reduce General Vacancy Result by Absorption & Turnover Vacancy

A. If this option is selected, the Cash Flow report line will be reduced by the absorption and turnover vacancy. If this option is not selected, ARGUS will add the absorption and turnover vacancy back into the Cash Flow revenue line before calculating the amount of general vacancy. This results in the general vacancy being calculated on the potential revenue instead of the scheduled revenue.

B. If this option is selected, ARGUS subtracts absorption and turnover vacancy from the general vacancy. The reduced amount of general vacancy will then be subtracted from the cash flow. If absorption and turnover vacancy is greater than the initial general vacancy, there will be no deduction for general vacancy and the initial general vacancy will be treated as a minimum vacancy loss. If this option is not selected, ARGUS subtracts the entire general vacancy from the cash flow without any adjustment for absorption and turnover vacancy. The initial general vacancy amount calculated in the previous section would be reported on the cash flow with no adjustment.

OPERATING EXPENSE ANALYSIS

Cushman & Wakefield, Inc. recognizes the standards defined by the Appraisal Institute as the definitive standards by which operating expense data should be analyzed. All operating statements provided by ownership have been recast to reflect these definitions, which are provided in the Glossary section of this Appraisal Report. In forecasting expenses, we relied on the owner's historical statements and budgets and analyzed expense levels at competing properties. Our expense forecast is presented below, followed by a discussion of each expense line item.

EXPENSE FORECAST ANALYSIS									
Expense Category	Reporting Period ⁽¹⁾			2014 Budget		C&W Forecast		C&W Forecast Stabilized	
	Min	Max	Average	\$ Amount	\$/SF	Year 1	\$/SF	Year Three	\$/SF
Management Fees	\$212,341	\$224,744	\$220,083	\$88,888	\$0.52	\$127,883	\$0.75	\$144,898	\$0.85
Common Area Maintenance	\$760,041	\$833,473	\$796,143	\$832,791	\$4.89	\$834,299	\$4.90	\$885,107	\$5.20
Real Estate Taxes	\$729,322	\$1,050,734	\$915,649	\$924,962	\$5.43	\$840,790	\$4.94	\$891,994	\$5.24
Non-Reimbursable	\$1,051	\$10,696	\$5,924	\$55,810	\$0.33	\$10,000	\$0.06	\$10,609	\$0.06
TOTAL EXPENSES	\$1,702,755	\$2,118,067	\$1,937,799	\$1,902,451	\$11.17	\$1,812,972	\$10.65	\$1,932,608	\$11.35

(1) Reporting Period includes actual historical data only exclusive of budget and/or partial year figures

DISCUSSION OF EXPENSES

We analyzed each expense item in making our forecast, with our conclusions summarized on the previous table. In most cases, our forecast is well supported by the historical or budget information. However, in some cases, further clarification is provided below:

Management Fees	This expense includes the costs paid for professional management services. Management services may be contracted for or provided by the property owner. Management fees for this type of property typically range from 2.00 to 4.00 percent of effective gross income. We utilized a management fee of 3.00 percent of effective gross income, which we consider to be market oriented. Historically, management fees ranged from \$212,341 to \$224,744 and averaged \$220,083. The budgeted amount for 2014 was \$88,888 or \$0.52 per square foot. Based on our analysis, we estimated this expense for year one at \$127,883, which equates to \$0.75 per square foot. For the stabilized year, we estimated this reimbursement at \$144,898, which equates to \$0.85 per square foot.
Common Area Maintenance	This expense includes all costs incurred for the repair, maintenance, and general upkeep of common areas within the subject property. The historical expenses for common area maintenance from 2011 to 2013 ranged from \$760,041 to \$833,473, averaging \$796,143. The 2014 budget was \$832,791 or \$4.89 per square foot. Based on our analysis, we estimated this expense for year one at \$834,299, which equates to \$4.90 per square foot. For the stabilized year, we estimated this reimbursement at \$885,107, which equates to \$5.20 per square foot.
Real Estate Taxes	A complete discussion of taxes for the subject property is included in the Real Property Taxes and Assessments section of this report. The historical real estate taxes from 2011 to 2013 ranged from \$729,322 to \$1,050,734, averaging \$915,649. The budgeted amount for 2014 was \$924,962 or \$5.43 per square foot. Based on our analysis, we estimated this expense for year one at \$840,790, which equates to \$4.94 per square foot. For the stabilized year, we estimated this reimbursement at \$891,994, which equates to \$5.24 per square foot.
Other Non-Reimbursable	Historically this expense has ranged from \$1,051 to \$10,696, averaging \$5,924. The 2014 budget was \$55,810 or \$0.33 per square foot. Based on our analysis, we estimated this expense for year one at \$10,000, which equates to \$0.06 per square foot. For the stabilized year, we estimated this reimbursement at \$10,609, which equates to \$0.06 per square foot.

OPERATING EXPENSE CONCLUSION

We thoroughly analyzed the subject's operating expense history and we used this information to make our projections. We forecast total operating expenses in year one of our analysis for the subject property (excluding real estate taxes) to be \$972,182, equating to \$5.71 per square foot. The following expense comparisons support our opinion of operating expenses for the subject.

OPERATING EXPENSE COMPARABLES

The following table illustrates detailed expense levels at properties considered to be similar to the subject property, based on location and physical attributes.

COMPARABLE EXPENSE ANALYSIS (Excluding Taxes)						
PROPERTY INFORMATION				EXPENSE INFORMATION		
NO.	Property Name Address, City, State	BUILDING SIZE	BUILDING AGE	STATEMENT TYPE	YEAR OF RECORD	TOTAL
1	Chatham Village Square 8500 - 8700 S. Cottage Grove Avenue Chicago, IL	123,136	1990	Budget	2012	\$4.15
2	Chatham Ridge SC 100-160 West 87th Street Chicago, IL	175,991	1989/2005	Budget	2012	\$5.18
3	Point At Clark 3131 N. Clark St. Chicago, IL	95,000	1996	Budget	2010	\$5.48
4	The Heritage Shops at Millennium Park 55 East Randolph Street Chicago, IL	105,409	2005	Budget	2012	\$5.82
5	Lawndale Plaza 3240 West Roosevelt Road Chicago, IL	104,240	1997/2006	Annualized Actual	2011	\$6.71
STATISTICS						
Low		95,000	1990		2010	\$4.15
High		175,991	2005		2012	\$6.71
Average		120,755	1997		2011	\$5.47

Compiled by Cushman & Wakefield of Illinois, Inc.

The expense levels at the comparable properties range from \$4.15 to \$6.71, with an average of \$5.47. Based on our analysis of the expense comparables, we concluded that there is adequate support for our operating expense conclusions.

INCOME AND EXPENSE PRO FORMA

The following chart summarizes our opinion of income and expenses for year three, which is the first stabilized year in this analysis.

SUMMARY OF REVENUE AND EXPENSES			
Stabilized Year For Direct Capitalization:		Year Three	
REVENUE	Annual	\$/SF	% of EGI
Base Rental Revenue	\$3,333,730	\$19.58	
Retail Sales Rent	291,120	1.71	
Subtotal	\$3,624,850	\$21.29	
Reimbursement Revenue			
Common Area Maintenance	\$470,374	\$2.76	
Real Estate Taxes	465,619	2.73	
Total Reimbursement Revenue	\$935,993	\$5.50	
Miscellaneous Revenue			
Parking Income	\$759,452	\$4.46	
Miscellaneous Income	9,032	0.05	
Storage Income	3,819	0.02	
Total Miscellaneous Revenue	\$772,303	\$4.54	
Other Revenue	0	0.00	
POTENTIAL GROSS REVENUE	\$5,333,146	\$31.32	
Vacancy and Collection Loss	(503,223)	(2.96)	
EFFECTIVE GROSS REVENUE	\$4,829,923	\$28.37	100.00%
OPERATING EXPENSES			
Management Fees	144,898	0.85	3.00%
Common Area Maintenance	885,107	5.20	18.33%
Non-Reimbursable	10,609	0.06	0.22%
Total Operating Expenses	\$1,040,614	\$6.11	21.55%
Real Estate Taxes	\$891,994	\$5.24	18.47%
TOTAL EXPENSES	\$1,932,608	\$11.35	40.01%
NET OPERATING INCOME	\$2,897,315	\$17.02	59.99%

Compiled by Cushman & Wakefield of Illinois, Inc.

Investment Considerations

OVERVIEW

Current estimates suggest that U.S. Gross Domestic Product (GDP) grew at an annual rate of 4.1 percent in the third quarter of 2013, up from 2.5 percent in the second quarter of 2013 and up from 2.8 percent at the same time last year. Additionally, payroll employment increased by roughly 203,000 jobs in November of 2013, which was about 3,000 jobs higher than the previous month.

Key drivers of economic growth are improving. Household debt levels are down and household debt service as a percent of income is at a record low. Corporate profits are strong and at record high levels while layoff rates are at a cyclical low. The housing sector has shifted from contraction to expansion and is now contributing to growth by stimulating more construction, and more purchases of durable goods. In addition, households are starting to act on pent up demand, leading to healthy sales in the auto sector in particular. Motor vehicle sales have run at an annual rate of more than 15.0 million units for 12 consecutive months, the longest such streak since 2007/2008. Although the fundamentals are in place, readiness and willingness on the part of businesses and consumers to take risk and increase hiring is missing.

Despite below average economic growth, the commercial real estate market strengthened during 2013, emphasized by an increase in transaction volume and low overall capitalization rates. For the most part, an ongoing price appreciation and low interest rates are fueling the improvement in the commercial real estate market. According to Moody's Commercial Property Price Index, the value for properties in primary markets increased 8.9 percent during the first 11 months of 2013, causing cap rates to fall. As a result, many investors started searching for opportunities in secondary and tertiary markets causing values to appreciate 13.0 percent from the beginning of 2013 through the end of November 2013. The increase in risk became apparent in the second half of the year when the overall capitalization increased 20 basis points to 7.0 percent by the end of November 2013.

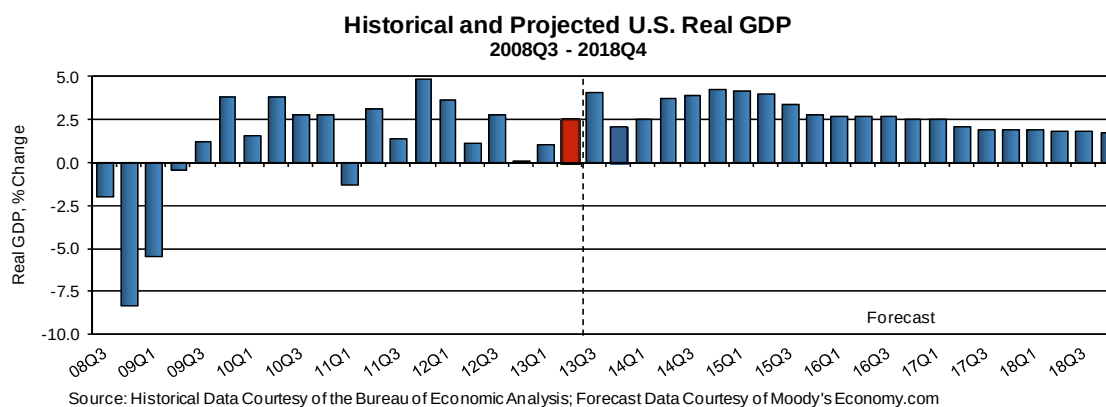
CURRENT ECONOMIC CONDITIONS

Although the private sector appears to be healthy, the ongoing battle in Congress to solve the nation's budget and debt issues kept business and consumer confidence low over the past 12 months. That said, the bipartisan budget deal reached during the final days of 2013 should improve confidence, as it will avert another Government shutdown. The deal will also erase additional spending cuts related to Sequestration that were set to go into effect in 2014 and 2015.

Despite the temporary shutdown of the Federal Government in October, the U.S. Bureau of Economic Analysis (BEA) reported that the Real Gross Domestic Product (GDP) increased at an annual rate of 4.1 percent during the third quarter of 2013. This was about 1.6 percentage points higher than annual of growth rate of 2.5 percent in the previous quarter and well above the annual growth rates of 1.8 percent and 2.2 percent in 2011 and 2012, respectively. According to the BEA, the swift increase in GDP's growth rate primarily reflected a boost of private inventory investment, personal consumption expenditures, and a decline in imports.

Often viewed as a forward-looking indicator to GDP growth, the strong performance of the stock market over the past six months is encouraging. In fact, the stock market reached all-time highs in November 2013, suggesting that investors are optimistic about the future of corporate earnings. Accordingly, Moody's Economy.com projects the national GDP growth rate to remain healthy throughout 2013 and into 2014.

The following graph displays historical and projected U.S. Real GDP percent change (annualized on a quarterly basis) from third quarter 2008 through fourth quarter 2018 (red bar underscores the most recent quarter 13Q3):



Notable concerns regarding current economic conditions are as follows:

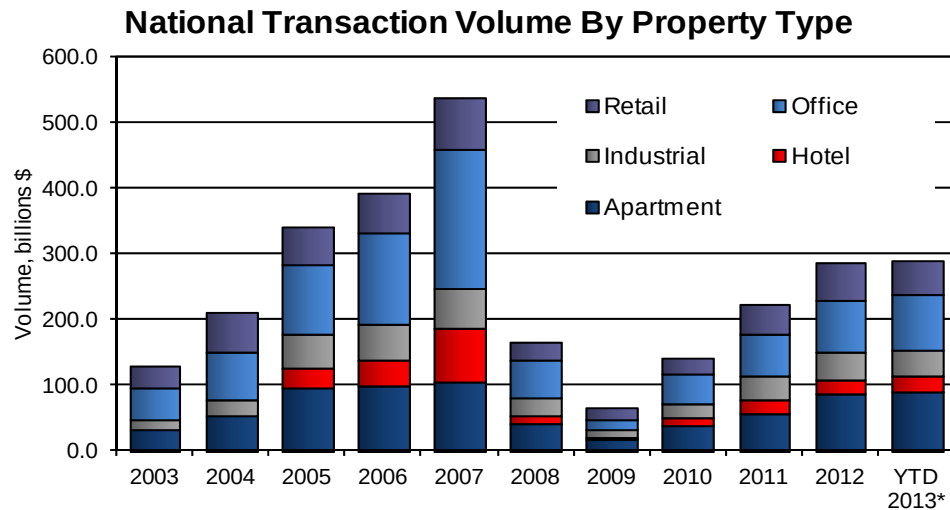
- So far, Sequestration (budgets cuts that went into effect during the first quarter of 2013) has not had the grim impact on the national economy many predicted. However, the reduction of \$85.0 billion in funding for the Department of Defense have caused economic and employment growth to remain slow across the nation. This is evident in areas such as Baltimore and Washington, D.C., which are heavily influenced by the Federal Government. On the positive side, the new budget deal passed at the end of 2013 eases more than \$40.0 billion of defense cuts in 2014 and about \$20.0 billion in 2015.
- In December 2013, the Federal Open Market Committee voted to start “tapering” its bond-buying program known as Quantitative Easing. Beginning in January 2014, the central bank will reduce its monthly bond buying purchases to \$75.0 billion. This will be about \$10.0 billion less than its original level of \$85.0 billion per month.
- November was a positive month for the Commercial Mortgage Backed Security (CMBS) market with more than \$10 billion issued and AAA spreads declining to below 95 basis points. Despite concerns earlier in the year that rising interest rates would influence financing activity, Bloomberg reported \$63.5 billion of offering so far this year and another \$14.5 billion in the works. The ongoing health of the CMBS market is very important to balance sheet lenders as it affects how they underwrite their exit through a refinancing.
- Development in the top five gateway markets of New York, Boston, San Francisco, Los Angeles and Washington D.C. has picked up. In particular, the amount of inventory under construction in these markets increased to 1.5 percent in the third quarter of 2013, which is up from 0.5 percent at the same time last year.
- Home prices increased 13.6 percent year over year in October 2013 (most recent data available) according to the S&P Case Shiller Home Price Index, while housing permits issued in November 2013 were up 7.9 percent from the same time a year ago according to the U.S. Census Bureau.

US REAL ESTATE MARKET IMPLICATIONS

The commercial real estate market really started to pick up in 2012, as transaction volume increased considerably from the previous year. According to Real Capital Analytics, 21,665 properties traded hands in 2012 for a total transaction volume of approximately \$298.7 billion. This was an increase of 29.7 percent from year-end 2011, which was largely due to strong sales in apartment and office properties - these sectors recorded a transaction volume of \$87.8 billion and 81.1 billion, respectively, in 2012. Commercial real estate sales volume remained in 2013, as total sales volume for the first 11 months of the year exceeded total sales volume for all of 2012. The year to date sales volume was a little more than \$302.4 billion by the end of November 2013, 26.0 percent higher than the same time year. Accordingly, transaction volume for 2013 is on pace to end the year well above the previous year's total.

The average overall capitalization rate for properties with a purchase price over \$2.5 million was 7.0 percent during the 11-month period ending in November 2013. This is 10 basis points higher than the previous quarter and 20 basis points higher than year-end. Apartment properties continued to trade hands at the lowest average cap rate of 6.2 percent, unchanged from the previous year.

The following graph compares national transaction volume by property between 2003 and the year to date transaction volume ending in November 2013:



Source: Real Capital Analytics, Inc. Note: Hotel data not avail. until 2005,
*Period ending November 2013

CONCLUSION

Several events such as an uptick in interest rates and slow economic growth posed a threat to the commercial real estate market during the first 11 months of 2013. However, investor activity was persistent and transaction volume has already outpaced the total of 2012. Additionally, cap rates continue to remain relatively stable while interest rates remain low, which is allowing investors to move up the risk spectrum in an effort to achieve higher yields. As a result, cap rates could experience a marginal increase over the next several months. Going forward, external factors such as quantitative easing and the ensuing battle among Congress to increase the nation's borrowing limit could hold back investor activity over the near-term. Even so, competition amongst lenders and a healthy private sector should help keep interest rates relatively low over the next 12 months. This, coupled with a boost in businesses confidence will likely maintain the strong investment activity in the commercial real estate market.

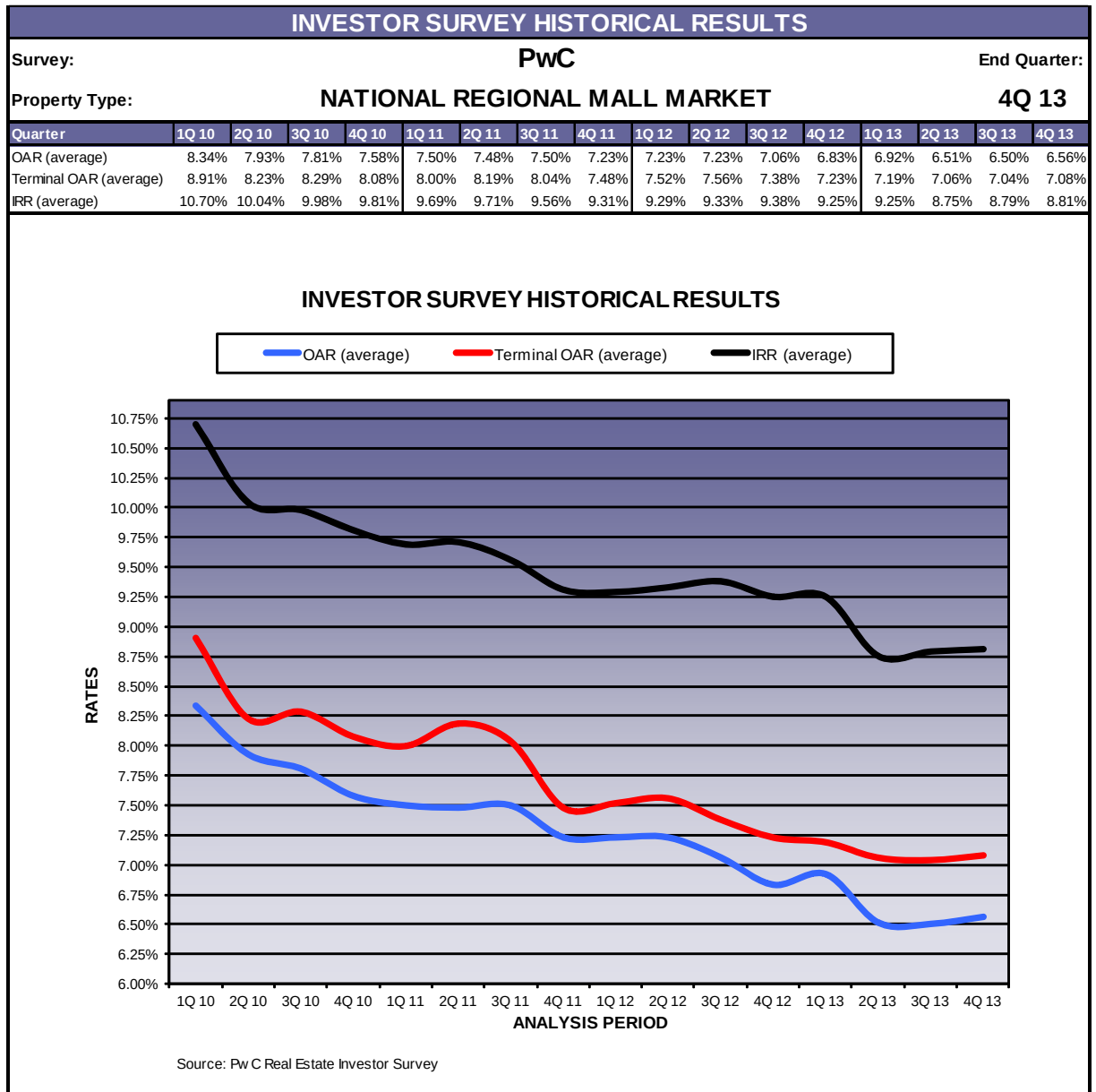
The factors listed below have been key to our valuation of this property and will have an impact on our selection of all investor rates.

INVESTMENT CONSIDERATIONS

Attained Rents Versus Market:	The subject's attained rents (exclusive of expense contributions) are 5.98 percent below market. Given this comparison, the investment rates selected will be slightly more aggressive than market indicators.
NOI Growth:	The subject's NOI is expected to grow 2.42 percent per annum from the first stabilized year of the analysis through the holding period. This rate of growth is considered acceptable.
Lease Expiration Exposure:	Within the first five years of the analysis a total of 10.5 percent of the total net rentable area is scheduled to rollover. Extending to a ten-year period, a total of 77.45 percent of the space is scheduled to expire. The peak expiration occurs in year 7, when a total of 45,950 square feet is scheduled to expire. This is considered a moderate rollover exposure within this market.
Credit Tenants:	The subject property has a total of 1 credit tenants occupying a total of 6 percent of the subject's space. Given this comparison, the investment rates selected will be slightly more conservative than market indicators.
Real Estate Market Trends:	Real estate market trends have a significant bearing on the value of real property. The real estate market in which the subject property is located is currently improving.
Tenant Quality:	The quality of a property's tenant base is an important factor that is scrutinized by investors prior to acquiring real property. The quality of the subject's tenant roster is considered to be good.
Property Rating:	After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is average, when measured against other properties in this marketplace.
Location Rating:	After considering all of the locational aspects of the subject, including regional and local accessibility as well as overall visibility, we have concluded that the location of this property is good.
Overall Investment Appeal:	There are many factors that are considered prior to investing in this type of property. After considering all of these factors, we conclude that this property has average overall investment appeal.

INVESTOR SURVEY TRENDS

Historic trends in real estate investment help us understand the current and future direction of the market. Investors' return requirements are a benchmark by which real estate assets are bought and sold. The following graph shows the historic trends for the subject's asset class spanning a period of four years as reported in the PwC Real Estate Investor Survey published by PricewaterhouseCoopers.



As the chart illustrates, the return requirements cited by investors climbed to more conservative levels from Third Quarter 2008 through Third Quarter 2009. The financial crisis has made investors more cautious and risk-averse resulting in higher return requirements. Investment rates have subsequently stabilized and declined as access to capital has increased and a greater number of quality properties have traded.

CAPITALIZATION RATE ANALYSIS

On the following pages we discuss the process of how we determine an appropriate overall capitalization rate to apply to the subject's forecast net income.

CAPITALIZATION RATE FROM COMPARABLE SALES

The following table summarizes overall capitalization rates derived from the improved property sales.

CAPITALIZATION RATE SUMMARY					
No.	Name and Location	Sales Date	Capitalization Rate	Comparison to Subject	Comments
1	Clybourn Galleria 1845 N. Clybourn Avenue Chicago, IL	8/2013	6.24%	Superior	Better retail corridor and tenancy than the subject.
2	Belden Centre 2301 North Clark Street Chicago, IL	6/2013	8.34%	Similar	Similar location and tenancy.
3	Kingsbury Center 1415 North Kingsbury Street Chicago, IL	5/2013	6.50%	Superior	Better retail corridor and tenancy than the subject.
4	651-671 West Diversey Parkway 651-671 West Diversey Parkway Chicago, IL	5/2011	6.20%	Superior	Similar location but better tenancy than the subject.
5	The Heritage Shops At Millennium Park 55 East Randolph Drive Chicago, IL	4/2011	7.90%	Superior	Superior location, similar tenancy.
6	Joffco Square 560 West Roosevelt Road Chicago, IL	1/2011	7.11%	Superior	Better location and better tenancy than the subject.
7	The Pointe @ Clark Street 3131 North Clark Street Chicago, IL	6/2010	7.73%	Superior	Similar location but better tenancy than the subject.
STATISTICS					
Sample Size	7	7			
Low	6/2010	6.20%			
High	8/2013	8.34%			
Median	5/2011	7.11%			
Average	1/2012	7.15%			

Compiled by Cushman & Wakefield of Illinois, Inc.

Overall, the sales used in this analysis were the best available comparables to the subject property. The capitalization rates of the presented comparables range from a low of 6.20 percent to a high of 8.34 percent. Of these, we believe comparables 2, 5 and 7 are reasoned to be the most similar to the subject in terms of tenancy, location and appeal. These sales indicate a tighter capitalization rate range from 7.73 percent to 8.34 percent.

CAPITALIZATION RATE FROM INVESTOR SURVEYS

We considered data extracted from the PwC Real Estate Investor Survey for competitive properties. Earlier in the report, we presented historical capitalization rates for the prior four-year period. The most recent information from this survey is listed below:

CAPITALIZATION RATES			
Survey	Date	Range	Average
PwC	Fourth Quarter 2013	4.25% - 10.00%	6.56%

PwC - Refers to National Regional Mall Market market regardless of class or occupancy

DERIVATION OF R_0 FROM MORTGAGE-EQUITY ANALYSIS

Most properties are purchased with debt and equity capital; therefore, the overall capitalization rate must satisfy the market return requirements of both investment positions. The lender/mortgagee must anticipate a rate of

return that is appropriate for the investment's perceived risk in order to make the loan; the loan principal is typically repaid through periodic amortization payments. The equity investor/mortgagor must also anticipate a rate of return that is commensurate with the investment's perceived risk or they opt for an alternative investment.

Mortgage-equity analysis is defined by the fifth edition of *The Dictionary of Real Estate Appraisal* as "capitalization and investment analysis procedures that recognize how mortgage terms and equity requirements affect the value of income-producing property." This analysis is also known as the Ellwood Formula, which is defined as a "yield capitalization method that provides a formulaic solution for developing a capitalization rate for various combinations of equity yields and mortgage terms. The formula is applicable only to properties with stable or stabilized income streams and properties with income streams expected to change according to the J- or K-factor pattern." Thus, rates of return for debt and equity are analyzed as well as anticipated changes in both income and value.

The Ellwood formula is as follows:

$$R_o = \frac{Y_E - M(Y_E + P1/S_n - R_M) - \Delta_O 1/S_n}{1 + \Delta_I J}$$

Where:

R_o = overall capitalization rate

Y_E = equity yield rate

M = loan-to-value ratio

P = percentage of loan paid off

$1/S_n$ = sinking fund factor at the equity yield rate

R_M = mortgage capitalization rate or mortgage constant

Δ_O = change in total property value

Δ_I = total ratio change in income

J = J factor

The portion of the formula represented as: $Y_E - M(Y_E + P1/S_n - R_M)$ can be referred to as the basic capitalization rate, which satisfies the lender's requirement and adjustments for amortization; it also satisfies the investor's equity requirement before an adjustment is made for income and value changes. Therefore, the basic rate starts with an investor's yield requirement and adjusts it to reflect the effect of financing. The resulting basic capitalization rate is the building block from which an overall capitalization rate can be developed with additional assumptions.

If level income and no change in value are anticipated, the basic rate will be identical to the overall capitalization rate. The last part of the numerator, $\Delta_O 1/S_n$, allows the appraiser to adjust the basic rate to reflect an expected change in overall property value. If the value change is positive, referred to as property appreciation, the overall capitalization rate is reduced to reflect this anticipated monetary benefit; if the change is negative, referred to as depreciation, the overall capitalization rate is increased.

Finally, the denominator, $1 + \Delta_I J$, accounts for any change in income. The J-factor is always positive. Thus, if the change in income is positive, the denominator will be greater than one and the overall rate will be reduced. If the

change in income is negative, the overall rate will be increased. For level-income applications, $\Delta = 0$, so the denominator is $1 + 0$, or 1.

The mortgage-equity procedure developed by Charles B. Akerson substitutes an arithmetic format for the algebraic equation in the Ellwood formula. This format is applicable to level income situations; when modified with the J or K factors, it can also be applied to changing income situations.

The Akerson formula for a level income situation is:

Loan Ratio x Annual Mortgage Constant	=	Mortgage Component
+ (Equity Ratio x Equity Yield Rate)	+	Equity Component
- (Loan Ratio x % Paid off in Projection Period x $1/S_n$)	-	Credit for Equity Buildup
= Basic Rate	=	Basic Capitalization Rate
+ depreciation or – appreciation x $1/S_n$	±	Appreciation/Depreciation adjustment
= Overall Capitalization Rate	=	R_O

In the following sections, we discuss the various components used in the Akerson formula, which are then followed by a calculation of the overall capitalization rate.

Mortgage Terms

The following mortgage interest rate is based on periodic conversations with representatives of lending institutions providing local mortgage financing. Thus, given the physical and economic characteristics of the subject property, and on the basis of our research, the market terms for conventional loans made on properties similar to the subject are as follows:

MORTGAGE COMPONENT	
TYPICAL LOAN TERMS	
Mortgage Rate	4.50%
Amortization Term (Years)	25
Number of Payments	300
Loan-to-Value Ratio (M)	70.00%
Equity Ratio (E)	30.00%
Mortgage Constant (R_M)	6.67%

Compiled by Cushman & Wakefield of Illinois, Inc.

The preceding data are used in the development of an overall capitalization rate (R_O) for the subject property.

The capitalization rate for debt (indicated in the preceding table) is known as the mortgage constant (R_M); it is the ratio of annual debt service to the principal amount of the mortgage loan. It is calculated as follows:

$$R_M = \frac{\text{Monthly Payment} \times 12}{\text{Amount of Loan}}$$

The monthly payment of a loan is calculated using the following formula:

$$\text{Monthly Payment} = \frac{\text{Interest Rate (i)}}{1 - \text{Present Value Factor}}$$

The Present Value Factor can be obtained from financial tables that show the six functions of a dollar.

Equity Yield Rate (Y_E)

The Appraisal Institute defines equity yield rate as a rate of return on equity capital over the investment period. It is the equity investor's internal rate of return. The equity yield rate that will be employed in this analysis is a reflection of current rates of return sought by equity investors.

Our selected Y_E is as follows:

EQUITY COMPONENT	
Equity Yield Rate (Y_E)	20.50%
<i>Compiled by Cushman & Wakefield of Illinois, Inc.</i>	

Projection Assumptions

Projection assumptions are as follows:

PROJECTION ASSUMPTIONS	
Projection Period (n)	10 Years
Annual Appreciation/Depreciation	3.65% per Year
Total Appreciation/Depreciation	43.17%
<i>Compiled by Cushman & Wakefield of Illinois, Inc.</i>	

The projection period represents a typical holding period for commercial real estate; this projected holding period is also consistent with the typical yield capitalization projections. The annual appreciation/depreciation is projected based on our view of current market conditions as well as future conditions anticipated during the holding period. Both assumptions are considered reasonable for the subject property.

Sinking Fund Factor & Percentage of Loan Paid Off

The Sinking Fund Factor ($1/S_n$) that is employed in this analysis is calculated based on the estimated Equity Yield Rate (Y_E) and the Projection Period using the following formula:

$$1/S_n = Y_E \div ((1 + Y_E)^n - 1)$$

The portion of the loan that is paid off during the projection period is calculated based on the mortgage rate, mortgage amortization term and the length of the projection period; this calculation is as follows:

$$\text{Percentage of Loan Paid Off} = \frac{1/S_n}{1/S_{NP}}$$

Where:

$$1/S_{NP} = \frac{(\text{Mortgage Rate} \div 12)}{((1 + (\text{Mortgage Rate} \div 12))^{n \text{ in months}} - 1)}$$

The sinking fund factor and the percentage of the loan paid off during the projection period, which are calculated based on the foregoing assumptions, are as follows:

SINKING FUND FACTOR & PERCENTAGE PAID OFF	
Sinking Fund Factor ($1/S_n$)	3.76%
Percentage of Loan Paid Off	27.34%
<i>Compiled by Cushman & Wakefield of Illinois, Inc.</i>	

Calculation of Overall Capitalization Rate (R_O)

The calculation of the overall capitalization rate (R_O) using the mortgage-equity technique is as follows:

MORTGAGE-EQUITY PROCEDURE - DEVELOPMENT OF CAPITALIZATION RATE

Loan-to-Value Ratio x Mortgage Constant	=	70.00%	x	6.67%	=	4.67%
Equity Ratio x Equity Yield Rate	=	30.00%	x	20.50%	=	6.15%
Weighted Average						10.82%
Less Credit for Equity Build-up						
Loan-to-Value Ratio x % of Loan Paid off x Sinking Fund Factor	=	70.00%	x	27.34%	x	3.76% = 0.72%
Basic Rate						10.10%
Less Appreciation/Depreciation						
Appreciation/Depreciation x Sinking Fund Factor	=	43.17%	x	3.76%	=	1.62%
Indicated Overall Rate (R_O)						8.48%

Compiled by Cushman & Wakefield of Illinois, Inc.

CAPITALIZATION RATE CONCLUSION

We considered all aspects of the subject property that would influence the overall rate. In light of the assumed lease-up of vacant space, the slightly average above market leases, the location, and economic potential of the subject property, our analysis suggests that a capitalization rate of 8.50 percent represents reasonable investor criteria under current market conditions. Furthermore, discussions with local brokers indicated such a rate to be applicable to the subject. While there is strong demand for urban retail in the Chicago market, the subject's vertical configuration is less desirable among typical investors.

DIRECT CAPITALIZATION METHOD CONCLUSION

In the Direct Capitalization Method, we developed an opinion of market value by dividing year three net operating income by our selected overall capitalization rate. Our conclusion using the Direct Capitalization Method is as follows:

DIRECT CAPITALIZATION METHOD		
Prospective Market Value Upon Stabilization		
NET OPERATING INCOME	\$2,897,315	\$17.02
Sensitivity Analysis (0.25% OAR Spread)	Value	\$/SF GLA
Based on Low-Range of 8.25%	\$35,118,970	\$206.26
Based on Most Probable Range of 8.50%	\$34,086,059	\$200.19
Based on High-Range of 8.75%	\$33,112,171	\$194.47
Preliminary Value	\$34,086,059	\$200.19
Rounded to nearest \$100,000	\$34,100,000	\$200.28
ADJUSTMENTS TO PRELIMINARY VALUE		
LESS FV-PV Spread	(\$1,986,059)	(\$11.66)
Indicated Value	\$32,100,000	\$188.53
Rounded to nearest \$100,000	\$32,100,000	\$188.53

Compiled by Cushman & Wakefield of Illinois, Inc.

To account for the interim cash flows that occur between the present and the future date of property stabilization, we made adjustments to the preliminary value estimate. A detailed calculation of the present value adjustment is presented below:

PRESENT VALUE CALCULATION

Prospective Value (indicated by the Income Approach)	\$34,086,059
Absorption Period (years)	2.00
Discount Rate	9.50%

	Number of Periods	Cash Flow Amount	Discount Factor	Discounted Value
Year 1 Cash Flow	1	\$1,537,659	0.91324	\$1,404,255
Year 2 Cash Flow	2	\$2,716,443	0.83401	\$2,265,543
				\$3,669,798

Market Value As-Is

Present value of estimated Prospective Market Value Upon Stabilization discounted @ 9.5% over a 2-year holding period.	\$28,428,147
Plus: The present value of interim cash flows, including all costs, over the 2-year holding period discounted annually @ 9.5% discount rate.	\$3,669,798
Total	\$32,097,945
Rounded to nearest \$100,000	\$32,100,000

Compiled by Cushman & Wakefield of Illinois, Inc.

YIELD CAPITALIZATION METHOD

In the Yield Capitalization Method, we employed ARGUS - Version 15 software to model the income characteristics of the property and to make a variety of cash flow assumptions. We attempted to reflect the most likely investment assumptions of typical buyers and sellers in this market segment.

GENERAL CASH FLOW ASSUMPTIONS

The start date of the Yield Capitalization analysis is January 01, 2014. We performed this analysis on a fiscal year basis. The analysis incorporates a forecast period of 11 years, and a holding period of 10 years.

The following table outlines the assumptions used in the Yield Capitalization analysis.

DISCOUNTED CASH FLOW MODELING ASSUMPTIONS			
VALUATION SCENARIO:		Market Value As-Is	
GENERAL CASH FLOW ASSUMPTIONS		GROWTH RATES	
Cash Flow Software:	ARGUS - Version 15	Market Rent:	3.00%
Cash Flow Start Date:	1/1/2014	Consumer Price Index (CPI):	3.00%
Calendar or Fiscal Analysis:	Fiscal	Expenses:	3.00%
Investment Holding Period:	10 Years	Tenant Improvements:	3.00%
Analysis Projection Period:	11 Years	Real Estate Taxes:	3.00%
VACANCY & COLLECTION LOSS		RATES OF RETURN	
Global Vacancy:	15.00%	Internal Rate of Return: (Cash Flow)	9.50%
Global Collection Loss:	1.00%	Internal Rate of Return: (Reversion)	9.50%
Total Vacancy & Collection Loss:	16.00%	Terminal Capitalization Rate:	9.00%
Credit Tenant Override Rate (Vacancy):	0.00%	Reversionary Sales Cost:	3.00%
Credit Tenant Override Rate (Collection Loss):	0.00%	Basis Point Spread (OARout vs. OARin)	50 pts
CAPITAL EXPENDITURES		VALUATION	
Reserves for Replacement (\$/SF):	\$0.25	Market Value As-Is	\$31,818,626
Other Deductions (\$)	\$0	LESS Curable Depreciation	\$0
		Adjusted Value	\$31,818,626
		Rounded to nearest \$100,000	\$31,800,000
		Value \$/SF	\$186.77

Compiled by Cushman & Wakefield of Illinois, Inc.

The following information was extracted from the PwC Investor Survey and was used to help determine our growth rate assumptions.

OTHER INVESTOR SURVEY INFORMATION				
Survey	Data	Range	Average	
PwC Fourth Quarter 2013	Rent Change Rate	1.00% - 5.00%	2.83%	
	Expense Change Rate	0.00% - 3.00%	2.17%	

PwC - Refers to National Regional Mall Market market regardless of class or occupancy

LEASING ASSUMPTIONS

The contract lease terms for the existing tenants were used within the Yield Capitalization analysis with market leasing assumptions applied for renewals and absorption tenants. The income and expense information that was previously presented has been used as the basis for our market leasing projections.

The following chart summarizes the leasing assumptions that were used in preparing our Yield Capitalization analysis.

LEASING ASSUMPTIONS										
TENANT CATEGORY	1st Floor < 1,999 SF	2nd Floor < 1,999 SF	2nd Floor > 2,000 SF	3rd Floor < 1,999 SF	4th Floor < 1,999 SF	4th Floor > 2,000 SF	Lower Level	Major	Cinema	Gym
WEIGHTED ITEMS										
Renewal Probability	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Market Rent	\$35.00	\$26.00	\$24.00	\$22.00	\$18.00	\$16.00	\$15.00	\$24.00	\$12.00	\$20.50
Months Vacant	9.00	9.00	9.00	9.00	9.00	9.00	12.00	12.00	12.00	12.00
Tenant Improvements										
New Leases	\$15.00	\$15.00	\$10.00	\$15.00	\$15.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Renewal Leases	\$5.00	\$5.00	\$2.00	\$5.00	\$5.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
First Generation (shell)										
Leasing Commissions (1)										
New Leases	6.00%	6.00%	5.00%	6.00%	6.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Renewal Leases	3.00%	3.00%	2.50%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%
Free Rent										
New Leases	0	0	0	0	0	0	0	0	0	0
Renewal Leases	0	0	0	0	0	0	0	0	0	0
NON-WEIGHTED ITEMS										
Lease Term (years)	3	3	5	3	3	5	5	10	10	10
Lease Type (reimbursements)	Net	Net	Net	Net	Net	Net	Gross	Net	Net	Net
Contract Rent Increase Projection	2% Per Yr.	2% Per Yr.	2% Per Yr.	2% Per Yr.	2% Per Yr.	2% Per Yr.	10% Midterm	10% Midterm	10% Midterm	10% Midterm

Compiled by Cushman & Wakefield of Illinois, Inc.

(1) Leasing Commissions are detailed below

Leasing Commissions

We have modeled leasing commissions in accordance with local market standards. The standard leasing commission for new leases of smaller spaces is 6.0 percent of the scheduled rental income and 5.0 percent of the scheduled rental income for larger spaces. On new leases, the leasing broker is entitled to a full commission. On renewing leases, the leasing broker is entitled to one half of the full commission.

Tenant Improvements

We have modeled tenant improvements in accordance with local market standards. The standard tenant improvement for new leases of a smaller tenant is \$15.00 per square foot, whereas the standard tenant improvement for larger tenants is \$10.00 per square foot. On renewing leases, we have modeled \$5.00 per square foot for smaller tenants and \$2.00 per square foot for larger tenants.

Capital Expenditures

Planned capital expenditures at the subject property include exterior cosmetic work to be done on the façade of the structure and upgraded signage as well as interior cosmetic work including new paint, carpeting, lighting, signage, bathroom updates and interior elevator finishes. According to discussions with ownership, finalized costs associated with the renovation project were not available. Expected costs for the project are in the range of \$2.5 to \$3.0 million with an expected timeline of the project to be completed by September of 2014. Since the costs are purely speculative at this time, we have assumed a \$0.25 per square foot replacement reserve for the subject property. Per discussions with ownership, we have also included an extra \$200,000, in addition to the reserves, which is allocated to repair portions of the garage as well as to update exterior signage.

FINANCIAL ASSUMPTIONS

The financial assumptions used in the Yield Capitalization process are discussed in the following commentary.

Terminal Capitalization Rate Selection

A terminal capitalization rate was used to develop an opinion of the market value of the property at the end of the assumed investment holding period. The rate is applied to the net operating income following year 10 before making deductions for leasing commissions, tenant improvement allowances and reserves for replacement. We developed an opinion of an appropriate terminal capitalization rate based on rates in current investor surveys.

TERMINAL CAPITALIZATION RATES (OAR _{out})			
Survey	Date	Range	Average
PwC	Fourth Quarter 2013	4.75% - 11.00%	7.08%

PwC - Refers to National Regional Mall Market market regardless of class or occupancy

Investors will typically use a slightly more conservative overall rate when exiting an investment versus the rate that would be used going into the investment. This accounts both for the aging associated with the improvements over the course of the holding period, and for any unforeseen risks that might arise over that time period.

As a result, we applied a terminal rate of 9.00 percent in our analysis. This rate is 50 basis points above the overall rate going into the investment, which is considered reasonable.

Reversionary Sales Costs

We estimated the cost of sale at the time of reversion to be 3.00 percent, which is in keeping with local market practice.

Discount Rate Selection

We developed an opinion of future cash flows, including property value at reversion, and discounted that income stream at an internal rate of return (IRR) currently required by investors for similar-quality real property. The IRR (also known as yield) is the single rate that discounts all future equity benefits (cash flows and equity reversion) to an opinion of net present value.

The PwC Investor survey indicates the following internal rates of return for competitive properties:

DISCOUNT RATES (IRR)			
Survey	Date	Range	Average
PwC	Fourth Quarter 2013	6.00% - 12.00%	8.81%

PwC - Refers to National Regional Mall Market market regardless of class or occupancy

The above table summarizes the investment parameters of some of the most prominent investors currently acquiring similar investment properties in the United States. We realize that this type of survey reflects target rather than transactional rates. Transactional rates are usually difficult to obtain in the verification process and are actually only target rates of the buyer at the time of sale. The property's performance will ultimately determine the actual yield at the time of sale after a specific holding period.

We previously discussed all factors that would influence our selection of a discount rate for the subject property. Given all of these factors, we discounted our cash flow and reversionary value projections at an internal rate of return of 9.50 percent for the As Is value scenario. The selection of an IRR for the As Is value scenario accounts for the added risk associated with the subject property due to the lease up that is required to reach stabilization. An investor would desire a higher return due to this added risk (as compared to a stabilized center). As indicated later, we have selected a stabilized IRR of 9.00 percent for the Stabilized value scenario; thus, our As Is IRR rate reflects a 50 basis point premium to account for additional entrepreneurial profit required to attract a buyer of the subject property in its As Is condition.

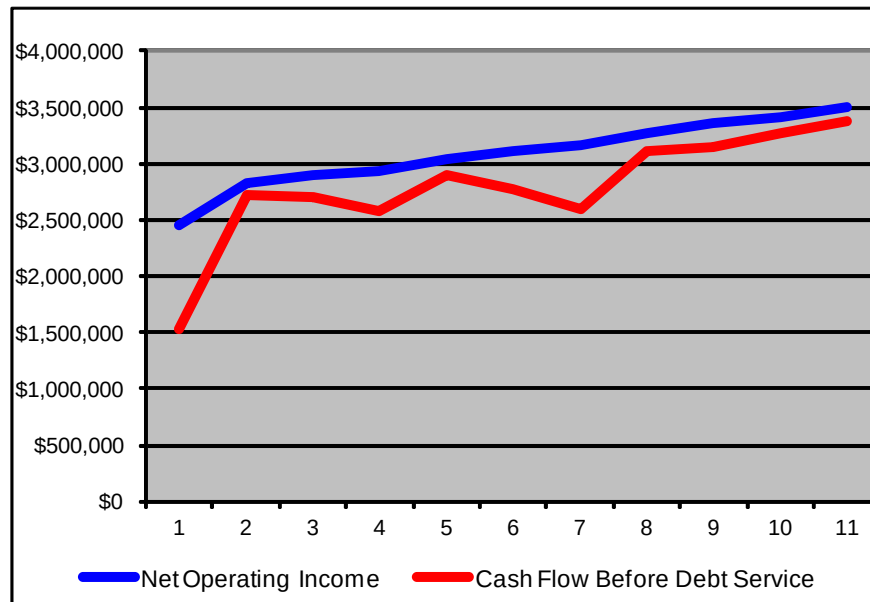
The ARGUS - Version 15 cash flow is presented on the following page. The cash flow commencement date is January 01, 2014.

Yield Capitalization Method Conclusion

Our cash flow projection and valuation matrix are presented at the end of this section.

ANNUAL CASH FLOW REPORT Century Shopping Centre												Annual Growth	Annual Growth
For the Years Beginning For the Years Ending	1 Jan-14 Dec-14	2 Jan-15 Dec-15	3 Jan-16 Dec-16	4 Jan-17 Dec-17	5 Jan-18 Dec-18	6 Jan-19 Dec-19	7 Jan-20 Dec-20	8 Jan-21 Dec-21	9 Jan-22 Dec-22	10 Jan-23 Dec-23	11 Jan-24 Dec-24	Year 1 - Year 10	Year 3 - Year 10
Base Rental Revenue	\$3,192,545	\$3,624,324	\$3,649,333	\$3,672,673	\$3,793,165	\$3,851,574	\$3,804,294	\$3,824,728	\$3,903,593	\$3,984,800	\$4,075,461	2.47%	1.39%
Absorption & Turnover Vacancy	(511,761)	(486,935)	(315,603)	(31,169)	(25,176)	(177,963)	(215,072)	(64,375)	(107,555)	(55,336)	(38,333)	-22.83%	-23.17%
Scheduled Base Rental Revenue	\$2,680,784	\$3,137,389	\$3,333,730	\$3,641,504	\$3,767,989	\$3,673,611	\$3,589,222	\$3,760,353	\$3,796,038	\$3,929,464	\$4,037,128	4.18%	2.42%
Retail Sales Revenue	\$279,052	\$265,416	\$291,120	\$321,704	\$353,204	\$385,650	\$232,983	\$179,933	\$189,181	\$198,706	\$208,518	-2.87%	-4.09%
Total Sales Revenue	\$279,052	\$265,416	\$291,120	\$321,704	\$353,204	\$385,650	\$232,983	\$179,933	\$189,181	\$198,706	\$208,518	-2.87%	-4.09%
Common Area Maintenance	365,218	413,124	470,374	494,137	500,538	528,690	733,306	888,164	925,633	940,338	977,575	10.35%	9.58%
Real Estate Taxes	407,545	434,198	465,619	485,086	492,956	512,811	601,901	671,835	696,215	712,003	736,889	6.10%	5.91%
Total Reimbursement Revenue	\$772,763	\$847,322	\$935,993	\$979,223	\$993,494	\$1,041,501	\$1,335,207	\$1,559,999	\$1,621,848	\$1,652,341	\$1,714,464	8.29%	7.86%
Parking Income	\$715,856	\$737,332	\$759,452	\$782,235	\$805,702	\$829,873	\$854,770	\$880,413	\$906,825	\$934,030	\$962,051	3.00%	3.00%
Micellaneous Income	8,513	8,769	9,032	9,303	9,582	9,869	10,165	10,470	10,784	11,108	11,441	3.00%	3.00%
Storage Income	3,600	3,708	3,819	3,934	4,052	4,173	4,299	4,428	4,560	4,697	4,838	3.00%	3.00%
TOTAL GROSS REVENUE	\$4,460,568	\$4,999,936	\$5,333,146	\$5,737,903	\$5,934,023	\$5,944,677	\$6,026,646	\$6,395,596	\$6,529,236	\$6,730,346	\$6,938,440	4.52%	3.34%
General Vacancy	(\$158,259)	(\$259,669)	(\$455,005)	(\$757,529)	(\$790,376)	(\$661,432)	(\$641,493)	(\$824,215)	(\$806,823)	(\$880,305)	(\$924,253)	19.30%	9.26%
Collection Loss	(39,550)	(44,904)	(48,218)	(52,268)	(54,118)	(54,180)	(54,954)	(58,596)	(59,883)	(61,823)	(63,789)	4.90%	3.56%
EFFECTIVE GROSS REVENUE	\$4,262,759	\$4,695,363	\$4,829,923	\$4,928,106	\$5,089,529	\$5,229,065	\$5,330,199	\$5,512,785	\$5,662,530	\$5,788,218	\$5,950,398	3.39%	2.64%
Management Fees	\$127,883	\$140,861	\$144,898	\$147,843	\$152,686	\$156,872	\$159,906	\$165,384	\$169,876	\$173,647	\$178,512	3.39%	2.64%
Common Area Maintenance	834,299	859,327	885,107	911,660	939,010	967,181	996,196	1,026,082	1,056,864	1,088,570	1,121,227	3.00%	3.00%
Real Estate Taxes	840,790	866,014	891,994	918,755	946,316	974,706	1,003,947	1,034,065	1,065,088	1,097,040	1,129,952	3.00%	3.00%
Miscellaneous Non-recoverable	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439	3.00%	3.00%
TOTAL OPERATING EXPENSES	\$1,812,972	\$1,876,502	\$1,932,608	\$1,989,185	\$2,049,267	\$2,110,352	\$2,171,990	\$2,237,830	\$2,304,496	\$2,372,305	\$2,443,130	3.03%	2.97%
NET OPERATING INCOME	\$2,449,787	\$2,818,861	\$2,897,315	\$2,938,921	\$3,040,262	\$3,118,713	\$3,158,209	\$3,274,955	\$3,358,034	\$3,415,913	\$3,507,268	3.65%	2.42%
Replacement Reserves	\$242,566	\$43,843	\$45,159	\$46,513	\$47,909	\$49,346	\$50,826	\$52,351	\$53,922	\$55,539	\$57,205	-13.45%	3.00%
Tenant Improvements	442,730	35,531	109,850	233,407	57,293	111,977	271,813	70,104	105,912	67,492	54,725	-18.87%	-8.34%
Leasing Commissions	226,832	23,044	45,100	80,704	29,999	175,917	239,398	40,223	52,306	26,922	23,767	-20.20%	-7.70%
TOTAL LEASING & CAPITAL COSTS	\$912,128	\$102,418	\$200,109	\$360,624	\$135,201	\$337,240	\$562,037	\$162,678	\$212,140	\$149,953	\$135,697	-17.35%	-4.74%
CASH FLOW BEFORE DEBT SERVICE	\$1,537,659	\$2,716,443	\$2,697,206	\$2,578,297	\$2,905,061	\$2,781,473	\$2,596,172	\$3,112,277	\$3,145,894	\$3,265,960	\$3,371,571	8.17%	2.83%
Implied Overall Rate	7.70%	8.86%	9.11%	9.24%	9.55%	9.80%	9.93%	10.29%	10.55%	10.74%			
Cash on Cash Return	4.83%	8.54%	8.48%	8.10%	9.13%	8.74%	8.16%	9.78%	9.89%	10.26%			

The following graph depicts the forecasted change in both net income and net cash flow over the analysis period.



The results of the Yield Capitalization analysis are presented below:

PRICING MATRIX - Market Value As-Is						
Terminal Cap Rates	Discount Rate (IRR) for Cash Flow					
	9.00%	9.25%	9.50%	9.75%	10.00%	
8.50%	\$ 33,869,728	\$ 33,286,291	\$ 32,715,864	\$ 32,158,116	\$ 31,612,724	
8.75%	\$ 33,386,681	\$ 32,814,185	\$ 32,254,427	\$ 31,707,083	\$ 31,171,837	
9.00%	\$ 32,930,471	\$ 32,368,307	\$ 31,818,626	\$ 31,281,108	\$ 30,755,444	
9.25%	\$ 32,498,921	\$ 31,946,531	\$ 31,406,381	\$ 30,878,158	\$ 30,361,559	
9.50%	\$ 32,090,083	\$ 31,546,954	\$ 31,015,833	\$ 30,496,415	\$ 29,988,405	
IRR Reversion	9.00%	9.25%	9.50%	9.75%	10.00%	
Cost of Sale at Reversion:	3.00%					
Percent Residual:	47.94%					
Rounded to nearest \$100,000	\$31,800,000					\$186.77

Based on the rates selected, the value via the Yield Capitalization analysis is estimated at \$31,800,000, rounded. The reversion contributes 47.94 percent to this value estimate.

ADDITIONAL VALUATION SCENARIOS & ASSUMPTIONS

As the property is not currently operating at stabilized occupancy, we also prepared the prospective value discussed below.

Yield Capitalization Method Conclusion – Prospective Value Upon Stabilization

The following table summarizes the parameters used to determine the prospective value of the subject property upon stabilization. The value conclusion is also presented below:

DISCOUNTED CASH FLOW MODELING ASSUMPTIONS			
VALUATION SCENARIO:		Prospective Market Value Upon Stabilization	
ADDITIONAL ASSUMPTIONS		VALUATION	
Holding Period:	8 Years	Prospective Market Value Upon Stabilization	\$34,732,201
Projection Period:	9 Years	LESS Curable Depreciation	\$0
Start Date:	1/1/2016	Adjusted Value	\$34,732,201
Internal Rate of Return: (Cash Flow)	9.00%	Rounded to nearest \$100,000	\$34,700,000
Internal Rate of Return: (Reversion)	9.00%	Value \$/SF	\$203.80
Terminal Capitalization Rate:	9.00%		
Reversionary Sales Cost:	3.00%		

Compiled by Cushman & Wakefield of Illinois, Inc.

The value matrix correlating to this valuation is presented below:

PRICING MATRIX - Prospective Market Value Upon Stabilization						
Terminal Cap Rates	Discount Rate (IRR) for Cash Flow					
	8.50%	8.75%	9.00%	9.25%	9.50%	
8.50%	\$ 36,908,734	\$ 36,373,395	\$ 35,848,132	\$ 35,332,725	\$ 34,826,960	
8.75%	\$ 36,313,324	\$ 35,788,848	\$ 35,274,225	\$ 34,769,240	\$ 34,273,685	
9.00%	\$ 35,750,993	\$ 35,236,776	\$ 34,732,201	\$ 34,237,060	\$ 33,751,148	
9.25%	\$ 35,219,058	\$ 34,714,545	\$ 34,219,476	\$ 33,733,646	\$ 33,256,856	
9.50%	\$ 34,715,119	\$ 34,219,800	\$ 33,733,737	\$ 33,256,728	\$ 32,788,579	
IRR Reversion	8.50%	8.75%	9.00%	9.25%	9.50%	
Cost of Sale at Reversion:			3.00%			
Percent Residual:			54.62%			
Rounded to nearest \$100,000			\$34,700,000	\$203.80		

RECONCILIATION WITHIN THE INCOME CAPITALIZATION APPROACH

The following is a summary of our concluded values in the Income Capitalization Approach:

INCOME CAPITALIZATION APPROACH CONCLUSION				
Methodology	Market Value		Prospective Market Value	
	As-Is	PSF	Upon Stabilization	PSF
Yield Capitalization	\$31,800,000	\$186.77	\$34,700,000	\$203.80
Direct Capitalization	\$32,100,000	\$188.53	\$34,100,000	\$200.28
Income Approach Conclusion	\$32,000,000	\$187.94	\$34,400,000	\$202.04

Compiled by Cushman & Wakefield of Illinois, Inc.

RECONCILIATION AND FINAL VALUE OPINION

VALUATION METHODOLOGY REVIEW AND RECONCILIATION

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. Typical purchasers do not generally rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not utilized the Cost Approach to develop an opinion of market value.

The approach approaches indicated the following:

FINAL VALUE RECONCILIATION				
Date of Value	Market Value As-Is December 31, 2013	PSF	Prospective Market Value Upon Stabilization January 1, 2016	PSF
Sales Comparison Approach				
Percentage Adjustment Method	\$34,900,000	\$204.97	\$37,500,000	\$220.24
Income Capitalization Approach				
Yield Capitalization	\$31,800,000	\$186.77	\$34,700,000	\$203.80
Direct Capitalization	\$32,100,000	\$188.53	\$34,100,000	\$200.28
Conclusion	\$32,000,000	\$187.94	\$34,400,000	\$202.04
Final Value Conclusion	\$32,000,000	\$187.94	\$34,400,000	\$202.04

Compiled by Cushman & Wakefield of Illinois, Inc.

We gave sole most weight to the Income Capitalization Approach because this mirrors the methodology methodologies used by purchasers of this property type.

Value Conclusions			
Appraisal Premise	Real Property Interest	Date Of Value	Value Conclusion
Market Value As-Is	Leased Fee	12/31/2013	\$32,000,000
Prospective Market Value Upon Stabilization	Leased Fee	1/1/2016	\$34,400,000

Compiled by Cushman & Wakefield of Illinois, Inc.

The implied “going in” capitalization rate is 8.42 percent, upon stabilization. The overall capitalization rates derived from the improved property sales are between 6.20 percent and 8.34 percent, averaging 7.15 percent. The implied going-in cap rate is in line with going-in capitalization rates indicated by the sales and the most recent Investor Surveys.

EXPOSURE TIME AND MARKETING TIME

Based on our review of national investor surveys, discussions with market participants and information gathered during the sales verification process, a reasonable exposure time for the subject property at the value concluded within this report would have been approximately twelve (12) months. This assumes an active and professional marketing plan would have been employed by the current owner.

We believe, based on the assumptions employed in our analysis, as well as our selection of investment parameters for the subject, that our value conclusion represents a price achievable within twelve (12) months.

SENSITIVITY ANALYSIS

At the request of the client, required by the Israeli SEC regulation, we have included a sensitivity analysis with a +/- 1.0 percent change in occupancy and a +/- 1.0 percent change in income from base rent. The following summarizes the sensitivity conclusions. We must note that the sensitivity analysis holds all other assumptions constant.

Sensitivity Analysis	
	Implied Value
+1% Change in Occupancy	\$32,400,000
-1% Change in Occupancy	\$31,200,000
+1% Change in Income from Base Rent	\$31,900,000
-1% Change in Income from Base Rent	\$31,700,000

Complied by Cushman & Wakefield of Illinois, Inc.

ASSUMPTIONS AND LIMITING CONDITIONS

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"C&W" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of C&W who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
- The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor C&W shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of C&W any inaccuracies or errors that it believes are contained in the Report.
- The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
- The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of C&W is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without C&W's prior written consent. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by C&W in writing to use or rely thereon, hereby agrees to indemnify and hold C&W, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).
- Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.
- The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.
- The physical condition of the improvements considered by the Report is based on visual inspection by the Appraiser or other person identified in the Report. C&W assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
- The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. C&W recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.

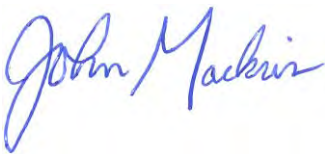
- The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and C&W make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.
- Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. C&W recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.
- Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. C&W recommends that an expert in this field be employed to determine the compliance of the Property with the requirements of the ADA and the impact of these matters on the opinion of value.
- If the Report is submitted to a lender or investor with the prior approval of C&W, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.
- If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and C&W, its employees and the Appraiser have no liability to such recipients. C&W disclaims any and all liability to any party other than the party that retained C&W to prepare the Report.
- Any estimate of insurable value, if included within the agreed upon scope of work and presented within this Report, is based upon figures derived from a national cost estimating service and is developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, C&W strongly recommends that the Intended Users obtain estimates from professionals experienced in establishing insurance coverage for replacing any structure. This analysis should not be relied upon to determine insurance coverage. Furthermore, C&W makes no warranties regarding the accuracy of this estimate.
- Unless otherwise noted, we were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
- Unless otherwise noted, we were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.
- Unless otherwise noted, we were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
- Unless otherwise noted, we observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.
- Unless otherwise noted, we did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.
- By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

- Please be advised that with regard to appraisals of property located within the State of Illinois and covered by this agreement, and solely for purposes of compliance with I Ill. Admin. Code tit. 68, ch. VII(b), pt. 1455, §1455.250, Cushman & Wakefield of Illinois, Inc. (Illinois AMC License No. 558.000147) is to be identified as a client. The Federal *Interagency Appraisal and Evaluation Guidelines* require that a federally-regulated financial institution be identified as the client in any appraisal report.

CERTIFICATION OF APPRAISAL

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 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, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- John Mackris, MAI, MRICS did make a personal inspection of the property that is the subject of this report.
- We have not performed prior services involving the subject property within the three-year period immediately preceding the acceptance of the assignment.
- Hunter T. Dowd provided significant real property appraisal assistance to the persons signing this report.
- As of the date of this report, John Mackris, MAI, MRICS has completed the continuing education program for Designated Members of the Appraisal Institute.



John Mackris, MAI, MRICS
Senior Director
IL Certified General Appraiser
License No. 553.001360, expires 9/30/2015
john.mackris@cushwake.com
847-518-3214 Office Direct

ADDENDA CONTENTS

ADDENDUM A:	GLOSSARY OF TERMS & DEFINITIONS
ADDENDUM B:	CLIENT SATISFACTION SURVEY
ADDENDUM C:	ENGAGEMENT LETTER
ADDENDUM D:	LEGAL DESCRIPTION
ADDENDUM E:	COMPARABLE IMPROVED SALE DATA SHEETS
ADDENDUM F:	QUALIFICATIONS OF THE APPRAISERS

ADDENDUM A: GLOSSARY OF TERMS & DEFINITIONS

The following definitions of pertinent terms are taken from *The Dictionary of Real Estate Appraisal*, Fifth Edition (2010), published by the Appraisal Institute, Chicago, IL, as well as other sources.

AS IS MARKET VALUE

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Proposed Interagency Appraisal and Evaluation Guidelines, OCC-4810-33-P 20%)

BAND OF INVESTMENT

A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment.

CASH EQUIVALENCY

An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash.

DEPRECIATION

1. In appraising, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. 2. In accounting, an allowance made against the loss in value of an asset for a defined purpose and computed using a specified method.

DISPOSITION VALUE

The most probable price that a specified interest in real property is likely to bring under all of the following conditions:

- Consummation of a sale will occur within a limited future marketing period specified by the client.
- The actual market conditions currently prevailing are those to which the appraised property interest is subject.
- The buyer and seller is each acting prudently and knowledgeably.
- The seller is under compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider their best interest.
- An adequate marketing effort will be made in the limited time allowed for the completion of a sale.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- 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.

Note that this definition differs from the definition of market value. The most notable difference relates to the motivation of the seller. In the case of Disposition value, the seller would be acting under compulsion within a limited future marketing period.

ELLWOOD FORMULA

A yield capitalization method that provides a formulaic solution for developing a capitalization rate for various combinations of equity yields and mortgage terms. The formula is applicable only to properties with stable or stabilized income streams and properties with income streams expected to change according to the J- or K-factor pattern. The formula is

$$RO = [YE - M (YE + P \frac{1}{S} n - RM) - \Delta O \frac{1}{S} n] / [1 + \Delta I J]$$

where

RO = Overall Capitalization Rate

YE = Equity Yield Rate

M = Loan-to-Value Ratio

P = Percentage of Loan Paid Off

$\frac{1}{S} n$ = Sinking Fund Factor at the Equity Yield Rate

RM = Mortgage Capitalization Rate

ΔO = Change in Total Property Value

ΔI = Total Ratio Change in Income

J = J Factor

Also called mortgage-equity formula.

EXPOSURE TIME

1. The time a property remains on the market. 2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. See also marketing time.

EXTRAORDINARY ASSUMPTION

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.

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

FEE SIMPLE ESTATE

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

HYPOTHETICAL CONDITIONS

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.

Comment: 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.

INSURABLE VALUE

A type of value for insurance purposes.

INTENDED USE

The use or uses of an appraiser's reported appraisal, appraisal review, or appraisal consulting assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.

INTENDED USER

The client and any other party as identified, by name or type, as users of the appraisal, appraisal review, or appraisal consulting report by the appraiser on the basis of communication with the client at the time of the assignment.

LEASED FEE INTEREST

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).

LEASEHOLD INTEREST

The tenant's possessory interest created by a lease. See also negative leasehold; positive leasehold.

LIQUIDATION VALUE

The most probable price that a specified interest in real property is likely to bring under all of the following conditions:

- Consummation of a sale will occur within a severely limited future marketing period specified by the client.
- The actual market conditions currently prevailing are those to which the appraised property interest is subject.
- The buyer is acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- The buyer is acting in what he or she considers his or her best interest.
- A limited marketing effort and time will be allowed for the completion of a sale.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- 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.

Note that this definition differs from the definition of market value. The most notable difference relates to the motivation of the seller. Under market value, the seller would be acting in his or her own best interests. The seller would be acting prudently and knowledgeably, assuming the price is not affected by undue

stimulus or atypical motivation. In the case of liquidation value, the seller would be acting under extreme compulsion within a severely limited future marketing period.

MARKET RENT

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

MARKET VALUE

As defined in the Agencies' appraisal regulations, the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

MARKETING TIME

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.) See also exposure time.

MORTGAGE-EQUITY ANALYSIS

Capitalization and investment analysis procedures that recognize how mortgage terms and equity requirements affect the value of income-producing property.

OPERATING EXPENSES

Other Taxes, Fees & Permits - Personal property taxes, sales taxes, utility taxes, fees and permit expenses.

Property Insurance – Coverage for loss or damage to the property caused by the perils of fire, lightning, extended coverage perils, vandalism and malicious mischief, and additional perils.

Management Fees - The sum paid for management services. Management services may be contracted for or provided by the property owner. Management expenses may include supervision, on-site offices or apartments for resident managers, telephone service, clerical help, legal or accounting services, printing and postage, and advertising. Management fees may occasionally be included among recoverable operating expenses

Total Administrative Fees – Depending on the nature of the real estate, these usually include professional fees and other general administrative expenses, such as rent of offices and the services needed to operate the property. Administrative expenses can be provided either in the following expense subcategories or in a bulk total. 1) Professional Fees – Fees paid for any professional services contracted for or incurred in property operation; or 2) Other Administrative – Any other general administrative expenses incurred in property operation.

Heating Fuel - The cost of heating fuel purchased from outside producers. The cost of heat is generally a tenant expense in single-tenant, industrial or retail properties, and apartment projects with individual heating units. It is a major expense item shown in operating statements for office buildings and many apartment properties. The fuel consumed may be coal, oil, or public steam. Heating supplies, maintenance, and workers' wages are included in this expense category under certain accounting methods.

Electricity - The cost of electricity purchased from outside producers. Although the cost of electricity for leased space is frequently a tenant expense, and therefore not included in the operating expense statement, the owner may be responsible for lighting public areas and for the power needed to run elevators and other building equipment.

Gas - The cost of gas purchased from outside producers. When used for heating and air conditioning, gas can be a major expense item that is either paid by the tenant or reflected in the rent.

Water & Sewer - The cost of water consumed, including water specially treated for the circulating ice water system, or purchased for drinking purposes. The cost of water is a major consideration for industrial plants that use processes depending on water and for multifamily projects, in which the cost of sewer service usually ties to the amount of water used. It is also an important consideration for laundries, restaurants, taverns, hotels, and similar operations.

Other Utilities - The cost of other utilities purchased from outside producers.

Total Utilities - The cost of utilities net of energy sales to stores and others. Utilities are services rendered by public and private utility companies (e.g., electricity, gas, heating fuel, water/sewer and other utilities providers). Utility expenses can be provided either in expense subcategories or in a bulk total.

Repairs & Maintenance - All expenses incurred for the general repairs and maintenance of the building, including common areas and general upkeep. Repairs and maintenance expenses include elevator, HVAC, electrical and plumbing, structural/roof, and other repairs and maintenance expense items.

¹ "Interagency Appraisal and Evaluation Guidelines." Federal Register 75:237 (December 10, 2010) p. 77472.

Repairs and Maintenance expenses can be provided either in the following expense subcategories or in a bulk total. 1) Elevator - The expense of the contract and any additional expenses for elevator repairs and maintenance. This expense item may also include escalator repairs and maintenance. 2) HVAC - The expense of the contract and any additional expenses for heating, ventilation and air-conditioning systems. 3) Electrical & Plumbing - The expense of all repairs and maintenance associated with the property's electrical and plumbing systems. 4) Structural/Roof - The expense of all repairs and maintenance associated with the property's building structure and roof. 5) Pest Control - The expense of insect and rodent control. 6) Other Repairs & Maintenance - The cost of any other repairs and maintenance items not specifically included in other expense categories.

Common Area Maintenance - The common area is the total area within a property that is not designed for sale or rental, but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. Common Area Maintenance (CAM) expenses can be entered in bulk or through the sub-categories. 1) Utilities - Cost of utilities that are included in CAM charges and passed through to tenants. 2) Repair & Maintenance - Cost of repair and maintenance items that are included in CAM charges and passed through to tenants. 3) Parking Lot Maintenance - Cost of parking lot maintenance items that are included in CAM charges and passed through to tenants. 4) Snow Removal - Cost of snow removal that are included in CAM charges and passed through to tenants. 5) Grounds Maintenance - Cost of ground maintenance items that are included in CAM charges and passed through to tenants. 6) Other CAM expenses are items that are included in CAM charges and passed through to tenants.

Painting & Decorating - This expense category is relevant to residential properties where the landlord is required to prepare a dwelling unit for occupancy in between tenancies.

Cleaning & Janitorial - The expenses for building cleaning and janitorial services, for both daytime and night-time cleaning and janitorial service for tenant spaces, public areas, atriums, elevators, restrooms, windows, etc. Cleaning and Janitorial expenses can be provided either in the following subcategories or entered in a bulk total. 1) Contract Services - The expense of cleaning and janitorial services contracted for with outside service providers. 2) Supplies, Materials & Misc. - The cost any cleaning materials and any other janitorial supplies required for property cleaning and janitorial services and not covered elsewhere. 3) Trash Removal - The expense of property trash and rubbish removal and related services. Sometimes this expense item includes the cost of pest control and/or snow removal. 4) Other Cleaning/Janitorial - Any other cleaning and janitorial related expenses not included in other specific expense categories.

Advertising & Promotion - Expenses related to advertising, promotion, sales, and publicity and all related printing, stationary, artwork, magazine space, broadcasting, and postage related to marketing.

Professional Fees - All professional fees associated with property leasing activities including legal, accounting, data processing, and auditing costs to the extent necessary to satisfy tenant lease requirements and permanent lender requirements.

Total Payroll - The payroll expenses for all employees involved in the ongoing operation of the property, but whose salaries and wages are not included in other expense categories. Payroll expenses can be provided either in the following subcategories or entered in a bulk total. 1) Administrative Payroll - The payroll expenses for all employees involved in on-going property administration. 2) Repair & Maintenance Payroll - The expense of all employees involved in on-going repairs and maintenance of the property. 3) Cleaning Payroll - The expense of all employees involved in providing on-going cleaning and janitorial services to the property. 4) Other Payroll - The expense of any other employees involved in providing services to the property not covered in other specific categories.

Security - Expenses related to the security of the Lessees and the Property. This expense item includes payroll, contract services and other security expenses not covered in other expense categories. This item also includes the expense of maintenance of security systems such as alarms and closed circuit television (CCTV), and ordinary supplies necessary to operate a security program, including batteries, control forms, access cards, and security uniforms.

Roads & Grounds - The cost of maintaining the grounds and parking areas of the property. This expense can vary widely depending on the type of property and its total area. Landscaping improvements can range from none to extensive beds, gardens and trees. In addition, hard-surfaced public parking areas with drains, lights, and marked car spaces are subject to intensive wear and can be costly to maintain.

Other Operating Expenses - Any other expenses incurred in the operation of the property not specifically covered elsewhere.

Real Estate Taxes - The tax levied on real estate (i.e., on the land, appurtenances, improvements, structures and buildings); typically by the state, county and/or municipality in which the property is located.

PROSPECTIVE OPINION OF VALUE

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

PROSPECTIVE VALUE UPON REACHING STABILIZED OCCUPANCY

The value of a property as of a point in time when all improvements have been physically constructed and the property has been leased to its optimum level of long-term occupancy. At such point, all capital outlays for tenant improvements, leasing commissions, marketing costs and other carrying charges are assumed to have been incurred.

SPECIAL, UNUSUAL, OR EXTRAORDINARY ASSUMPTIONS

Before completing the acquisition of a property, a prudent purchaser in the market typically exercises due diligence by making customary enquiries about the property. It is normal for a Valuer to make assumptions as to the most likely outcome of this due diligence process and to rely on actual information regarding such matters as provided by the client. Special, unusual, or extraordinary assumptions may be any additional assumptions relating to matters covered in the due diligence process, or may relate to other issues, such as the identity of the purchaser, the physical state of the property, the presence of environmental pollutants (e.g., ground water contamination), or the ability to redevelop the property.

ADDENDUM B: CLIENT SATISFACTION SURVEY

Survey Link: http://www.surveymonkey.com/s.aspx?sm=_2bZUxc1p1j1DWj6n_2fswH1KQ_3d_3d&c=14-21002-900087-001

C&W File ID: 14-21002-900087-001

Fax Option: (716) 852-0890

1. Given the scope and complexity of the assignment, please rate the development of the appraisal relative to the adequacy and relevance of the data, the appropriateness of the techniques used, and the reasonableness of the analyses, opinions, and conclusions:

- ☐ Excellent
- ☐ Good
- ☐ Average
- ☐ Below Average
- ☐ Poor

Comments: _____

2. Please rate the appraisal report on clarity, attention to detail, and the extent to which it was presentable to your internal/external users without revisions:

- ☐ Excellent
- ☐ Good
- ☐ Average
- ☐ Below Average
- ☐ Poor

Comments: _____

3. The appraiser communicated effectively by listening to your concerns, showed a sense of urgency in responding, and provided convincing support of his/her conclusions:

☐ Not Applicable

☐ Excellent

☐ Good

☐ Average

☐ Below Average

☐ Poor

Comments: _____

4. The report was on time as agreed, or was received within an acceptable time frame if unforeseen factors occurred after the engagement:

☐ Yes

☐ No

5. Please rate your overall satisfaction relative to cost, timing, and quality:

☐ Excellent

☐ Good

☐ Average

☐ Below Average

☐ Poor

Comments: _____

6. Any additional comments or suggestions?

7. Would you like a representative of Cushman & Wakefield's National Quality Control Committee to contact you?

☐ Yes

☐ No

Your Name: _____

Your Telephone Number: _____

Contact Information: Scott Schafer
 Managing Director, National Quality Control
 (716) 852-7500, ext. 121

ADDENDUM D: LEGAL DESCRIPTION

Legal Description

Shopping Center Legal Description

PARCEL 1:

LOTS 1 AND 2 (EXCEPT THAT PART OF THE SOUTH 0.71 FEET AS MEASURED AT RIGHT ANGLES TO THE SOUTH LINE, LYING EAST OF THE WEST 163.0 FEET, AS MEASURED ALONG THE SOUTH LINE OF SAID LOT 2) IN BROMLEY'S SUBDIVISION OF THE EAST PART OF THE SOUTH HALF OF LOT 10 IN BICKERDIKE'S AND STEELE'S SUBDIVISION IN THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 1, 2, 3, 4, 5, 6 AND 7 IN THE SUBDIVISION OF THE NORTH HALF OF LOT 10 IN BICKERDIKE'S AND STEELE'S SUBDIVISION IN THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THE EAST 207 FEET OF THE SOUTH HALF OF LOT 11 IN BICKERDIKE'S AND STEELE'S SUBDIVISION IN THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

LOTS 18 AND 19 IN RAWORTH AND OTHER'S SUBDIVISION OF PART OF LOTS 11, 12, 15 AND 16 IN BICKERDIKE'S AND STEELE'S SUBDIVISION IN THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**ADDENDUM E:
COMPARABLE IMPROVED SALE DATA
SHEETS**

**Clybourn Galleria**

1845 N. Clybourn Avenue
Chicago IL 60614
MSA: Chicago
Cook County

Property Type: Shopping Center
Property Subtype: Neighborhood Center
ID: 259161
APN: N/A

PROPERTY INFORMATION		Anchors	Included in Sale	GLA
Site Area (Acres):	0.74	None		
Site Area (SqFt):	32,234			
L:B Ratio:	1.27:1			
Parking Spaces:	70			
Parking Ratio:	2.77:1,000			
Year Built:	2003			
Last Renovation:	N/A	Total Anchor GLA		N/A
Quality:	Excellent	Inline GLA	X	25,301
Condition:	Excellent	Total GLA		25,301
		Sold GLA		25,301
SALE INFORMATION				
Sale Status:	Recorded Sale	OAR:		6.24%
Transaction Date:	8/2013	NOI:		\$733,200
Sale Price:	\$11,750,000	NOI per SqFt:		\$28.98
Price per SqFt:	\$464.41	Occupancy:		91.00%
Value Interest:	Leased Fee	Expense Ratio:		N/A
Grantor:	Greenstreet R.E. Partners LP	EGIM:		N/A
Grantee:	Newport Capital Partners			
Condition of Sale:	None			

VERIFICATION COMMENTS

Knowledgeable broker involved in sale.

COMMENTS

This is an institutional quality "high-street" retail asset located at the heart of Chicago's prominent Clybourn retail corridor. Over 80 "CA's" were signed for this deal. Parking is located on the roof, and nearly 20% of the GLA was to roll in the first few years, allowing for upside potential. Traffic counts were 14,000 VPD along Clybourn. Population is 57k within one mile, and median household income is \$83k. Tenants at this center include Ann Taylor Loft, Jos A. Bank and Massage Envy. Nearby retailers include Trader Joe's, Whole Foods, Sam's Wines & Liquors, Crate & Barrel Outlet, Gap Kids, and Goose Island. The underwritten IRR was 8.5 percent over a 7 year holding period.

**Belden Centre**

2301 North Clark Street
Chicago IL 60614
MSA: Chicago
Cook County

Property Type: Shopping Center
Property Subtype: Neighborhood Center
ID: 253063
APN: 14-33-106-014-0000 & 14-33-106-015-0000

PROPERTY INFORMATION		Anchors	Included in Sale	GLA
Site Area (Acres):	0.90	Little GEMS	X	35,250
Site Area (SqFt):	39,311			
L:B Ratio:	0.74:1			
Parking Spaces:	76			
Parking Ratio:	1.44:1,000			
Year Built:	1991			
Last Renovation:	2011	Total Anchor GLA		35,250
Quality:	Good	Inline GLA	X	10,558
Condition:	Good	Office GLA:	X	6,998
		Total GLA		52,806
		Sold GLA		52,806
SALE INFORMATION				
Sale Status:	Recorded Sale	OAR:		8.34%
Transaction Date:	6/2013	NOI:		\$1,485,362
Sale Price:	\$17,800,000	NOI per SqFt:		\$28.13
Price per SqFt:	\$337.08	Occupancy:		100.00%
Value Interest:	Leased Fee	Expense Ratio:		N/A
Grantor:	VTH 3 LLC	EGIM:		N/A
Grantee:	Newport Capital Partners Fund I, L.P.			
Condition of Sale:	None			

VERIFICATION COMMENTS

CBRE Selling Broker

COMMENTS

This comparable is an urban shopping center which is anchored by Little GEMS, a high-end preschool. Little GEMS occupies over half of the GLA, which had a significant affect on the capitalization rate due to the unknown credit worthiness of the tenant. Little GEMS, however, recently signed a 15-year lease in May 2012, with two 10-year extension options. Other tenants at the center include a variety of high end local tenants. The office space was occupied by Prudential. The sale also included an income-producing underground parking garage and a rear surface lot, with a total of 76 parking stalls.

Kingsbury Center

1415 North Kingsbury Street
 Chicago IL 60642
 MSA: Chicago
 Cook County



Property Type: Shopping Center
 Property Subtype: Community Center
 ID: 249603
 APN: 17-05-221-001-0000

PROPERTY INFORMATION		Anchors	Included in Sale	GLA
Site Area (Acres):	2.33	Buy Buy Baby	X	26,500
Site Area (SqFt):	101,430	Petsmart	X	18,527
L:B Ratio:	1.91:1			
Parking Spaces:	84			
Parking Ratio:	1.58:1,000			
Year Built:	2012			
Last Renovation:	N/A	Total Anchor GLA		45,027
Quality:	Good	Inline GLA	X	8,055
Condition:	Good	Total GLA		53,082
		Sold GLA		53,082
SALE INFORMATION				
Sale Status:	Recorded Sale	OAR:		6.50%
Transaction Date:	5/2013	NOI:		\$1,716,000
Sale Price:	\$26,400,000	NOI per SqFt:		\$32.33
Price per SqFt:	\$497.34	Occupancy:		100.00%
Value Interest:	Leased Fee	Expense Ratio:		N/A
Grantor:	Structured Development LLC	EGIM:		N/A
Grantee:	Cole Real Estate Investments			
Condition of Sale:	None			

VERIFICATION COMMENTS

Keely Polczynski of CBRE (listing broker)

COMMENTS

This is a newly constructed shopping center in a prime neighborhood of Chicago. All tenants' leases are at least 10 years, resulting in zero rollover until 2022.

651-671 West Diversey Parkway

651-671 West Diversey Parkway

Chicago IL 60614

MSA: Chicago

Cook County



Property Type: Shopping Center
 Property Subtype: Convenience/Strip Center
 ID: 197647
 APN: N/A

PROPERTY INFORMATION		Anchors	Included in Sale	GLA
Site Area (Acres):	0.32	Trader Joe's	X	14,650
Site Area (SqFt):	14,022	Urban Outfitters	X	14,000
L:B Ratio:	0.32:1	Express	X	9,370
Parking Spaces:	100	State Farm	X	6,389
Parking Ratio:	2.25:1,000			
Year Built:	2011			
Last Renovation:	N/A	Total Anchor GLA		44,409
Quality:	Good	Inline GLA	X	N/A
Condition:	Good			
		Total GLA		44,409
		Sold GLA		44,409

SALE INFORMATION

Sale Status:	Recorded Sale	OAR:	6.20%
Transaction Date:	5/2011	NOI:	\$1,760,800
Sale Price:	\$28,400,000	NOI per SqFt:	\$39.65
Price per SqFt:	\$639.51	Occupancy:	100.00%
Value Interest:	Leased Fee	Expense Ratio:	N/A
Grantor:	M Development LLC	EGIM:	N/A
Grantee:	Acadia Realty Trust		
Condition of Sale:	None		

VERIFICATION COMMENTS

Confidential sources privy to the transaction

COMMENTS

The center was redeveloped by M Development LLC's Mark Hunt. The North Side developer signed a lease in 2009 with gourmet grocer Trader Joe's for a vacant lot on the Diversey site and subsequently landed the two apparel stores to fill vacancies left by home furnishings retailer Pier 1 Imports and a Barnes & Noble bookstore.

The Heritage Shops At Millennium Park

55 East Randolph Drive

Chicago IL 60601

MSA: Chicago

Cook County



Property Type: Shopping Center
 Property Subtype: Fashion/Specialty Center
 ID: 195708
 APN: 17-10-309-015-1192;17-10-309-015-1193;17-10-309-015-1194;17-10-309-015-1196;17-10-309-015-1198;17-10

PROPERTY INFORMATION		Anchors	Included in Sale	GLA
Site Area (Acres):	1.09	LA Fitness	X	49,878
Site Area (SqFt):	47,573	McDonalds	X	8,266
L:B Ratio:	0.45:1			
Parking Spaces:	N/A			
Parking Ratio:	N/A			
Year Built:	2004			
Last Renovation:	N/A	Total Anchor GLA		58,144
Quality:	Excellent	Inline GLA	X	26,761
Condition:	Excellent	Office GLA	X	20,544
		Total GLA		105,449
		Sold GLA		105,449
SALE INFORMATION				
Sale Status:	Recorded Sale	OAR:		7.90%
Transaction Date:	4/2011	NOI:		\$2,496,400
Sale Price:	\$31,600,000	NOI per SqFt:		\$23.67
Price per SqFt:	\$299.67	Occupancy:		95.00%
Value Interest:	Leased Fee	Expense Ratio:		N/A
Grantor:	Heritage at Millennium Park Commercial	EGIM:		N/A
Grantee:	Acadia Heritage Shops LLC			
Condition of Sale:	None			

VERIFICATION COMMENTS

Deed Date: 4-7-2011
 Deed Record: Doc #1109722080

COMMENTS

This is the 4-level retail and office component of a 57-story, 356-unit residential condo tower in the Chicago CBD adjacent to Millennium Park and the Theater District. The property includes 25,253 SF of pedway retail, 26,271 SF of street retail, 33,371 SF of 2nd level health club space and 20,544 SF of 3rd floor office. LA Fitness had 14 years of term remaining and McDonald's had 33 years of term. Retail tenants include Lane Bryant, Ann Taylor Loft, Subway and Fifth Third Bank. Total occupancy was 75%; however, the retail component was 95% leased and the remaining vacancy was 3rd floor office. The buyer did not attribute value to the vacant office space.

**Joffco Square**

560 West Roosevelt Road
Chicago IL 60607
MSA: Chicago
Cook County

Property Type: Shopping Center
Property Subtype: Neighborhood Center
ID: 191320
APN: 04-21-208-025-0000
17-27-113-038-0000

PROPERTY INFORMATION		Anchors	Included in Sale	GLA
Site Area (Acres):	6.02	Bed Bath & Beyond	X	27,482
Site Area (SqFt):	262,361	Best Buy	X	45,001
L:B Ratio:	2.75:1			
Parking Spaces:	340			
Parking Ratio:	3.56:1,000			
Year Built:	2008			
Last Renovation:	N/A	Total Anchor GLA		72,483
Quality:	Good	Inline GLA	X	23,089
Condition:	Good	Total GLA		95,572
		Sold GLA		95,572
SALE INFORMATION				
Sale Status:	Recorded Sale	OAR:		7.11%
Transaction Date:	1/2011	NOI:		\$1,692,180
Sale Price:	\$23,800,000	NOI per SqFt:		\$17.71
Price per SqFt:	\$249.03	Occupancy:		94.00%
Value Interest:	Leased Fee	Expense Ratio:		N/A
Grantor:	River West Plaza - Chicago, LLC	EGIM:		N/A
Grantee:	Inland			
Condition of Sale:	N/A			

VERIFICATION COMMENTS

Selling Broker (CBRE)

COMMENTS

This is a two-level retail development, with three-levels of parking above. The selling broker indicated that this auction sale was at a market price due to the competitive interest realized during the sale process. There was good credit and long term leasing which drove this sale. Access to vacant suite was challenged.

**The Pointe @ Clark Street**

3131 North Clark Street
Chicago IL 60601
MSA: Chicago
Cook County

Property Type: Shopping Center
Property Subtype: Neighborhood Center
ID: 189447
APN: 14-29-205-009-0000. et.al.

PROPERTY INFORMATION		Anchors	Included in Sale	GLA
Site Area (Acres):	1.00	Marshalls	X	30,500
Site Area (SqFt):	43,560	DSW Warehouse	X	24,100
L:B Ratio:	0.46:1			
Parking Spaces:	173			
Parking Ratio:	1.81:1,000			
Year Built:	1996			
Last Renovation:	N/A	Total Anchor GLA		54,600
Quality:	Good	Inline GLA	X	40,855
Condition:	Good	Total GLA		95,455
		Sold GLA		95,455
SALE INFORMATION				
Sale Status:	Recorded Sale	OAR:		7.73%
Transaction Date:	6/2010	NOI:		\$2,227,477
Sale Price:	\$28,816,000	NOI per SqFt:		\$23.34
Price per SqFt:	\$301.88	Occupancy:		100.00%
Value Interest:	Leased Fee	Expense Ratio:		N/A
Grantor:	The Point at Clark Street, LLC	EGIM:		N/A
Grantee:	Inland Pointe at Clark			
Condition of Sale:	N/A			

VERIFICATION COMMENTS

Private sale sources and public records

COMMENTS

The improvements consist of 3-story shopping center with 175 multi-level parking garage. Tenants are DSW Shoe Warehouse and Marshalls.

**ADDENDUM F:
QUALIFICATIONS OF THE APPRAISERS**

**JOHN MACKRIS, MAI, MRICS**

SENIOR DIRECTOR | VALUATION & ADVISORY
PRACTICE GROUP MEMBER | RETAIL

CUSHMAN & WAKEFIELD OF ILLINOIS, INC.

John Mackris is a Senior Director with Cushman & Wakefield of Illinois, Inc., Valuation & Advisory, located in Rosemont, Illinois. Mr. Mackris is a member of the C&W Valuation & Advisory Retail Industry Group.

Mr. Mackris has been active in the appraisal of real estate since 1996 and prior to joining Cushman & Wakefield in 1998, he was an appraiser with Terzo & Bologna, Inc., a Midwest regional appraisal and consulting firm in Detroit, Michigan, from 1996 through 1998.

EXPERIENCE

Appraisal experience includes the valuation of income-producing real estate on a national basis. The types of properties appraised include: land, general and medical office, restaurants, retail shopping centers, regional malls, lifestyle centers, multi-family residential, industrial, residential subdivision developments, and data centers. Additional real estate experience includes the acquisition, renovation, and liquidation of income producing residential properties.

EDUCATION

- Wayne State University (Detroit, MI) – 1998
 - Post-graduate work in Urban Planning
- University of Michigan (Ann Arbor, MI) – Graduated 1996
 - Degree: Bachelor of Arts – Economics

APPRAISAL EDUCATION

Mr. Mackris has completed all courses and experience requirements to qualify for the MAI designation. He has also completed the requirements of the continuing education program of the Appraisal Institute.

MEMBERSHIPS, LICENSES AND PROFESSIONAL AFFILIATIONS

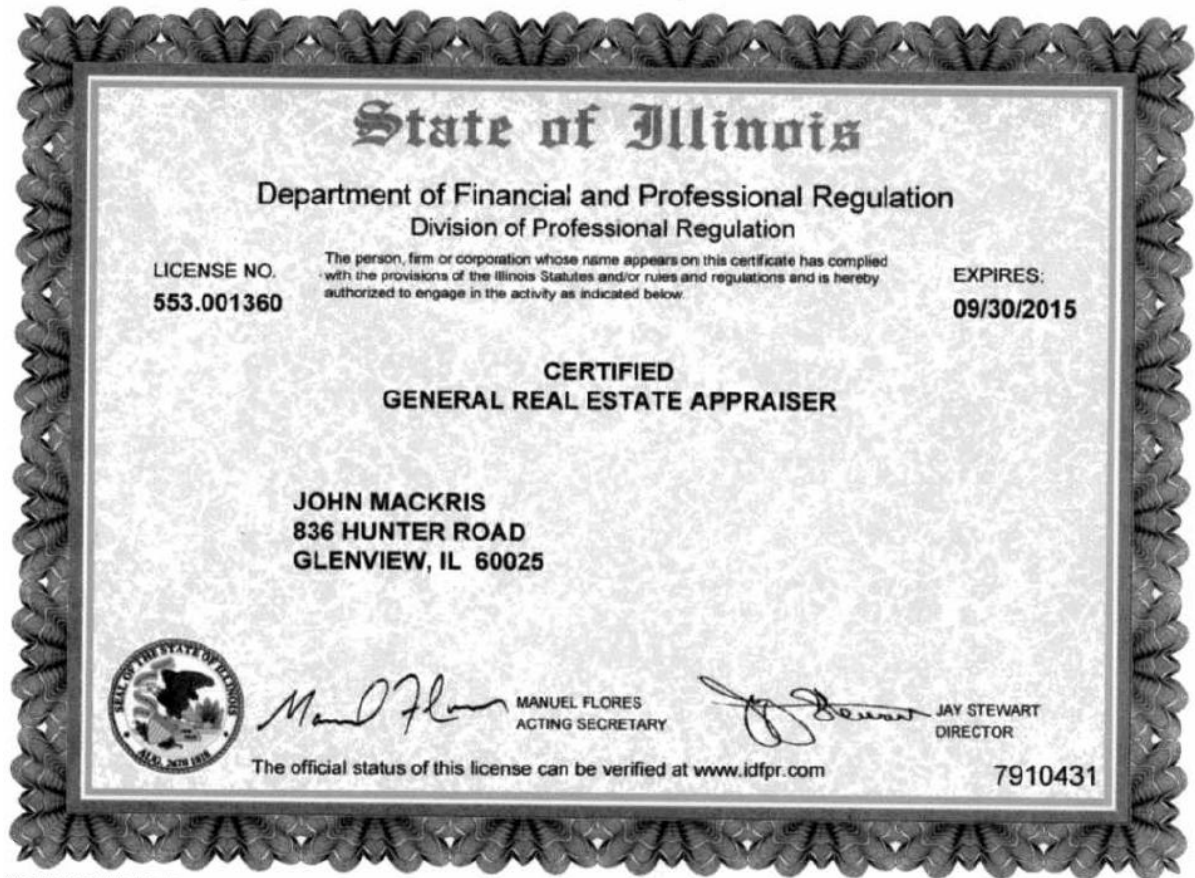
- Designated Member, Appraisal Institute (MAI #12478)
 - As of the current date, John Mackris, MAI has completed the requirements of the continuing education program of the Appraisal Institute.
- Member, Royal Institution of Chartered Surveyors (MRICS)
- Member, Chicago Real Estate Council
- Member, International Council of Shopping Centers (ICSC)
- Certified General Real Estate Appraiser in the following states:
 - Illinois – 553.001360
 - Indiana – CG40300530

- Iowa – CG02467
- Kentucky – 004288
- Michigan – I201068266
- Minnesota – AP-20403549
- Missouri – 2003007946
- Ohio – 2012002979
- Wisconsin – I509-010

OTHER ACCOMPLISHMENTS AND AWARDS

- Mr. Mackris was as a guest presenter in 2009 for RELA (Real Estate Lenders Association) regarding the State of the Chicago Retail Market.

ILLINOIS





February 6, 2013

Mr. Eyal Bartov, CFO
Aviv Arlon Ltd.
7 Jabotinsky St. Ramat Gan
Israel

To Whom It May Concern:

RE: Appraisal Report dated 31st of January 2014 of Consumer Square West provided by Cushman & Wakefield of Ohio, Inc.

Appraisal Report dated 3rd of February 2014 of Century Shopping Center provided by Cushman & Wakefield of Illinois, Inc.

We understand that the above appraisals ("Appraisal Reports") provided by the respective firms identified above (each an "Appraisal Report") will be used by Aviv Arlon Ltd. ("Aviv Arlon") for the preparation of its financial statements for the fourth quarter of 2013.

We, as to our respective Appraisal Report, consent to the use of our Appraisal Report in Aviv Arlon financial statements and to its publication in connection with such financial statement should Aviv Arlon be required to do so. However, we take no responsibility or liability for any misrepresentation of the appraisal information in the financial statements or any other publication for public disclosure.

Aviv Arlon and the issuer of such registration statement shall take full responsibility for the reference to the Appraisal Report and any reference to the Appraisal Report shall be accompanied by the following statement:

"An appraisal is only an estimate of value, as of the date stated in the appraisal, and is subject to the Assumptions and Limiting Conditions, as well as any Extraordinary Assumptions and Hypothetical Conditions, stated in the report. Changes since that date in external and market factors or in the property itself can significantly affect the conclusions. As an opinion, it is not a measure of realizable value and may not reflect the amount which would be received if the property were sold. Reference should be made to the entire appraisal report because relying solely on excerpts or portions of a report do not necessarily convey all of the limitations, conditions, assumptions or qualifications of the report that influenced the opinion of value."



In giving this consent, we do not thereby admit that we are experts within the meaning of the Securities Act or the rules and regulations of the Commission or that this consent is required by Section 7 of the Securities Act.

Best regards,

Cushman & Wakefield of Ohio, Inc.

By: 

Name: Andrew F. Lorms

Title: Senior Director

Cushman & Wakefield of Illinois, Inc.

By: 

Name: John Mackris, MAI, MRICS

Title: Senior Director