

MARKET VALUE APPRAISAL
Brookmere
41.21-Acre, Multi-Parcel
Commercial Development
Southwest Corner of Cicero Avenue
and Vollmer Road
Matteson, Illinois

As of:

June 13, 2005

Prepared for:

Mr. Steve Townsend
Vice President – Loan Officer
First Bank and Trust Company of Illinois
300 East Northwest Highway
Palatine, IL 60067

HOLCER & COMPANY
INC.

REAL ESTATE CONSULTANTS

1900 SPRING RD, SUITE 510 • OAK BROOK, ILLINOIS 60523 • (630) 990-2244 • FAX (630) 990-4573

June 27, 2005

Mr. Steve Townsend, Vice President
First Bank and Trust Company of Illinois
300 East Northwest Highway
Palatine, IL 60067

Re: Market Value Appraisal
Brookmere, 41.21-Acre, Multi-Parcel
Commercial Development
Southwest Corner of Cicero Avenue
and Vollmer Road
Matteson, Illinois

Dear Mr. Townsend:

At your request, we have prepared a complete appraisal of the fee simple interest in the above-captioned property with a summary report format. In this regard, we have personally inspected the subject property and made a thorough investigation and analysis of market conditions. The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Foundation and FIRREA regulatory requirements.

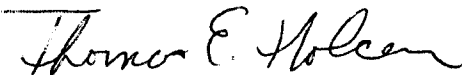
All factors considered, it is our opinion that the "as is" market value of the fee simple interest in the subject property, to a single purchaser, is expected to be:


ELEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$11,500,000)

as of June 13, 2005, subject to the assumptions and limiting conditions contained herein. This represents a 26 percent discount from the estimated aggregate of initial retail values of \$15,510,000.

Should you have any questions regarding the foregoing value estimate or require any further information, please contact the undersigned.

Respectfully submitted,
HOLCER AND COMPANY, INC.


Thomas E. Holcer, MAI
License No.'s 153.0000482 (9-05 Exp.)
File No. 8382


Christine M. Polly
153.0000815 (9-05 Exp.)

PHOTOGRAPHS OF SUBJECT PROPERTY



Views Looking North/Northeast across North Section of Subject Development
Showing Traffic Light-Controlled Intersection of Cicero Avenue and Vollmer Road,
and Temporary Sales Trailer on Site, Respectively



View Looking Southwest across Subject Development



View Looking South along Cicero Avenue, Subject to Right



Views Looking North and South along Cicero Avenue from Main Collector Street



View Looking West along Main Collector Street

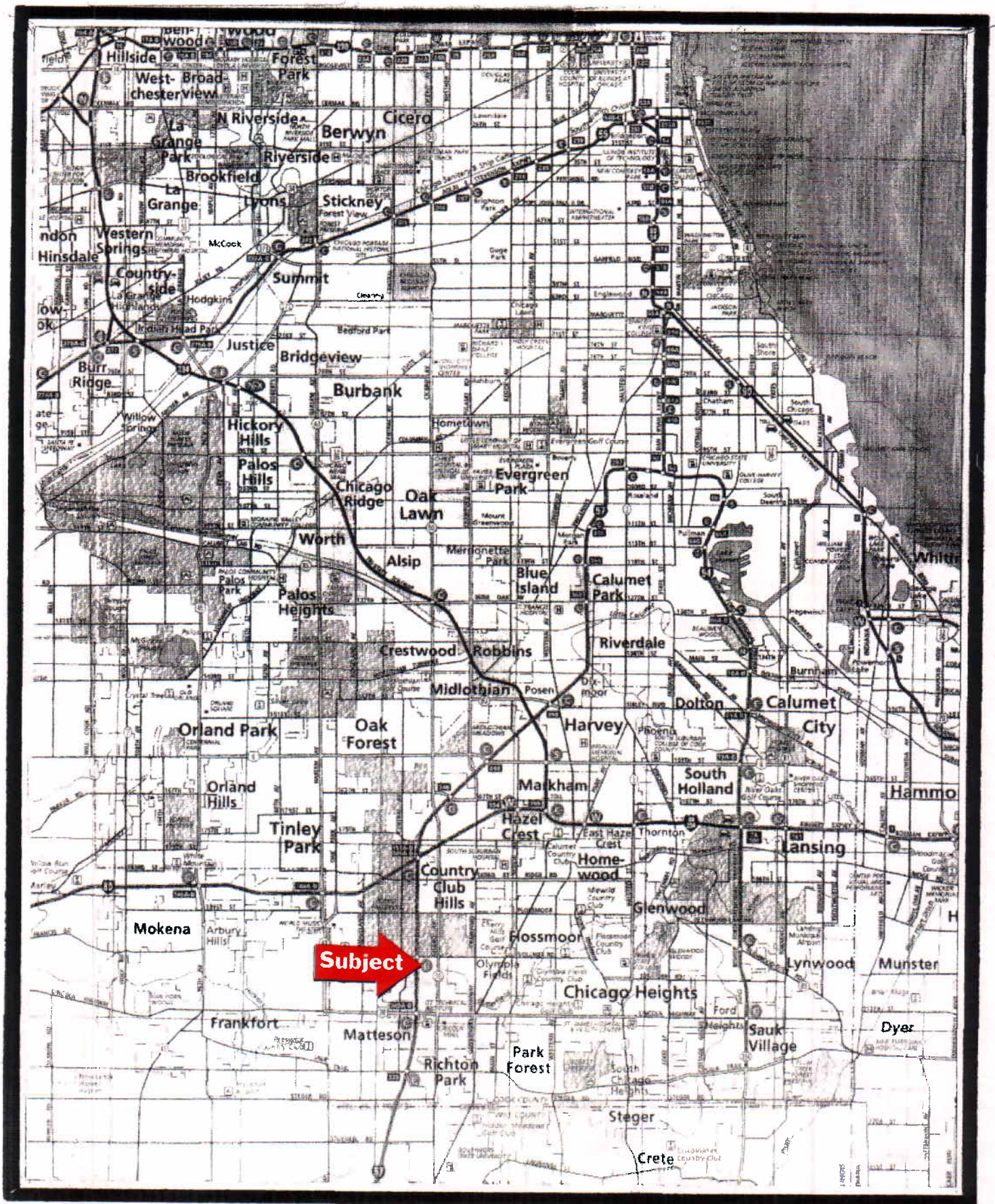
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TABLE OF CONTENTS

SUMMARY OF IMPORTANT FACTS	1
PURPOSE AND FUNCTION OF THE APPRAISAL.....	2
LEGAL DESCRIPTION.....	3
SALES HISTORY OF THE SUBJECT PROPERTY	3
ZONING	4
AREA DATA.....	5
SITE DESCRIPTION	10
HIGHEST AND BEST USE.....	12
LAND VALUATION	14
ESTIMATED MARKETING TIME	18
CERTIFICATE OF VALUE.....	19
ASSUMPTIONS AND LIMITING CONDITIONS	21
QUALIFICATIONS OF THOMAS E. HOLCER, MAI.....	23
QUALIFICATIONS OF CHRISTINE M. POLLY.....	24

LOCATION MAP



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SUMMARY OF IMPORTANT FACTS

Location:	The subject property is at the southwest corner of Cicero Avenue and Vollmer Road in Matteson, Illinois, Census Tract 8300.04.
Property Description:	It comprises 41.21 salable acres which is improved for commercial/office park use. An interior street exists with underground utilities available to the parcels and storm water detention in place within the larger Brookmere mixed-use development. Brookmere contains roughly 156 acres of which the central, west and northwest sections are planned for/being developed with a combination of single-family and "for sale" multi-family housing totaling 675 dwelling units. The subject salable acreage represents five platted lots of 1.47 to 16.20 acres which are each further divisible, depending upon demand.
"As Is" Market Value to One Buyer (Fee Simple Interest):	\$11,500,000. This represents a 26 percent discount from the estimated aggregate of initial retail values of \$15,510,000.
Date of Inspection, Appraisal and "As Is" Value Estimate:	June 13, 2005

PURPOSE AND FUNCTION OF THE APPRAISAL

The purpose of this appraisal was to estimate the "as is" market value of the fee simple interest in the subject property on aggregate of retail and wholesale bases, as of June 13, 2005. According to the 12th Edition of The Appraisal of Real Estate, the term fee simple implies, "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."

"Market Value" is defined as: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

The function of this appraisal was to estimate the foregoing market value for mortgage financing purposes. The intended user is the addressee.

The scope of this appraisal considers the extent of the process of collecting, confirming and reporting data in relation to the significance of the appraisal problem. Specifically, we have researched and analyzed sales and listings of improved commercial/office land in the subject market area.

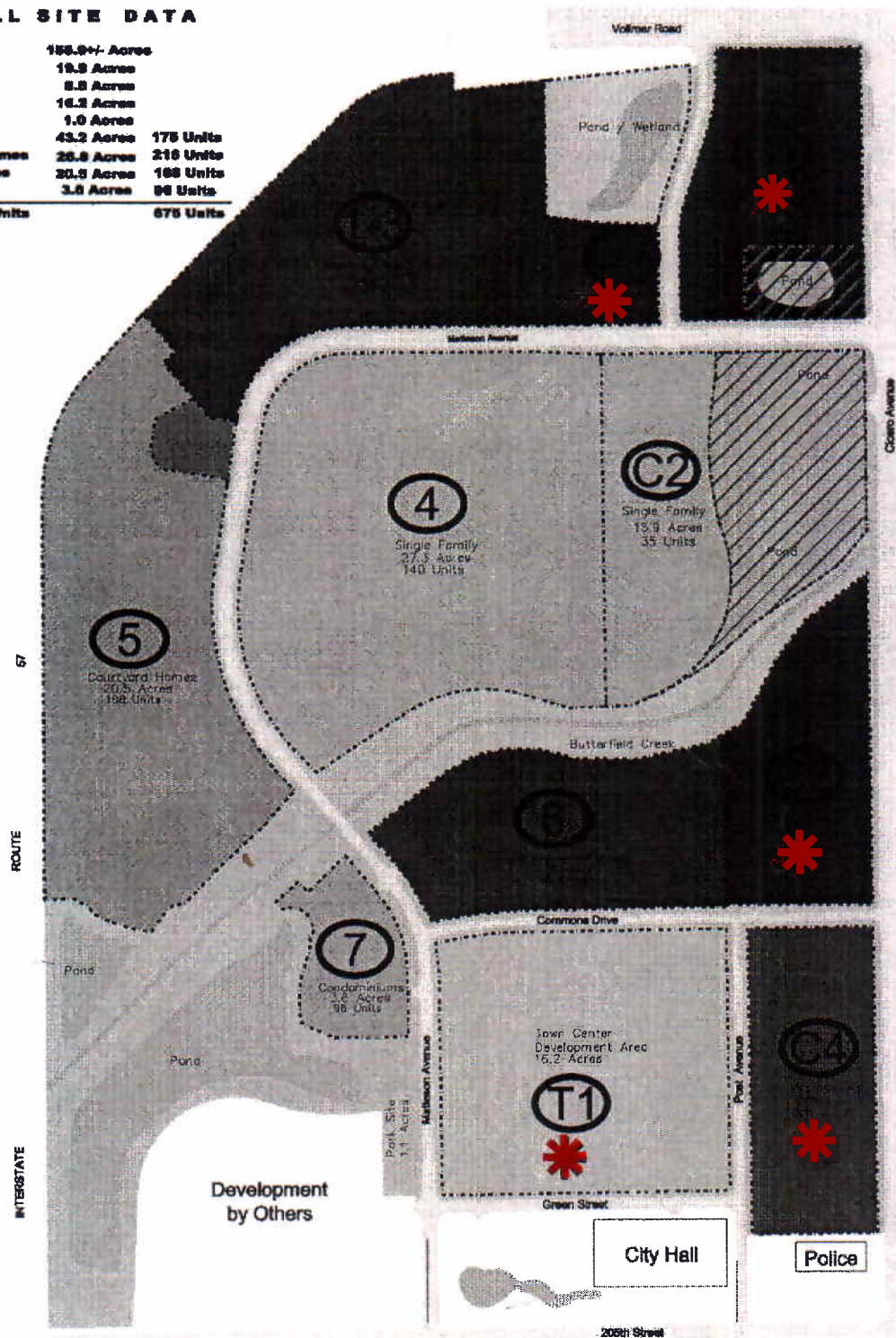
COMMERCIAL SITE DATA

	Total Area	Floodplain	Buildable Area
Retail	19.9 Acres	1.8 Acres	18.1 Acres
Office	8.9 Acres		8.9 Acres
Town Center	16.2 Acres		16.2 Acres
<hr/>			
Total Commercial Area	44.9 Acres	1.8 Acres	43.1 Acres

Commercial Areas Inside the 100 Year Floodplain

OVERALL SITE DATA

Green Space	158.9+/- Acres	
Retail	19.9 Acres	
Office	8.9 Acres	
Town Center	16.2 Acres	
Clubhouse	1.0 Acres	
Single Family	43.2 Acres	175 Units
Garden Townhomes	26.8 Acres	215 Units
Courtyard Homes	20.5 Acres	198 Units
Condominiums	3.8 Acres	96 Units
<hr/>		
Total Dwelling Units		675 Units



URS

LANDSCAPE ARCHITECTS

PROPOSED LAND USE PLAN
BROOKMERE



SUBJECT PARCELS



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LEGAL DESCRIPTION

Lots C1, C1A, C3, C4 and T1 in Brookmere Subdivision, being a resubdivision of part of Matteson Commons Subdivision in the east half of Section 16, Township 35 North, Range 13 East of the Third Principal Meridian, in the Village of Matteson, Cook County, Illinois.

SALES HISTORY OF THE SUBJECT PROPERTY

According to the Standards of Professional Practice of the Appraisal Institute, we are required to report and analyze any sale transactions involving the subject property during the past three years or any listing or pending sale agreements. The subject was acquired as part of the larger Brookmere development site for \$7,213,500 in January, 2003. It has subsequently been platted and improved as described herein. To the best of our knowledge, no other sales have occurred during this time period, and no portion was under contract for sale as of the appraisal date. The next page shows the owner/developer's current listing prices for the various parcels.





BROOKMERE

Commercial and Office Listing

Parcel	Use	Size	Price per sq.ft.	List Price
C1-A	Commercial	67,550	18.00	1,215,900
C1-B	Commercial	68,132	14.00	953,848
C1-C	Commercial	79,068	-	-
C1-D	Commercial	43,037	15.00	645,555
C1-E	Commercial	92,093	14.50	1,335,349
C1-F	Commercial	67,257	16.00	1,076,112
C1-G	Commercial	39,750	11.00	437,250
C1-H	Commercial	24,226	12.00	290,712
C3-A	Commercial	56,296	15.00	844,440
C3-B	Commercial	105,539	8.50	897,082
C3-C	Commercial	49,802	14.00	697,228
C3-D	Commercial	42,694	14.00	597,716
C4	Office/Retail	356,884	8.00	2,855,072
C4-A	Office/Retail	37,992	14.00	531,888
C4-B	Office/Retail	37,992	14.00	531,888
T1	Commercial/Residential	705,672	8.75	6,174,630
		1,873,984.00		19,084,669.00

Lot sizes revised

11/19/2003



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ZONING

The subject property is zoned MXD, Mixed-Use Development District, by the Village of Matteson, Illinois. As such, commercial area design guidelines have been established for the subject lots to enhance and compliment the design of the surrounding residential components, incorporating pedestrian and bicycle activity as well as automobile traffic and parking. These include numerous requirements for design standards, building materials, landscaping, etc., such as the following:

- Buildings within the C1, C2, C3 and C4 areas should be one to two stories in height (Lot T1 is referred to as the Town Center Development area for which the intended use has not been finalized).
- Buildings along Cicero Avenue should have a 50-foot set-back, with a 20-foot set-back required on the other interior streets.
- All sides of buildings are to be treated with the same architectural style, use of materials and details as the front elevation.
- Ground-floor storefront windows should be provided along no less than 60% of building facades facing public streets or parking lots.
- Pole signs, pylon signs and billboards are not permitted.



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AREA DATA

The subject property is located in the northeast section of the Village of Matteson, Cook County, Illinois. This location is approximately 30 miles southwest of Chicago's Central Business District, 45 miles southeast of O'Hare International Airport, and about 25 miles south of Midway Airport. Matteson is bordered by the suburbs of Olympia Fields and Flossmoor to the northeast, Country Club Hills to the north, Tinley Park to the northwest, Frankfort to the west, Richton Park to south and Park Forest to the east. The municipal boundaries are generally delineated by Vollmer Road on the north; Harlem Avenue to the west; the Elgin, Joliet and Eastern Railroad right-of-way on the south (about 21900 South); and roughly Kedzie Avenue on the east (if extended south).

As shown on the chart below, the U.S. Census Bureau reported a 2000 population of 12,928 for Matteson which is 13.6 percent higher than the 1990 census total. According to the Northeastern Illinois Planning Commission (NIPC), this is expected to nearly triple by 2030. In addition, the 2000 U.S. Census reports an estimated average family income of \$59,583 for Matteson; and the population of the broader surrounding is projected to nearly double.

POPULATION DATA

<u>City</u>	<u>1990</u>	<u>2000</u>	<u>1990-2000 % Change</u>	<u>Projected 2030</u>	<u>2000-30 % Change</u>
Country Club Hills	15,431	16,169	4.8	19,139	18.4
Flossmoor	8,651	9,301	7.5	9,949	7.0
Frankfort	7,180	10,391	44.7	67,218	546.9
Matteson	11,378	12,928	13.6	37,117	187.1
Olympia Fields	4,248	4,732	11.4	7,344	55.2
Park Forest	24,656	23,462	-4.8	26,246	11.9
Richton Park	10,523	12,533	19.1	36,294	189.6
Tinley Park	<u>37,121</u>	<u>48,401</u>	30.4	<u>63,889</u>	32.0
TOTALS	119,188	137,917	15.7	267,196	93.7

Sources: U.S. Census Bureau and NIPC



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Corresponding to the population growth in this area, Matteson and the surrounding municipalities have experienced a relatively steady level of new housing development. Since 2000, 7,446 residential building permits were issued in this area, 15 percent of which were in Matteson. This data is shown in the chart below with most of these municipalities including "for sale" condominium and townhouse units in the single-family totals. Virtually no recent rental apartment construction has occurred in this market, since construction costs and real estate taxes are prohibitively high in relation to attainable rent levels.

BUILDING PERMIT DATA

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	1st Q <u>2005</u>
SINGLE-FAMILY						
Country Club Hills	55	36	49	73	44	9
Flossmoor	41	28	40	36	44	7
Frankfort	292	277	295	395	296	75
Matteson	130	141	185	236	406	38
Olympia Fields	18	4	13	7	9	5
Park Forest	15	4	7	4	11	5
Richton Park	59	72	77	48	39	8
Tinley Park	<u>577</u>	<u>632</u>	<u>610</u>	<u>551</u>	<u>404</u>	<u>102</u>
TOTALS	1,187	1,194	1,276	1,350	1,253	249

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	1st Q <u>2005</u>
MULTI-FAMILY						
Country Club Hills	0	0	0	0	110	0
Frankfort	0	0	0	16	0	0
Matteson	0	0	0	0	2	0
Olympia Fields	0	0	0	0	8	14
Park Forest	95	0	0	0	0	0
Richton Park	0	0	0	26	64	0
Tinley Park	<u>88</u>	<u>56</u>	<u>88</u>	<u>262</u>	<u>76</u>	<u>32</u>
TOTALS	183	56	88	304	260	46

Sources: LaSalle Bank FSB Survey of Building, NIPC

According to the local Multiple Listing Service (MLS), the average single-family house selling price in 2005 to date was \$177,588 based on 109 transactions; while the 16 townhouse/condominium unit sales reported during this time period reflected an average



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price of \$149,934. However, this does not include the majority of the new subdivisions in which the developers market the units directly. For the 12 single-family and 4 multi-family units in the new to five-year-old category which sold via the MLS in 2005, the average sale prices are much higher at \$265,783 and \$181,353, respectively.

The Village of Matteson provides full municipal services; and schools, places of worship and other supporting services are considered good. The subject property is in School District 227 with students attending Rich Township South High School which had a graduation rate of 85.5 percent and an average ACT score of 18 in 2004/05.

Regional shopping is available at the Lincoln Mall one mile to the southeast which contains 1.1 million square feet, anchored by Carson Pirie Scott and Sears. Other community and strip shopping centers as well as low to mid-rise office buildings, hotels and a convention center are also concentrated in this area along Lincoln Highway (Route 30). The Matteson Auto Mall is at the southwest quadrant of Lincoln Highway and I-57 one mile to the southwest. This grouping of 17 automobile dealerships combines to form Matteson's largest employer with a total of 900 to 950 workers reported at this location. Several of the other major employers in Matteson are retail oriented as outlined later in this section. Additional modern shopping is in Olympia Fields and Flossmoor, further to the east/northeast at Governors Highway and Vollmer Road, as well as in Tinley Park to the north and Frankfort to the west.

PACE provides local bus service, and commuter rail transportation to downtown Chicago is available via the Metra/Illinois Central Gulf Line with stations situated just over two miles east and southeast of the subject. A full interchange with Interstate 57 is one-quarter mile west of the subject at Vollmer Road; and Interstate 80 is accessible via I-57 less than three miles to the north. In addition to the subject perimeter streets, other major local thoroughfares in the vicinity include Lincoln Highway (U.S. Route 30) less than one mile to the south, Crawford Avenue/Pulaski Road a similar distance to the east and Harlem Avenue 2.5 miles to the west.

Matteson and the adjacent far south suburbs have a modest concentration of industrial employment. According to the 2005 edition of the Illinois Manufacturers Directory, these municipalities contain a total of 154 manufacturing firms which is 18.5 percent higher than that of 2000. However, about three-quarters of the firms are in Will County (Frankfort and the southwest section of Tinley Park) where real estate taxes have historically been lower than in Cook County. This information is summarized on the next page.



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MANUFACTURING FIRMS

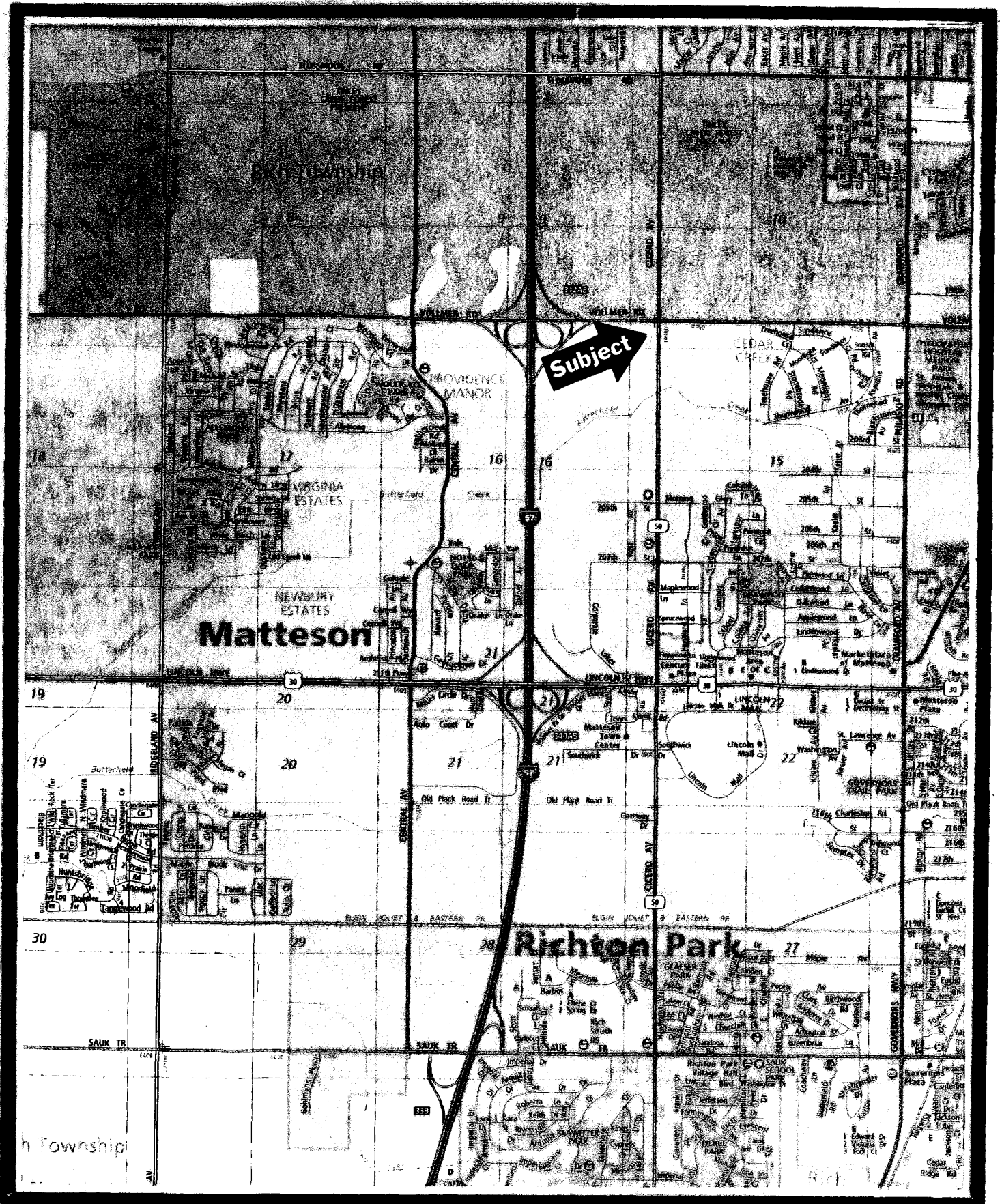
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Country Club Hills	6	5	4	3	3	3
Flossmoor	3	2	2	4	5	5
Frankfort	51	59	61	63	62	62
Matteson	10	10	11	11	11	11
Olympia Fields	3	4	2	2	2	2
Park Forest	8	9	11	11	13	9
Richton Park	6	5	4	4	3	2
Tinley Park	<u>43</u>	<u>51</u>	<u>50</u>	<u>53</u>	<u>57</u>	<u>60</u>
TOTALS	130	145	145	151	156	154

Source: Illinois Manufacturers Directory

The specific major employers in Matteson are shown below, although the largest area employers include Ford Motor Company and St. James Hospital in Chicago Heights with 1,500 workers each; Governors State University (990), Federal Signal Corporation (800) and Bimba Manufacturing (400) in University Park; and St. James Hospital (800) in Olympia Fields.

<u>Employer</u>	<u>Employees</u>	<u>Services/Products</u>
Matteson Auto Mall	900-950	Auto Dealerships (17)
Manheim's Greater Auto Auction	450	Dealership Auto Auction
School District 162	350	Elementary Education
School District 159	200	Elementary Education
Carson Pirie Scott	200	Retail Sales
Holiday Inn	170	Hospitality
Sears	163	Retail Sales
Home Depot	150	Retail Sales
Menard's	140	Retail Sales
Target	130	Retail Sales
Rogers Enterprises	120	Corporate Headquarters
Ace Hardware Corporation	115	Paint Manufacturing
WalMart	115	Retail Sales
Olive Garden	108	Restaurant

AREA MAP



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More specifically, the subject property is at the southwest corner of Cicero Avenue and Vollmer Road, a traffic light-controlled intersection. The larger Brookmere mixed-use development site of which the subject is part contains approximately 156 acres which is bisected in a southwest to northeast direction by Butterfield Creek with I-57 forming the western boundary. The central 43.2 acres is being developed with single-family housing with two adjacent sections to the north and south containing a total of 26.8 acres planned for 216 townhouse units. The 20.5-acre western section is planned for 188 courtyard homes (townhouse-style) with an adjacent clubhouse, while a 3.6-acre, 96-unit condominium site is adjacent to two ponds in the southwest section of the development.


Adjacent to the south of the subject development are new police station and city hall facilities for the Village of Matteson. Also, the southeast corner of Cicero Avenue and Vollmer Road is improved with a Shell gas station. Much of the surrounding land is currently vacant, including the Tinley Creek Forest Preserve on the north side of Vollmer Road at this location. However, additional new single-family housing is a short distance to the southeast, and the aforementioned concentration of area commercial properties is less than one mile to the south along Lincoln Highway (U.S. Route 30). The facilities in closest proximity to the subject include several vehicle services uses (oil change, car wash and tire sales) as well as a large store for Home Depot on Cicero Avenue.

All factors considered, it is our opinion that the subject property is well suited for a planned, mixed-use development to include primarily commercial as well as secondary office uses, with possibly commercial/residential on the central "Town Center" site.

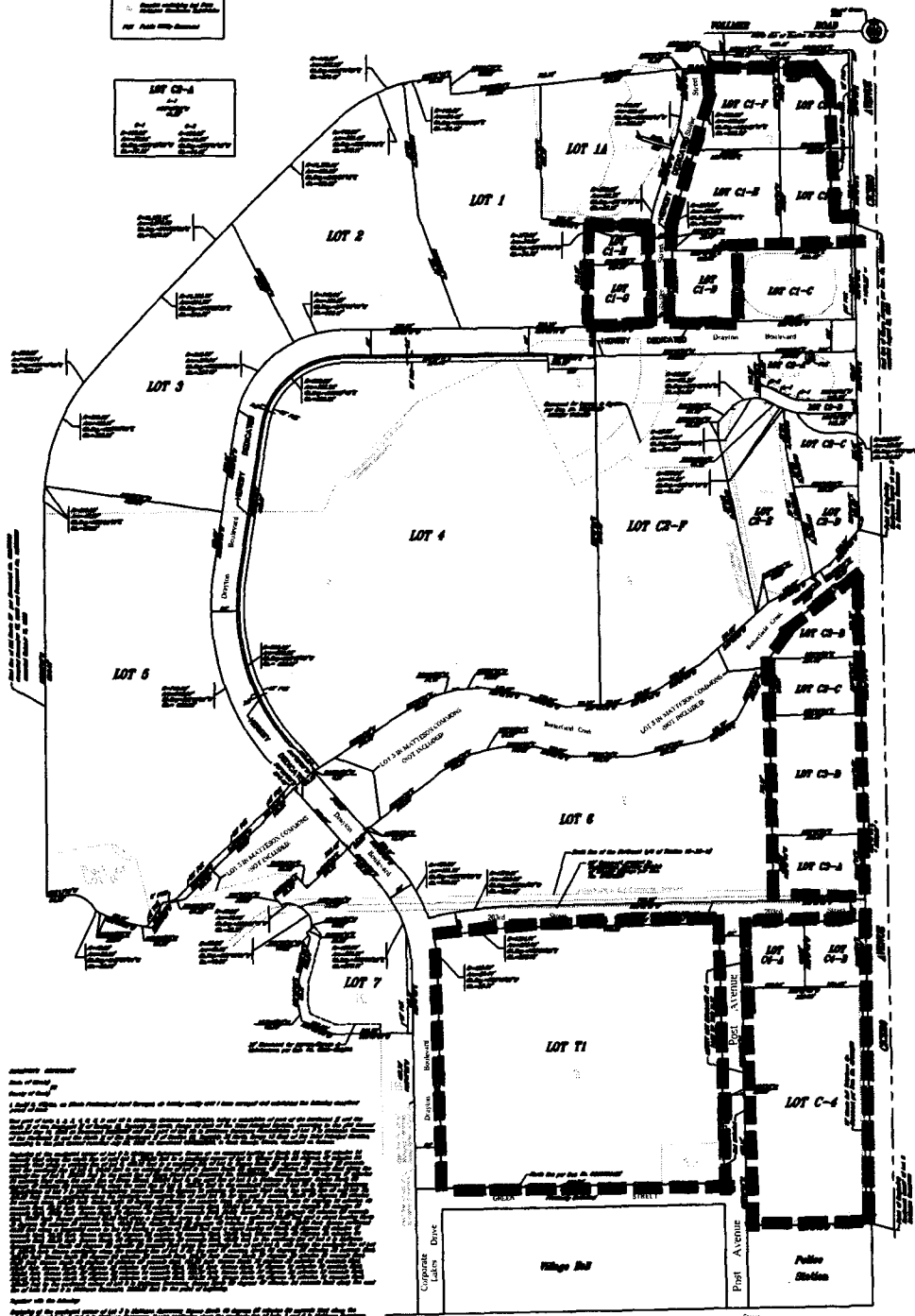
BEING A RESUBDIVISION OF PART OF MATTESON COMMONS SUBDIVISION IN THE EAST HALF OF SECTION 18,
TOWNSHIP 35 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE VILLAGE OF MATTESON,
COOK COUNTY, ILLINOIS.

LEGEND

 **Special Advertising and Press Release Section**

 **Public Only Section**

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Place under my hand and seal of Public Defender, State, the 24th day of June, 1988
 1988 0000000000

David S. O'Leary
 Public Defender, Long Beach, Ca. 90801
 Attach copies December 31, 1988

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SST 10-72	0.500	SST 10	0.500
SST 10-73	0.500	SST 10	0.500



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SITE DESCRIPTION

- Location: The subject property is at the southwest corner of Cicero Avenue and Vollmer Road in Matteson, Illinois, Census Tract 8300.04.
- Property Description: It comprises 41.21 salable acres which is improved for commercial/office park use. An interior street exists with underground utilities available to the parcels and storm water detention in place within the larger Brookmere mixed-use development. Brookmere contains roughly 156 acres of which the central, west and northwest sections are planned for/being developed with a combination of single-family and "for sale" multi-family housing totaling 675 dwelling units. The subject salable acreage represents five platted lots of 1.47 to 16.20 acres which are each further divisible, depending upon demand.
- Topography and Drainage: The site is generally flat and at the grade level of the fronting streets. No portion of the salable lot areas contains designated wetlands or flood hazard area, according to the National Wetlands Inventory Map and FEMA's Community Panel No. 17031C-0738 dated November 6, 2000. The specific classification is Zone X, areas of minimal flooding. However, the open space/detention areas in northeast sections of the development and the Butterfield Creek section contain areas referred to as Zone AE, areas of 100-year flooding with base flood elevations determined. These areas have been professionally engineered to adequately handle storm water detention and drainage.

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Soil and Sub-Soil Conditions:

Since a soil test was not provided, we have specifically assumed that soil and sub-soil conditions are adequate to support any reasonably proposed building improvements over a typical economic life.

Utilities:

Sanitary sewer and water, and all other normal urban utilities with adequate development capacity, are available to serve the subject parcels from the perimeter and new interior streets.

Streets:

Cicero Avenue is a four-lane, asphalt-paved street with a combination of concrete curbs/gutters and gravel shoulders, while Vollmer Road is a two-lane road of similar construction. The main collector street is a two-lane, asphalt-paved street with concrete curbs and gutters, street lights and a wider boulevard entrance from Cicero Avenue.



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HIGHEST AND BEST USE

According to the 12th Edition of The Appraisal of Real Estate, published by the Appraisal Institute, highest and best use may be defined as, “the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible, and that results in the highest value.” In appraisal analysis, highest and best use is determined as though vacant and as improved. In both instances, the conclusion of highest and best use must meet four criteria which are set forth below:

1. Legally Permissible
2. Physically Possible
3. Financially Feasible
4. Maximally Productive

Highest and Best Use, as Vacant

This type of analysis is useful in order to estimate land value and to identify comparable land sales.

1. Legally Permissible

The subject property is zoned for a combination of retail and office use as part of a larger planned development by the Village of Matteson, Illinois. The saleable components are not in flood hazard or wetlands areas, and no easements or other restrictions are known to exist which would negatively impact the value of the site. Based on an analysis of these criteria, it is legally permissible to construct the aforementioned types of use on this property. Also, it may be possible for a combination of retail and residential uses on the T1, “Town Center” parcel.

2. Physically Possible

Most of the subject parcels have extensive main street frontage (Cicero Avenue) with nearby access to I-57 and I-80. Also, the main collector street and engineered open space/detention are in place within the larger development of which the subject is part.



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Soil conditions are assumed adequate to accommodate new construction, and all utilities with adequate capacity are available. Therefore, it is our opinion that the legally permissible types of new development are physically possible.

3. Financially Feasible

The subject represents an improved commercial/office component of a larger, mixed-use planned development which will include 675 dwelling units. The primary development trend in this area has been for various types of "for sale" housing with scattered, ancillary commercial uses at prominent corner locations along the major local thoroughfares. This was discussed previously in the Area Data section and is further evidenced by the Land Comparables included in the next section. Based on these factors, it is our opinion that the financially feasible use of the subject improved land is a combination of retail and secondary office uses to meet the growing population base.

4. Maximally Productive

Development of the sites could include a variety of service/commercial uses which are considered legally permissible, physically possible and financially feasible. However, building construction should occur on a build-to-suit, owner-occupant or partially pre-leased basis because of the availability of alternative sites in the general vicinity. Also, it is considered reasonable and probable that the largest interior parcel may ultimately be approved for a combination of ground-floor commercial/office use with upper level, residential condominiums, consistent with area development trends for "town center" locations.

All factors considered, it is our opinion that the highest and best use of the subject property is for new commercial/office on a phased basis for specific owner-occupants or pre-signed tenants oriented primarily to Cicero Avenue, with T1 parcel expected to be used for retail/residential use as outlined above.



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LAND VALUATION

According to The Appraisal of Real Estate, 12th Edition, "The most reliable way to estimate land value is by sales comparison. When few sales are available, however, or when the value indications produced through sales comparison need additional support, other procedures may be applied." In the subject instance, we have utilized the Subdivision Analysis Technique, in conjunction with the Sales Comparison Approach. In arriving at the retail market value estimates of the various components of the development, we have considered the comparable land sales summarized on the next page. These properties range widely in unit price from \$2.13 to \$20.24 per square foot, with all but two being in Cook County.

The subject developer is marketing the subject parcels as numerous small outlots, most of which contain three-quarters to 1.5 acres, which we have further delineated by orientation within the development. As shown in the valuation summary on page 16, the major categories include the primary corner site at Cicero Avenue and Vollmer Road, five other small lots with direct Cicero Avenue frontage, five small lots with secondary street frontage, and four larger and/or interior parcels containing 2.11, 2.42, 8.19 and 16.2 acres.

In the local market, the highest recent commercial lot prices are shown by Land Comparable No.'s 6 and 11 at \$16.09 and \$20.24 per square foot, respectively. While No. 6 is a current listing and No. 11 occurred more than two years ago, this information was rated most similar to the subject main corner parcel, Lot C1-A which contains 1.55 acres. In this instance, we have estimated a retail unit value of \$18.00 per square foot which is also the same as currently quoted by the owner/developer.

Land Comparable No.'s 1 and 9 also include comparatively high unit prices of \$14.48 and \$12.75 per square foot which were considered in the valuation of the other small lots with direct Cicero Avenue frontage. While No. 1 is an older transaction, it has somewhat better commercial exposure at the auto mall at I-57 and Lincoln Highway. For these offsetting factors, this information was rated generally similar to these subject lots. However, No. 9 was rated inferior because of its large size, despite the corner exposure.

All factors considered, it is our opinion that the five other subject lots with direct Cicero Avenue frontage, south of the Vollmer Road corner lot, were worth an average unit value of approximately \$14.00 per square foot which is consistent with the \$14.00 to \$15.00 per square foot prices quoted by the developer.

This is a detailed map of the Chicago area, specifically the South and West sides. The map shows major highways, including I-55 (Rte 55), I-54 (Rte 54), I-53 (Rte 53), I-52 (Rte 52), I-51 (Rte 51), I-50 (Rte 50), I-49 (Rte 49), I-48 (Rte 48), I-47 (Rte 47), I-46 (Rte 46), I-45 (Rte 45), I-44 (Rte 44), I-43 (Rte 43), I-42 (Rte 42), I-41 (Rte 41), I-40 (Rte 40), I-39 (Rte 39), I-38 (Rte 38), I-37 (Rte 37), I-36 (Rte 36), I-35 (Rte 35), I-34 (Rte 34), I-33 (Rte 33), I-32 (Rte 32), I-31 (Rte 31), I-30 (Rte 30), I-29 (Rte 29), I-28 (Rte 28), I-27 (Rte 27), I-26 (Rte 26), I-25 (Rte 25), I-24 (Rte 24), I-23 (Rte 23), I-22 (Rte 22), I-21 (Rte 21), I-20 (Rte 20), I-19 (Rte 19), I-18 (Rte 18), I-17 (Rte 17), I-16 (Rte 16), I-15 (Rte 15), I-14 (Rte 14), I-13 (Rte 13), I-12 (Rte 12), I-11 (Rte 11), I-10 (Rte 10), I-9 (Rte 9), I-8 (Rte 8), I-7 (Rte 7), I-6 (Rte 6), I-5 (Rte 5), I-4 (Rte 4), I-3 (Rte 3), I-2 (Rte 2), I-1 (Rte 1), I-0 (Rte 0). The map also shows major parks and landmarks, including Tinley Park, Hazel Crest, Flossmoor, Chicago Heights, and Park Forest. A red dot marks the location of 'Matt Subject' near the intersection of Cicero Ave and 30th St. The map also shows various hospitals, universities, and golf courses.

COMMERCIAL LAND SALES SUMMARY

No.	Location	<u>Proximity</u>	Acres	Zoning	Price	Price/S.F.	Date	Intended Use
Matteson								
1	5505 Auto Ct.		4.67	MXD	\$508,202	\$2.50	Sep-02	Honda Dealership
	5517 Auto Ct.		3.47	MXD	378,000	2.50	Sep-02	Toyota Dealership
	21249 Central Ave.		1.76	C-4	1,110,000	14.48	Dec-01	BP Amoco at Auto Mall
<input checked="" type="checkbox"/> 2	5100 205th Street		12.00	MXD	2,100,000	4.00	Listing	Adjacent to SW of Subject
3	3435 West 211th Street		1.21	C-4	282,500	5.36	Mar-02	Fire Station
4	920-940 Lake Superior Dr.		4.99	MXD	1,307,000	6.01	Listing	NEQ 1-57 & Rt. 30
5	W. Side Cicero, N. of Rt. 30		1.51	C-4	525,000	7.98	Oct-01	Outlot of Home Depot Center
Ø6	4340 Lincoln Highway		1.07	C-3	750,000	16.09	<input checked="" type="checkbox"/> Listing	NEC at Kostner/Traffic Light
Flossmoor								
7	SEC Flossmoor & Crawford		3.67	B	340,000	2.13	Jun-04	
8	3551 Park Drive		3.50	PUD	395,000	2.59	Listing	In Governors Office Park
9	NEC Vollmer & Crawford		2.16	C	1,200,000	12.75	Jul-04	BP Amoco Gas Station
Olympia Fields								
<input checked="" type="checkbox"/> 10	NWC Rt. 30 & Kedzie		12.90	B-3	1,650,000	2.91	Listing	Across from Metra Station
Ø11	3200 Vollmer Road		1.42	B-2	1,250,000	20.24	Jan-03	Walgreens
Richton Park								
12	3650 Sauk Trail		0.72	B-2	270,000	8.57	Jan-03	Auto Zone
Tinley Park								
13	18521 Spring Creek (Will)		1.90	ORI	346,625	4.19	Jul-03	Office
<input checked="" type="checkbox"/> 14	NEQ 191st & 76th (Will)		14.70	B-3	3,400,000	5.31	Aug-04	Target at Brookside Marketplace
15	6821 183rd St., Tinley Park		2.65	B-3	750,000	6.51	Jan-04	Strip Center

Ø used for C-1A

☒ used for T-1

No OS comp^s?

- alternative/Listing
Available at reasonable
est given growth in area.



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In the cases of the other small lots with frontage on Vollmer Road or the other interior streets within this development, we have estimated a nominally lower unit value in relation to the foregoing comparables of approximately \$12.00 per square foot. While the developer is quoting a wider range in unit prices for these sites from \$11.00 to \$16.00 per square foot, the other area Land Comparables are all well below \$10.00 per square foot. This is partially attributed to older sale dates or locations outside of large-scale planned developments, although these also include several long-standing listings.

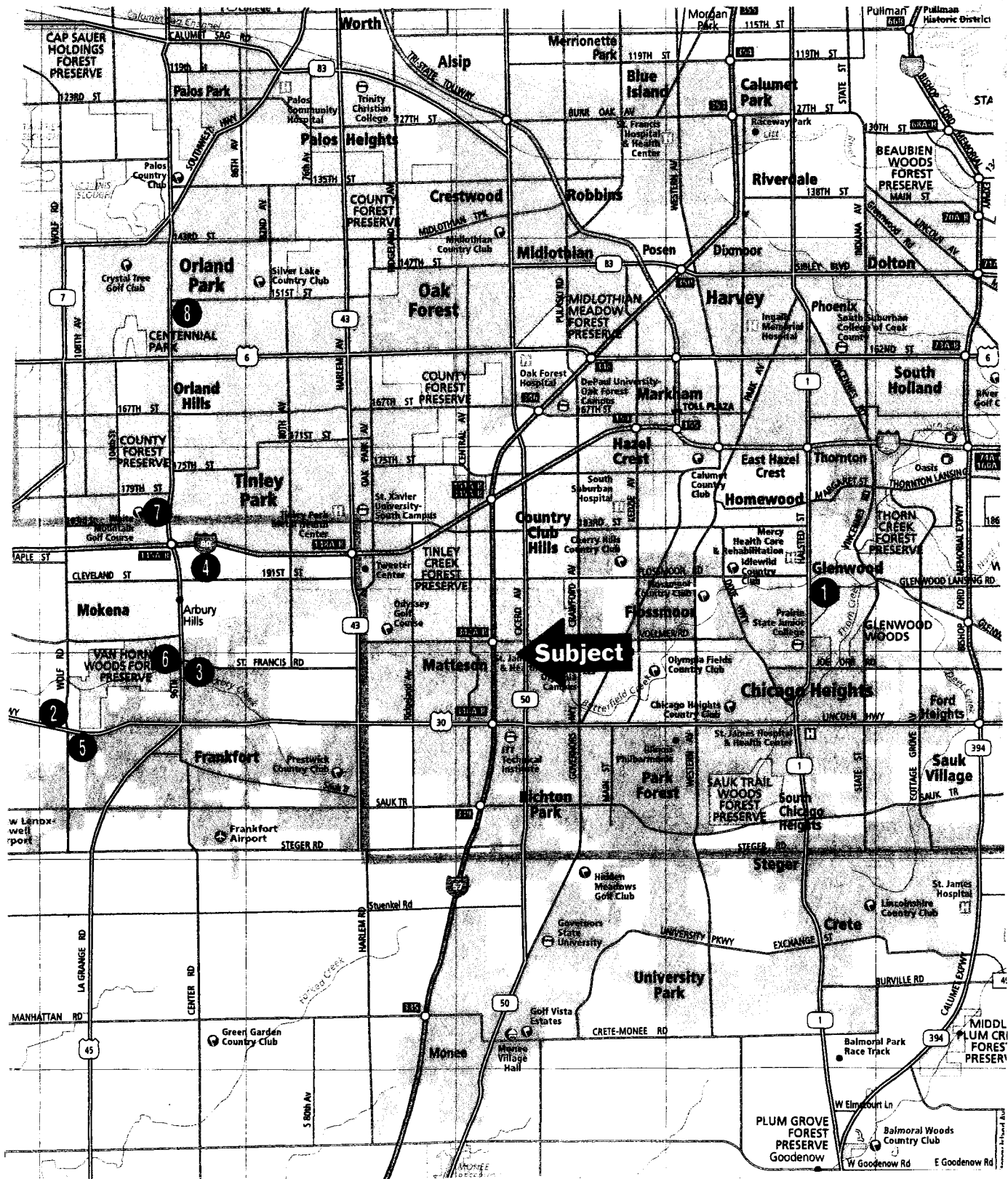
The largest of the area Land Comparables are represented by No.'s 2, 10 and 14 which contain 12 to 14.7 acres with recent sale and current listing prices between \$2.91 and \$5.31 per square foot. While the upper end is the only actual sale, this property is located in Will County where real estate taxes for this property type are much lower. However, it also has an inside-the-block orientation along a secondary street. Therefore, this information was rated most similar to the largest subject lot, T1 with 16.2 acres that could also potentially be subdivided or include some residential use for which demand is strong. All factors considered, it is our opinion that the largest subject lot was worth a unit value of approximately \$5.00 per square foot, with the \$8.75 per square foot level quoted by the developer not believed supported by the market at this time.

As additional support for the foregoing unit value, we have also considered the large commercial land sales in the broader surrounding market summarized on the next page. These are primarily in Will County to the west/southwest, although No. 1 is in Glenwood to the east and No. 8 is in Orland Park to the northwest. They show a predominant range in unit prices from roughly \$4.00 to \$5.50 per square foot for parcels with 7.5 to 25 acres, excluding the re-sale of a smaller section of No. 5 and the much larger parcel at No. 8 which are both more established commercial locations.

The subject Lot C-4 is also comparatively large with 8.19 acres, although it has direct Cicero Avenue frontage and was therefore estimated to have a higher unit value of approximately \$7.50 per square foot. This is slightly lower than the \$8.00 per square foot level quoted by the developer, although it is again toward the upper end of the predominant range in unit prices in the local market.

Finally, Lots C1-E and C3-B contain 2.11 and 2.42 acres for which we have estimated a unit value of about \$10.00 per square foot based primarily their size and location within the development—between the unit values estimated previously for the small secondary lots and Lot C-4.

COMPARABLE LAND SALES MAP



LARGE COMMERCIAL LAND SALES SUMMARY

<u>No.</u>	<u>Location</u>	<u>Acres</u>	<u>Zoning</u>	<u>Price</u>	<u>Price/S.F.</u>	<u>Date</u>	<u>Intended Use</u>
1	19259 S. Halsted Glenwood	25.19	B-3	\$4,375,000	\$3.99	Sep-03	Wal-Mart
2	NWC Rt. 30/Wolf Mokena	14.09	C-2	2,750,000	4.48	Jun-02	70,000 S.F. Shopping Center
3	20100 S. LaGrange Frankfort	18.00	B-3	3,700,000	4.71	Nov-04	Part of Hickory Creek Marketplace
4	NWC 191st/Hickory Creek Mokena	7.59	C-2	1,592,335	4.82	May-02	Portion of Office Park
5	SEC Rt. 30/Wolf Frankfort	26.96 9.53	C-4 C-4	5,823,589 3,300,000	4.96 7.95	Oct-02 Oct-02	Retail Development Re-Sale of Part to Kohl's
6	West Side LaGrange at St. Francis Frankfort	8.98	B-2	2,000,000	5.11	Jul-04	Re-Sale after Fast-Food Denied
7	18345 S. LaGrange Tinley Park	11.12	B-3	2,600,000	5.42	Aug-04	At proposed traffic light.
8	SEC LaGrange/151st Orland Park	43.81	COR	16,300,000	8.54	Jun-04	Lowe's Home Center

No '05 comp's?



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As shown in the following chart, these calculations result in an aggregate of initial retail values of \$15,510,000, assuming individual sales, or an average of \$8.64 per square foot.

<u>Lot</u>	<u>Square Feet</u>	<u>Acres</u>	<u>Estimated Value/S.F.</u>	<u>Absolute Value Estimate</u>	<u>Rounded</u>
C1-A	67,550	1.55	\$18.00	\$1,215,900	\$1,215,000
C1-B	68,132	1.56	14.00	953,848	955,000
C3-A	56,296	1.29	14.00	788,144	790,000
C3-C	49,802	1.14	14.00	697,228	700,000
C3-D	42,694	0.98	14.00	597,716	600,000
C4-B	37,992	0.87	14.00	531,888	530,000
C1-D	43,037	0.99	12.00	516,444	515,000
C1-F	67,257	1.54	12.00	807,084	805,000
C1-G	39,750	0.91	12.00	477,000	475,000
C1-H	24,226	0.56	12.00	290,712	290,000
C4-A	37,992	0.87	12.00	455,904	455,000
C1-E	92,093	2.11	10.00	920,930	920,000
C3-B	105,539	2.42	10.00	1,055,390	1,055,000
C-4	356,884	8.19	7.50	2,676,630	2,675,000
T1	<u>705,672</u>	<u>16.20</u>	5.00	3,528,360	<u>3,530,000</u>
Totals	1,794,916	41.21	8.64		15,510,000
			Average		

B. Cash Flow Analysis

Because of this substantial inventory of fully improved commercial land in a market where several other, generally similar sites have been available for an extended period of time, we have estimated an approximate three-year absorption period for the entire subject development. This also takes into account the recent and projected population growth and area new housing developments under way. It results in an average of 6.87 acres being sold every six months which is also generally consistent with the scattered lot sales shown in the market as well as several multi-parcel developments recently appraised by this firm in other expanding markets—Bolingbrook, Channahon, Joliet, Naperville,

... neighboring expanding markets. ...

CASH FLOW ANALYSIS
PROSPECTIVE VALUE TO A SINGLE PURCHASER

	YEAR ONE		YEAR TWO		YEAR THREE	
	(07-01-05) Period 1	(01-01-06) Period 2	(07-01-06) Period 3	(01-01-07) Period 4	(07-01-07) Period 5	(01-01-08) Period 6
						Totals
Acres Sold	6.87	6.87	6.87	6.87	6.87	6.87
Average Value per S.F.	<u>\$8.64</u>	<u>\$8.64</u>	<u>\$8.86</u>	<u>\$8.86</u>	<u>\$9.08</u>	<u>\$9.08</u>
						41.21
						<u>\$8.86</u>
Sales Revenue	\$2,584,955	\$2,584,955	\$2,649,579	\$2,649,579	\$2,715,818	\$2,715,818
						\$15,900,704
Less Expenses						
General & Administration	\$53,002	\$53,002	\$53,002	\$53,002	\$53,002	\$53,002
R.E. Tax, Legal, Closing	39,751.76	39,751.76	39,751.76	39,751.76	39,751.76	39,751.76
Sales and Marketing	129,247.75	129,247.75	132,478.94	132,478.94	135,790.91	135,790.91
Entrepreneurial Profit	<u>258,495.49</u>	<u>258,495.49</u>	<u>264,957.88</u>	<u>264,957.88</u>	<u>271,581.83</u>	<u>271,581.83</u>
						1,590,070.41
Total Selling Expenses	<u>\$480,497</u>	<u>\$480,497</u>	<u>\$490,191</u>	<u>\$490,191</u>	<u>\$500,127</u>	<u>\$500,127</u>
						\$2,941,630
Net Semi-Annual Cash Flows	\$2,104,458	\$2,104,458	\$2,159,388	\$2,159,388	\$2,215,691	\$2,215,691
						\$12,959,074
Discount Factor @ 7.00%	<u>0.966184</u>	<u>0.933511</u>	<u>0.901943</u>	<u>0.871442</u>	<u>0.841973</u>	<u>0.813501</u>
Net Present Value	\$2,033,292	\$1,964,534	\$1,947,644	\$1,881,782	\$1,865,553	\$1,802,466
Discounted Value of Cash Flows:						
Rounded to (Prospective Value):	\$11,495,271					
	\$11,500,000					

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Plainfield, Romeoville, etc. Also, we have estimated future value increases of about 2.5 percent per year, which reflects the nominally increasing land prices in this market.

From the aforementioned revenue estimates, we have deducted typical selling/indirect expenses, including general and administrative costs; real estate taxes, legal and closing costs; sales and marketing, and an entrepreneurial profit:

- General and administrative expenses have been estimated at two percent of revenue which is considered to be a market level for a land sales program of this type.
- The real estate taxes, legal and closing costs category has been estimated at 1.5 percent of gross revenue throughout the life of this projection which is within the one to two percent range shown by pro-formas for similar types of development in the general suburban market area.
- Sales and marketing expenses are estimated at five percent of revenue, with this item taken as the revenue is projected to be derived.
- Entrepreneurial profit has been estimated at ten percent of unsold lot revenue in each period as is it derived. This was based on our discussions with active market participants, as well as targeted pro-forma data on land development projects of this type.

The resultant semi-annual cash flows were discounted at seven percent, or the current prime rate, plus one percent. This is considered to be equivalent to the current short-term borrowing rate on a multiple-parcel property of this type, since the risk rate portion is taken into account in the entrepreneurial profit allowance. These calculations, which are summarized on the facing page, indicate an "as is" wholesale value of \$11,495,271, rounded to \$11,500,000. This also reflects an approximate 26 percent discount in relation to the aggregate of initial retail values of \$15,510,000 which is considered a realistic expectation based on the subject's location in a gradually expanding suburban area and the projected three-year absorption period.

In this regard, a 23.4 percent discount was shown for a smaller, nine-lot development in Minooka when the aggregate of retail values (based on the developer's quoted and actual contract prices as well as area comparables) is compared to the sum of the recent acquisition price and the budgeted site improvement costs. This refers to about 23 acres which was estimated to have an absorption period of about 18 months.



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All factors considered, it is our opinion that the "as is" market value of the fee simple interest in the subject property, to a single purchaser, is expected to be:

ELEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$11,500,000)

as of June 13, 2005, subject to the assumptions and limiting conditions contained herein. This represents a 26 percent discount from the estimated aggregate of initial retail values of \$15,510,000.

ESTIMATED MARKETING TIME

Based on our appraisal experience with this type of property as well as discussions with local developers/brokers, it is our opinion that the subject could be sold at the appraised values within one year. While several of the comparables had extended marketing periods, this is considered to have been the result of above-market asking prices and/or earlier stages of the residential/commercial growth at the dates of these sales. Also, we are aware that the multi-parcel developments mentioned previously in Channahon, Minooka and Romeoville were sold within one year or less of their initial offering.

Exposure Time—This refers to the amount of time that would have been required to market the property, assuming a sale on the appraisal date. Because of the relatively stable to improving real estate market conditions during the past year in terms of unit sale prices as evidenced by the number of recent comparables included in this report, it is our opinion that the exposure time would be the same as the estimated marketing time.



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CERTIFICATE OF VALUE

The undersigned do hereby 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 direct 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 (such as the approval of a loan) directly related to the intended use of the appraisal. "The appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan."
- We (Thomas E. Holcer, MAI and Christine M. Polly) have made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the appraisers signing this report.
- No single item of information was completely relied upon to the exclusion of other information, and all data was analyzed within the framework of judgment, knowledge and experience. No pertinent information has knowingly been withheld.
- This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute.
- Our analysis, opinion, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation and FIRREA regulatory requirements.

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



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Disclosure of the contents of the appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

From our understanding of the assignment to be performed, which has been addressed in the scope and intended use of this appraisal, it is our opinion that we are fully competent to perform this appraisal due to the fact that:

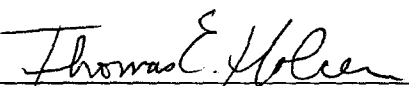
1. The appraisers have full knowledge and experience in the nature of this assignment.
2. All necessary and appropriate steps have been taken in order to complete the assignment competently.
3. There is no lack of knowledge or experience that would prohibit this assignment to be completed in a professional manner or where an unbiased or misleading opinion of value would be rendered.

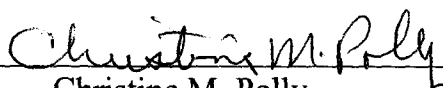
As of the date of this report, Thomas E. Holcer has completed the requirements under the continuing education program of the Appraisal Institute. Also, Thomas E. Holcer and Christine M. Polly are Certified by the State of Illinois as General Real Estate Appraisers under License No.'s 153.0000482 and 153.0000815 (September 30, 2005 expirations), respectively.

All factors considered, it is our opinion that the "as is" market value of the fee simple interest in the subject property, to a single purchaser, is expected to be:

ELEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$11,500,000)

as of June 13, 2005, subject to the assumptions and limiting conditions contained herein. This represents a 26 percent discount from the estimated aggregate of initial retail values of \$15,510,000.


Thomas E. Holcer, MAI


Christine M. Polly



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ASSUMPTIONS AND LIMITING CONDITIONS

The Certificate of Value is expressly subject to the following stipulations:

Information, estimates and opinions contained in this report were obtained from sources considered reliable and believed to be true and correct; however, no responsibility for accuracy can be assumed by the appraisers. It is assumed that the title is marketable.

No responsibility is assumed for matters of a legal nature.

The property was appraised as though free and clear of any mortgage encumbrance.

The use of any fractional part of this appraisal in conjunction with any other appraisal makes it invalid.

It is specifically assumed that soil conditions are adequate to economically support any improvements which might reasonably be considered at this location.

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. The appraisers have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

The appraisers will not be required to appear in court or otherwise testify regarding this appraisal unless prior arrangements have been made.

This report was prepared specifically for mortgage financing purposes. The appraisers assume no responsibility for the use of this report for purposes other than which it was intended.



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The appraisers assume no liability for ascertaining whether or not the subject property complies with the Americans with Disabilities Act.

Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news sales or other media, without the prior written consent and approval of the authors, particularly as to valuation conclusions, the identity of the appraisers or firm with which they are connected, or any reference to the Appraisal Institute, or to the MAI designation.



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QUALIFICATIONS OF THOMAS E. HOLCER, MAI

RECENT EXPERIENCE

Thomas E. Holcer has been employed as a real estate consultant since 1973. He has performed a wide variety of assignments, including highest and best use studies, market and feasibility studies and appraisals on most types of real estate such as commercial, industrial, office, residential and special-purpose properties. He has personally appraised property with aggregate values in excess of \$1 billion annually during the past decade.

Much of Mr. Holcer's recent work has focused on development feasibility and financing-related assignments. Some of the recent business park appraisals include the Crest Hill Business Park, Rock Road Business Park in East Dundee, Southfield Business Park in Joliet, office/research-zoned land at the University Place and Prairie Stone developments in Hoffman Estates, the Manheim Business Park in Matteson, the Orland Park Business Center, and the South Creek Corporate Center in Romeoville, Illinois. Also, multi-parcel retail assignments include Southern Crossings in Channahon, Heartland Crossing in Minooka, and Main Street at Seven Bridges in Woodridge, Illinois.

WORK HISTORY

Prior to the establishment of Holcer and Company, Inc. in 1982, Mr. Holcer worked as a senior real estate analyst for eight years with two independent appraisal firms as well as served as a field deputy with the Cook County Assessor's Office. He has also qualified as an expert witness in the Cook County Circuit Court and Federal Courts in Illinois on matters relating to bankruptcy, divorce, developer/client disputes and real estate tax assessments.

EDUCATION

Mr. Holcer graduated from Western Illinois University with a Bachelor of Arts degree in Political Science in 1971. In 1979, he was awarded the MAI designation by the Appraisal Institute with all continuing education requirements completed as of the appraisal date. Further, he is certified by the State of Illinois as a General Real Estate Appraiser under License No. 153.0000482 (September 30, 2005 expiration).



HOLCER & COMPANY
INC.

REAL ESTATE CONSULTANTS

QUALIFICATIONS OF CHRISTINE M. POLLY

EDUCATION

Ms. Polly received a Bachelor of Science degree in Business Education in December, 1984 from Western Illinois University in Macomb, Illinois. In addition, she has successfully completed the Real Estate Appraisal Principles, Basic Valuation Procedures, Capitalization Theory and Techniques, Case Studies, Report Writing, Fair Lending and Standards of Professional Practice courses offered by the Appraisal Institute.

LICENSE INFORMATION

State of Illinois, General Real Estate Appraiser, License No. 153.0000815 (September, 2005 expiration).

RECENT APPRAISAL EXPERIENCE

- Apartment complexes in Bartlett, Bridgeview, various community areas of Chicago, Cicero, Des Plaines, Forest Park and Lisle;
- Industrial facilities in Addison, Aurora, Batavia, Chicago, Crest Hill, Darien, Downers Grove, Elk Grove Village, Elmhurst, Melrose Park, Orland Park, Schaumburg, St. Charles, Willowbrook and Woodridge;
- Office properties in Algonquin, Chicago, Elk Grove Village, Elmhurst, Lombard, Oakbrook Terrace, Orland Park, South Barrington, Tinley Park and Westmont;
- Residential developments in Algonquin, Carol Stream, Chicago, Downers Grove, Evanston, Inverness, Lake Bluff, West Dundee and Woodridge;
- Shopping centers in Chicago, Crete, Darien, Joliet, Mokena, Morton Grove, Naperville, Orland Park, Round Lake, St. Charles and Warrenville, Illinois.

WORK HISTORY

Prior to associating with Holcer and Company, Inc. in 1986, Ms. Polly worked as an assistant with a property management firm in Schaumburg, Illinois.

