PROPERTY VALUATION ADVISORS, INC.

Eighteen (18) Unit Apartment Building
950 N. Lavergne Avenue
Chicago, Illinois 60651

PVA File No. 108241

SUMMARY NARRATIVE APPRAISAL REPORT

Market Value Appraisal

Eighteen (18) Unit Apartment Building
950 N. Lavergne Avenue
Chicago, Illinois 60651
PVA File No. 108241

Effective Date of the Appraisal:

October 29, 2010

Prepared for:

Quick Funding LLC
99 W. Hawthorne Avenue
Valley Stream, New York 11580

Prepared by:

PROPERTY VALUATION ADVISORS, INC.

200 East Ohio Street
Suite 500
Chicago, Illinois 60611

November 11, 2010

Quick Funding LLC
99 W. Hawthorne Avenue
Valley Stream, New York 11580

RE: Market Value Appraisal

Eighteen (18) Unit Apartment Building
950 N. Lavergne Avenue
Chicago, Illinois 60651

Dear Ladies and Gentleman:

At your request we have completed a market value appraisal of the "as is" and “as repaired and renovated” fee simple interest in the above captioned eighteen (18) unit apartment building. The subject property consists of a three-story masonry constructed apartment building with approximately 20,108 square feet of gross rentable area. The building was constructed in circa 1915 and is situated on approximately 11,327 square feet or 0.26 acres of land area. The units consist of (8) one-bedroom/one bathroom residential units measuring approximately 700 square feet, (7) two-bedroom/ one bathroom residential units measuring approximately 900 square feet, and (3) three-bedroom/ one bathroom residential units measuring approximately 900 square feet. At the time of inspection, the overall property was in fair condition with eight units vacant and one unit currently being evicted representing a 40% occupancy level. The subject property is located at the southwest corner of Lavergne Avenue and Augusta Boulevard in the Austin neighborhood of the City of Chicago, Cook County, Illinois. The improvements are situated on a rectangular lot with 90 feet of frontage along Lavergne Avenue and 125.85 feet of frontage along Augusta Boulevard.

In determining an “as repaired and renovated” market value, we considered the scope of work located in the Addendum of this report. The budget includes $300,000 to repair and renovate the building. The majority of the renovation cost, $205,000 is to install individual heating and cooling units throughout the building. The budget includes adding two garden units in the basement. The is a dilapidated unit in the basement that the City of Chicago ordered to be vacated based on non-conforming zoning, building and fire codes. Based our knowledge and feasibility of the market and code and regulations pursuant to the City of Chicago, we have determined the redevelopment of the basement space to (2) Garden units is illegal according to the Chicago codes, and the conversion of (9) 1-bedrooom units into 2-bedroom units not to be feasible at this time due to the current market economics and lack of construction plans. However, the vacant units need to be renovated and the amount of money in the budget for conversion to an addition bedroom should be used to renovate the vacant units.

In regards to updating the back porches, we considered this item as deferred maintenance of the subject requiring compliance to the City of Chicago's rules and regulations. Lastly, we deemed the conversion of the boiler system to individual HVAC units to be adequate. However, based on the market area, we did not elect to raise rental rates based on this premise. The conversion of the boiler to individual HVAC units would further increase financial obligations to each individual unit while lessening the heating liabilities of the landlord to only the common areas.

We have thoroughly analyzed the market and the property in arriving at our value estimates. The purpose of the forthcoming report is to outline the reasoning and the important factors considered in arriving at our value estimates. The report contains a summary of the data gathered in our investigation and describes in detail the analysis that resulted in our conclusions. The report was prepared for use in valuing the subject as collateral for financing purposes and is a summary narrative appraisal report. The intended user of this report is **Quick Funding LLC**.

Our appraisal report is prepared in accordance with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) and conforms to the Uniform Standards of Professional Appraisal Practice (USPAP). This report should only be used by sophisticated users that have the opportunity to obtain a full understanding of the assumptions underlying the analysis.

We have performed our services and prepared this report in accordance with generally accepted appraisal practices, and make no other warranties, either expressed or implied, as to the character and nature of such services and product.

Based upon the information contained in this report and upon the judgment, knowledge, and experience of the undersigned, it is the opinion of the undersigned that the current "as is" market value of the fee simple interest in subject property as of the date of inspection, October 29, 2010 is:

FOUR HUNDRED FIVE THOUSAND DOLLARS
$405,000
* Equivalent to the current contract agreement

Based upon the information contained in this report and upon the judgment, knowledge, and experience of the undersigned, it is the opinion of the undersigned that the current "as repaired" market value of the fee simple interest in subject property as of the date of inspection, October 29, 2010 is:

PROPERTY VALUATION ADVISORS, INC.

Quick Funding LLC
Residential Apartment Building
950 N. Lavergne Avenue
Chicago, Illinois 60651

FIVE HUNDRED EIGHTY THOUSAND DOLLARS
$580,000

If you have any questions regarding our value estimate or analysis or require any additional information please contact the undersigned. We appreciate having the opportunity to be of service to you in this matter.

Respectfully submitted,

PROPERTY VALUATION ADVISORS, INC.

Brian D. Flanagan, MAI, President
State Certified General Real Estate Appraiser
Certification Number 553-000103
Expires 9/30/2011

200 EAST OHIO STREET, SUITE 500 • CHICAGO, ILLINOIS 60611 • 312.255.1600 • FAX 312.255.0440

Aerial Photograph of Subject Property

Aerial view of the subject: 950 N. Lavergne Avenue, Chicago, Cook County, Illinois 60651

Photographs of Subject Property

View of the subject along Lavergne Avenue

View of the subject entrances along Lavergne Avenue

Photographs of Subject Property

View of the subject along Augusta Boulevard looking west

View of the western elevation looking south along a public alley

Photographs of Subject Property

View of the subject exterior deferred maintenance

View of the rear decks

Photographs of Subject Property

View of the subject area looking north along Lavergne Avenue

View of the subject area looking south along Lavergne Avenue

Photographs of Subject Property

Interior view of a typical living room

Typical view of a bedroom

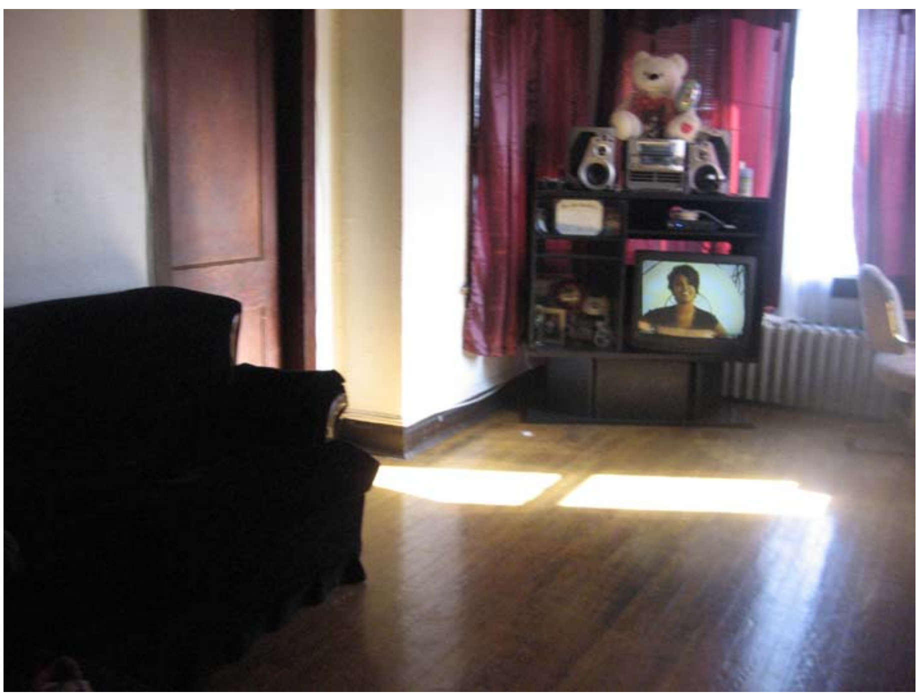
Photographs of Subject Property

Typical view of a dining room

Typical view of a kitchen

Photographs of Subject Property

Typical view of a bathroom



Typical view of a living room

Photographs of Subject Property

Typical view of a bedroom

Typical view of a kitchen

Photographs of Subject Property

View of the hot water heater

View of the boiler

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SUMMARY OF SALIENT FACTS

Name and Address:

Eighteen (18) Unit Apartment Building
950 N. Lavergne Avenue
Chicago, Illinois 60651

Location:

The subject property is located at the southwest corner of Lavergne Avenue and Augusta Boulevard in the Austin neighborhood of the City of Chicago, Cook County, Illinois. The improvements are situated on a rectangular lot with 90 feet of frontage along Lavergne Avenue and 125.85 feet of frontage along Augusta Boulevard.

Property Description:

The subject property consists of an eighteen (18) unit three-story masonry constructed apartment building with approximately 20,108 square feet of gross rentable area. The building was constructed in circa 1915 and is situated on approximately 11,327 square feet or 0.26 acres of land area. The units consist of (8) one-bedroom/one bathroom residential units measuring approximately 700 square feet, (7) two-bedroom/ one bathroom residential units measuring approximately 900 square feet, and (3) three-bedroom/ one bathroom residential units measuring approximately 900 square feet. At the time of inspection, the overall property was in fair condition with eight units vacant and one unit currently being evicted.

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Highest and Best Use: It is our opinion that the highest and best use of the subject is for its continued use as an apartment property.

Income Capitalization Methodology: A Direct Capitalization analysis has been prepared for the subject property based on analysis of the market. We used this information as well as that obtained from our market analysis to arrive at a projected cash flow. Property income and expenses for a twelve month period have been projected arriving at Net Operating Income (N.O.I.). The resulting figure was subjected to direct capitalization. In arriving at the direct capitalization rates we considered pertinent comparable sales which are detailed in our report, as well as published surveys.

Value Indications

Cost Approach:	N/A[1]
Sales Comparison Approach:	**$400,000 "As Is"**
Income Capitalization Approach:	**$405,000 "As Is"**
	$580,000 "As Repaired"

Final Value Estimate "As Is":	**$405,000 *Equivalent to the current contract agreement**
Final Value Estimate "As Repaired":	**$580,000**

Effective Date of Value:	**October 29, 2010**
Inspection Date:	**October 29, 2010**

Marketability Considerations:

The apartment building sales market in the Chicago Metropolitan area has slowed dramatically during the past 12 months with fewer and fewer sales of properties. The credit crisis led to a decline in commercial loans that are available. These factors coupled with the faltering national economy and the increase in the unemployment rate has created a less-than-friendly environment for the apartment market.

All factors considered we believe that this property could readily be sold at the appraised value within 12 months assuming the property will be actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used by buyers and sellers of similar type property.

The Korpacz Real Estate Investor Survey for the Third Quarter 2010 reflects an average marketing time for apartment buildings on a nationwide basis of 7.16 months, an increase from the prior quarter level of 7.14 months.

Exposure time is 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. The exposure time

[1]**The Cost Approach was not used in this appraisal as it does not reflect the motivation of purchasers for properties of the subject type in the current market. This is the case because the estimate of depreciation would be very large, totally subjective, and without market support.**

typically differs from the marketing period as it is assumed to precede the effective date of the appraisal. We project exposure time for the subjects of twelve months.

PURPOSE, INTENDED USE, & INTENDED USER OF APPRAISAL

The **purpose** of this appraisal is to estimate the value of the "as is" and "as repaired" fee simple interest in the subject property as of the date of inspection, October 29, 2010. The function of this appraisal is to estimate the value of the subject property as collateral for financing purposes.

Fee Simple Interest is defined in the Dictionary of Real Estate Appraisal, Third Edition, Chicago, Illinois Appraisal Institute, 1993, as: "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the government powers of taxation, eminent domain, police power, and escheat."

The **intended use** of this appraisal is for mortgage consideration for the subject property.

The **intended user** is **Quick Funding LLC.** Use of this report by any unauthorized others is not intended by the appraiser.

DEFINITION OF MARKET VALUE

Market Value is defined as "The most probable price a property should bring in a competitive and open market under all condition's 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 consider 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 US. 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."[2]

SCOPE OF APPRAISAL

In preparing this report we inspected the subject property and subject area, analyzed the relevant apartment market in the Austin community as well as the surrounding neighborhoods, examined the historical income and expense data for the subject property and compared this with data with

[2]**Federal Register, Vol. 165, August 24, 1990 "Rules and Regulations, " 34.42**

industry averages and other operating apartment buildings of which we have information. We collected and analyzed comparable operating information from the market. We then utilized the approaches to value to synthesize this information into an estimate of value.

The **appraisal problem** addressed within this report encompasses the valuation of an apartment property on an “as is” and “as repaired” basis. Our site inspection of the interior and exterior of the subject and market investigation was completed by Brian D. Flanagan. However, we were not allowed entry to the vacant units. We expect the units to be in poor condition as we were informed the units were under repair.

Market data compiled for this report include a variety of data including comparable sales and listings. These data are the result of research specific to the market for the subject property. To the extent possible, the data were verified by buyers, sellers, brokers, managers, government officials or other sources regarded as knowledgeable and reliable. Emphasis was placed on transactions for which direct verification was available. Information such as zoning, real estate taxes, assessments and encumbrances were obtained from governmental sources.

Information regarding the property was obtained from the client. Additional information was obtained through a personal inspection of the property. Specific estimates concerning projected expenses, vacancy, cash flows, etc., are the judgments of the appraisers based on our interpretation of available data.

COMPETENCY PROVISION

We are aware of the competency provision contained within Uniform Standards of professional Appraisal Practice (USPAP) and the author of this report meets these standards. Mr. Brian D. Flanagan, MAI inspected the subject property, and researched and analyzed pertinent market information for the preparation of this appraisal report. Further, Mr. Flanagan has extensive appraisal experience with apartment properties for the past twenty years and has analyzed and appraised a large number of apartment properties.

EXTRAORDINARY ASSUMPTIONS

The Uniform Standard of Professional Appraisal Practice (USPAP) defines extraordinary assumptions as an assumption directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinion and conclusion. Extraordinary assumptions presume as fact uncertain information about physical, legal or economic characteristics of the subject property: or about conditions external to the property such as market conditions or trends: or about the integrity of the data used in an analysis.[3]

During the preparation of this report, we did not rely upon any extraordinary assumptions. However, we did make certain assumptions within the Income Capitalization section of this report.

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[3] The Dictionary of Real Estate Appraisal. 4th Edition, by the Appraisal Institute, 2002

HYPOTHETICAL CONDITIONS

Per the Uniform Standards of Professional Appraisal Practice (USPAP), hypothetical conditions assume conditions 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 integrity of data used in an analysis. We have not applied any hypothetical conditions in our appraisal of the subject property.

HISTORY OF THE PROPERTY

In accordance with the Standards of Professional Practice of the Appraisal Institute, we are required to indicate the subject's ownership history for the preceding three-year period. According to a review of Cook County public records, the current owner of record is GMU Holdings LLC, or an affiliated entity. The current ownership acquired the subject from Intercounty Judicial Sales Corp for an undisclosed amount according to Cook County Document No. 1025341004 in August 2010. The subject was transferred in October 2008 in consideration of $1,179,000 between 950 N Lavergne LLC (Grantor) and Chisom Ventures LLC (Grantee) according to Cook County Document No. 0831245081.

To the best of our knowledge, there have been no transactions regarding this property within the preceding three-year period. However, the property was listed for sale in consideration of $425,000 but is currently under contract in the amount of $405,000.

ZONING AND OTHER RESTRICTIONS

The subject is zoned RS-3, Residential Single-Unit District, by the City of Chicago. The primary purpose of the RS district is to accommodate the development of detached houses on individual lots. It is intended that RS zoning be applied in areas where the land-use pattern is characterized predominately be detached houses on individual lots or where such a land use pattern is desired in the future. The following bulk and density standards are required in the RS-3 district:

Minimum Lot Area:	2,500 square feet
Maximum Floor Area Ratio:	0.90
Maximum Building Height:	30 feet

Yard Setbacks:

Front-	20 feet or 16% of lot depth, whichever is less
Rear-	24% of lot depth or 50 feet, whichever is less
Side-	20% of lot width with neither required setback less than 2 feet or 8% of lot width, whichever is greater

The subject property is regarded as a legal but non-conforming use within the RS-3 district as the date of construction predates the zoning in place.

Diagram of the subject within its zoning classification

*Subject is outlined by a red border

REAL ESTATE TAX AND ASSESSMENT DATA

Overview

The property tax is the largest single tax in Illinois, and is the major source of tax revenue for local government taxing districts. The property tax is a local tax, imposed by local government taxing districts, which include counties, townships, municipalities, school districts, special districts, etc. Property tax is administered by local officials. In Illinois, the property tax is imposed on the value of real property (typically land, buildings, and permanent fixtures) owned. Illinois does not have a state property tax.

The process of imposing the property tax has three distinct parts. First, a value must be placed on the property; that value is called an assessment. Next, the taxing district files a levy with the county clerk on the property situated within its boundaries. Finally, the county clerk calculates the tax rate that is required to produce the amount of the levy based on the assessed value of each property in the district so taxes can be billed.

Assessment

The Cook County Assessor determines the value of all taxable real estate within Cook County. The assessment is based on a percentage of the property's "fair cash" or "fair market" value, which represents an estimate of fee simple market value by the Assessor's office. Once the full value of property is established, the Assessor applies percentage levels of assessment as prescribed by Cook County's Classification Ordinance.

Equalization

Once assessments have been finalized, property valuations become subject to an equalization study by the Illinois Department of Revenue. The purpose of the study is to establish a common level of assessment among the 102 Illinois counties. Equalization factors are established on a county-basis based on an annual sales-ratio study that compares the assessed value of a given property to its sale price, in the respective year of sale. Cook County equalization factors for the past six years are summarized below.

Tax Year	Equalization Factor
2004	2.5757
2005	2.7320
2006	2.7076
2007	2.8439
2008	2.9786
2009	3.3701

Tax Extension

Once the equalization process is completed, the County Clerk calculates the tax rate for each levy. The rates are expressed in terms of dollars of taxes per $100 of equalized assessed valuation. The individual tax bills are determined by multiplying the current year’s equalized assessed value of a given property by the aggregate of the tax rates of all taxing bodies within which the property lies. The extensions are the actual dollar amounts billed to the taxpayers, and in aggregate, represent the income streams to the various governmental bodies.

Collection

Once the levy has been extended, the County Treasurer prepares and mails the tax bill to the property owners. Tax bills are mailed in two installments. In Cook County, the first bill is due on March 1. Since Cook County is on an accelerated billing cycle, first installment tax bills represent estimates, which by law cannot exceed more than one-half the previous year’s total tax bill. The second installment is usually mailed in late summer and may be due as early as September 1. The second installment represents the final bill for the year and reflects actual assessed values and tax rates for the tax year in question.

Historical Real Estate Taxes

The subject is situated on a single tax parcel for assessment purposes. The Permanent Identification Number (PIN) is 16-04-418-021. The subject property’s most recent historical taxes are outlined in the following table.

Historical Real Estate Taxes and Assessment Data 950 N. Lavergne Avenue Chicago, IL 60651			
Parcel No. 16-04-418-021	**2008 Payable "09**	**2007 Payable "08**	**2006 Payable "07**
Land Value	$9,979	$9,979	$9,979
Improvements Value	$57,608	$57,608	$57,608
Total Value	$67,587	$67,587	$67,587
Equalized Value	$201,315	$192,211	$182,999
Taxes	**$9,695**	**$9,599**	**$9,703**
Taxes Per Unit (18)	**$483.06**	**$533.28**	**$539.06**

The subject property paid $9,695 in real estate taxes for the 2008 tax year payable in 2009. For the next twelve months, we have estimated the real estate tax expense at the subject property at $9,889 representing a 2.0% increase over the previous year.

Area Map


Zion
Lake Villa
Fox Lake Hills
Lindenhurst
Fox Lake
Venetian Village
Long Lake
Gurnee
Round Lake Park
Waukegan
McHenry
Round Lake
Park City
Grayslake
North Chicago
Fox River
Libertyville
Green Oaks
Lake Bluff
Wauconda
Mundelein
Vernon Hills
Cary
Lake Zurich
Highwood
Fox River Grove
Lincolnshire
Highland Park
Algonquin
Kildeer
Deerfield
Barrington
Long Grove
Buffalo Grove
Wheeling
Glencoe
Barrington Hills
Carpentersville
Inverness
Northbrook
Winnetka
Prospect Heights
South Barrington
Kenilworth
Rolling Meadows
Glenview
Wilmette
Mount Prospect
Elgin
Hoffman Estates
Des Plaines
Skokie
Evanston
Streamwood
Niles
Park Ridge
Elk Grove Village
South Elgin
Bartlett
Medinah
Roselle
Harwood Heights
Bloomingdale
Itasca
Bensenville
Norridge
Addison
Franklin Park
Subject Property:
950 N. Lavergne Ave
Carol Stream
Glendale Heights
Elmwood
River Forest
Geneva
West Chicago
Lombard
Winfield
Wheaton
Chicago
York Center
Cicero
Oak Brook
Warrenville
Stickney
Downers Grove
Hinsdale
Lisle
Naperville
Westmont
Countryside
Woodridge
Darien
Bridgeview
Hometown
Willow Springs
Evergreen Park
Hickory Hills
Bolingbrook
Merrionette Park
Lemont
Palos Park
Alsip
Calumet Park
Romeoville
Crestwood
East Chicago
Blue Island
Orland Park
Burnham
Dolton
Calumet City
Plainfield
Oak Forest
Gary
Lockport
Hazel Crest
Hammond
Du Page River
Fairmont
Country Club Hills
Homewood
Munster
Highland
Flossmoor
Griffith
Hobart
Joliet
Mokena
Glenwood
Shorewood
Olympia Fields
Chicago Heights
New Lenox
Schererville
Des Plaines River
Frankfort
Richton Park
Merrillville
Sauk Village
South Chicago Heights
Crete
Channahon
Manhattan
Crown Point
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AREA DESCRIPTION

Sector Overview

The subject property is located in Chicago's Austin neighborhood within the Chicago MSA one of the nation's most vital metropolitan areas. It is centrally located and has a well-diversified and healthy economic base. The Chicago Metropolitan Statistical Area (MSA) is the third largest in the United States, behind New York and Los Angeles, with a 2007 estimated population of 9.52 million. According to Woods & Poole, Economics, the Chicago MSA is expected to continue its population and employment gains, with the population reflecting an average annual growth rate of 0.73% and an annual employment growth rate of 1.01% through 2030.

The MSA was redefined in 2003 to reflect data from the national census of 2000, and now includes fourteen counties in Illinois, Indiana, and Wisconsin, grouped into three divisions: the Chicago-Naperville-Joliet Metropolitan Division is comprised of eight Illinois counties; the Gary, Indiana Metropolitan Division is comprised of four Indiana counties; and the Lake County-Kenosha County, IL-WI Metropolitan Division constitutes the third division. Prior to 2003, Kankakee was considered part of the Chicago MSA; now it is considered a separate MSA. The MSA occupies an area of 7,212 square miles along the southern shore of Lake Michigan, across Northeastern Illinois, Northwestern Indiana, and Southeastern Wisconsin.

Chicago is centrally located in the United States making it a convenient destination for business, meeting and leisure travelers alike. Chicago boasts the world's second busiest airport and lies at one of the busiest interstate highway intersections in the nation. Chicago's convention industry thrives due to the expansive transportation and accommodation infrastructure it possesses in conjunction with Chicago's numerous cultural and sightseeing offerings. It is common for exhibitors, and organizations to capture healthy increases in attendee and exhibitor participation when they meet in Chicago due to accessibility of the city and the expansive entertainment and cultural venues the city offers. Within a 250-mile radius of Chicago, lies 10.6 percent of the U.S population. This speaks to the fact that a vast population of people are at Chicago's doorstep.

History

In 1829, only 30 people lived in Chicago; two years later, the population had doubled. The next year, Cook County was incorporated, Chicago was declared its county seat, and on August 12, 1833, the Town of Chicago organized with a population of 350. Within seven years a flood of new arrivals from the eastern U.S. and foreign countries gave the town a population of over 4,000. Chicago incorporated as a city on March 4, 1837 when the State of Illinois granted Chicago a city charter.

Many factors including Chicago's central location in an expanding nation, contributed to Chicago's early growth. The city was the logical transportation link between eastern and western United States, using the Great Lakes and the river systems, and (after 1850) the railroads. The opening of the Illinois and Michigan Canal in 1848 allowed shipping from the Great Lakes through Chicago to the Mississippi River. The first rail line to Chicago, the Galena & Chicago

Union Railroad, was completed the same year. Industry also contributed to Chicago's rapid growth, as well as some of its sanitation issues. The meat packing, railway industry, iron and steel, and many other industries thrived in Chicago and attracted hundreds of thousands of immigrants, bringing its population to more than 300,000 by 1870.

In 1871, most of the city burned in the Great Chicago Fire. One-third of the city's residents lost their homes, and at least 300 perished. The massive post-fire reconstruction gave Chicago architects a unique opportunity for innovation, and the city soon became a showcase for the latest innovations in urban architecture, including the world's first skyscraper constructed with a steel skeleton in 1885. By 1890, Chicago was the second largest city in the United States, after New York City. Chicago had grown from 60,000 to 1.1 million people in less than sixty years.

In the late 19th century Chicago's physical size had expanded along with its population, from 43 to 169 square miles, as a result of consolidation and annexation. After World War II, upper- and middle-class Chicago residents, like those of other American cities, began to migrate outward to the suburbs, a trend that continued and intensified throughout the second half of the 20th century and into the 21st. As a result of this shift, the City itself shrank by nearly 700,000, leaving many impoverished neighborhoods in their wake. The Great Depression of the 1930s was particularly severe in Chicago because of the City's reliance on manufacturing, the hardest hit sector nationally. Only 50% of the Chicagoans who had worked in the manufacturing sector in 1927 were still working there in 1933.

Mayor Richard J. Daley was elected in 1955, in the era of so-called machine politics. During Daley's tenure (he died in office in 1976), the 1968 Democratic National Convention was held in Chicago, four major expressways were built, McCormick Place (the nation's busiest convention hall) was constructed, the Sears Tower became the world's tallest building, and O'Hare Airport (which for many years would operate as the world's busiest airport) was constructed. Richard M. Daley, son of Richard J. Daley, became mayor in 1989. One new development under the younger Daley has sparked debate, the destruction of the city's vast public housing projects.

Since the early 1990s, Chicago has seen a turnaround from the decline common to American cities following World War II. Many formerly abandoned neighborhoods are starting to show new life and the city's diversity has grown. In the 1990s, the City of Chicago grew for the first time since the 1950s, though population has since declined slightly again. However, Chicago's suburbs have shown steady growth throughout the period and some are among the nation's swiftest growing today.

Demographics

The Chicago metropolitan region has been growing steadily in recent years. Between 1990 and 2000, the MSA population increased by over 11%, and between 2000 and 2004, there was a net increase of 295,000 residents, due to natural increase (births) compensating for a modest net migration loss. The overall rate of growth has slowed, but is still 3.7% for those four years.

The City of Chicago experienced an increase in population of over 4% between 1990 and 2000, but the 1990s appear to have been an anomaly. Between 2000 and 2006, the City lost approximately 34,000 residents, or more than 1% of its population (due to net out migration), consistent with long-term population trends. Over the past few decades, the population of the City of Chicago, like the populations of many other Midwestern and Eastern Central cities, has declined, having peaked in the 1950s at over 3,600,000. Between 1970 and 1980, the population declined by 360,000, or 12%; by 1990, it had fallen an additional 220,000, or 7%. According to the US Census Bureau, the estimated population of the Chicago MSA, as of July 1, 2007 is 9,524,673, which is a 0.70% increase from the July 1, 2006 population estimate. The Northeastern Illinois Planning Commission forecasts the City population to grow to 3,260,897 by 2030, a 12.6% increase from 2000, with employment increasing from 1,522,635 in 2000 to 1,763,365 by 2030.

In the rest of Cook County, the population declined by more than 15,000 between 2000 and 2006 to 2,466,000. Although Cook County grew by 160,000 residents between 1990 and 2000, between 2000 and 2006, it lost more population than any other U.S. county, again due to net out migration, according to demographic research by Dr. Kenneth Johnson at Loyola University. Cook County has the sixth highest population density (5,572 people/square mile) of all the 49 largest MSAs in the nation.

CHICAGO METROPOLITAN STATISTICAL AREA POPULATION CHARACTERISTICS (1980-2008)							
County	**1980**	**1990**	**% Change 1980-1990**	**2000**	**% Change 1990-2000**	**2008 Estimate**	**% Change 2000-2008**
Chicago-Naperville-Joliet, IL Metropolitan Division							
Cook	5,253,685	5,105,067	-2.83%	5,376,741	5.32%	5,294,664	-1.53%
City of Chicago***	3,003,961	2,783,726	-7.33%	2,896,016	4.03%	2,835,658	-2.08%
DeKalb	76,624	77,932	1.71%	88,969	14.16%	106,321	19.50%
DuPage	658,835	781,666	18.64%	904,161	15.67%	930,528	2.92%
Grundy	30,582	32,337	5.74%	37,535	16.07%	47,958	27.77%
Kane	278,405	317,471	14.03%	404,119	27.29%	507,579	25.60%
Kankakee**	102,926	96,255	-6.48%	103,833	7.87%	112,524	8.37%
Kendall	37,202	39,413	5.94%	54,544	38.39%	103,460	89.68%
McHenry	147,897	183,241	23.90%	260,077	41.93%	318,641	22.52%
Will	324,460	357,313	10.13%	502,266	40.57%	681,097	35.60%
Gary, IN Metropolitan Division							
Lake	522,965	475,594	-9.06%	484,564	1.89%	493,800	1.91%
Porter	119,816	128,932	7.61%	146,798	13.86%	162,181	10.48%
Jasper*		24,960		30,196	20.98%	32,544	7.78%
Newton*		13,551		14,554	7.40%	14,293	-1.79%
Lake County-Kenosha County, IL WI Metropolitan Division							
Lake County, IL	440,372	516,418	17.27%	644,356	24.77%	712,453	10.57%
Kenosha, WI	123,137	128,181	4.10%	149,577	16.69%	164,465	9.95%
Total	**8,116,906**	**8,239,820**	**1.51%**	**9,157,540‡**	**11.14%**	**9,682,508**	**5.73%†**

**Added to Chicago Metropolitan Statistical Area in 2003 **No longer considered part of Chicago Metropolitan Statistical Area after 2003*
‡Does not include Jasper and Newton County, which were added to the Chicago MSA in 2003
†This figure is affected by the change in definition of the MSA (the former MSA grew by 11.14% overall between 1990 & 2000)
Source: United States Census Bureau

The amount of growth the region experienced in the 1990s is surpassed only by growth observed in the 1920s and 1950s, and is equal to nearly three times the population growth experienced in the twenty year period from 1970 to 1990. Since 1990, only 31 suburban communities show a loss in their population base. While this is in large part due to a pause in the decline of the average number of people residing in each household, it does reveal a stabilization of the population for many of the older suburban communities. In the 1990s, 41 of the 77 Chicago community areas gained population, compared to only 19 a decade earlier. This growth has been fueled by a continuing increase in the Hispanic and Asian populations.

Income Trends

The Chicago metro area is an affluent region with an estimated 2005 median household income ($45,570) that is nearly 20% higher than the national median. Rising median income combined with increased household formations has resulted in growth of total income in the region at a compound annual rate of 2.01% from 2000 to 2005. The following table outlines historical effective buying income trends for the subject property's market area between 2000 and 2005. The City of Chicago, with its affluent northern urban areas and major employers, reports nearly half the income attributable to Cook County and just shy of 1/4 of the income of the entire CBSA is generated by this area. Growth in the Metro Area is expected to be above the state and at levels similar to the national growth through 2008.

Market Area Effective Buying Income Chicago Metropolitan Area					
Area	**2000**	**2005**	**CAG**	**2003-2008**	**CAG**
Chicago	$47,162,660	$51,750,628	1.87%	N/A	N/A
Cook County	$102,880,202	$110,720,725	1.48%	$125,912,450	3.04%
Chicago CBSA Area	$186,859,030	$206,376,245	2.01%	$216,919,085	3.61%
State of Illinois	$240,447,775	$262,637,382	1.78%	$296,772,650	3.42%
United States	$4,877,786,658	$5,692,909,567	3.14%	$6,417,213,392	3.74%
Source: Sales and Marketing Management for years indicated					

Historically, the Chicago Metro Area's aggregate income and average household income have grown in line with the State of Illinois and the United States. However, the recent recessionary period heavily impacted the communications industry, aircraft and airline industries and several of the major rust belt industries, and strongly impacted growth in median household income. The area is only now recovering from that recession as employment statistics show an encouraging trend. The median household income growth in Chicago of 0.52 percent is a reversal of the declines in the Metro Area and Cook County, closing the gap in income levels. This is partially driven by new contracts in some service industries. Projected growth is expressed in average household income rather than median. The significantly higher levels show the influence of the affluent components of the market where income levels at the top of the market pull the averages to levels well above the state and the nation, showing a metro area income of $68,351 for 2008, well above the comparable levels for other regions in the presentation. This reflects the upper end strength in the market and the number of corporate executive level positions within the market area. This is expected to sustain economic activity and economic growth throughout the market area.

Market Area Median Household Income Chicago Metropolitan Area					
Area	**2000**	**2005**	**CAG**	**2008 avg.***	**CAG***
Chicago	$34,973	$35,891	0.52%	$51,903**	N/A
Cook County	$42,691	$41,513	-0.56%	$62,327	2.75%
Chicago CBSA Area	$47,250	$45,876	-0.59%	$68,351	2.78%
State of Illinois	$43,169	$42,182	-0.46%	$61,086	2.70%
United States	$38,896	$39,324	1.10%	$55,304	2.53%
*Projected Average Annual Statistics, Projected Median Income not available ** 2009 projected estimate Source: Sales and Marketing Management for years indicated & STDB Online					

Economy

When compared to the rest of the world, Chicago has the 4th largest urban agglomeration based on GDP (measured using PPP – Purchasing Power Parity) in the world[4]. According to information acquired from the Bureau of Economic Analysis, the Chicago MSA produced a Gross Metropolitan Product (GMP) worth $485.0 billion in 2006, placing it third among US metropolitan areas, after New York and Los Angeles. In 2004, the GMP totaled $392.6 billion. Of this $392.6 billion, 86.1% was produced by the Chicago-Naperville-Joliet Metropolitan Division, 8.8% by the Lake County-Kenosha Metropolitan Division, and 5.2% by the Gary, IN Metropolitan Division. Chicago's economy grew by $132.4 billion between 1994 and 2004, with an average annual growth rate of 4.2%.

Overall, the Chicago area has a stable and exceptionally well-diversified economic base. The region is home to the second largest concentration of Fortune 500 companies in the United States. Of the 500 largest United States corporations listed in Fortune Magazine in 2008, 29 are located in the Chicago area and many others have regional or branch offices located in the Chicago area. The top 100 companies on the list include: Kraft Foods, Abbot Laboratories, Boeing, Sears Holdings, Allstate, Walgreen's, and Motorola. The city is one of the world's largest centers of commodities trading activity and is the home of the country's largest exchanges (The Chicago Board of Trade and the Chicago Mercantile Exchange). Chicago is also one of the five largest financial centers in the United States and the world's largest producer of steel and machinery, as well as the nation's wholesaling center. In addition, at an estimated $609.57 billion in 2007, Illinois' gross state product is fifth among the states.

Major industrial corporations with headquarters in the Chicago area include Boeing, IC Industries, Borg-Warner, Navistar International, Motorola, FMC, Inland Steel, and USG Corporation. The Chicago metropolitan area is also headquarters for diversified food companies such as Kraft, Sara Lee, McDonald's, Quaker Oats and Swift. Home to one of the world's largest retailers, Sears Roebuck and Company, Chicago has also spawned development of such major retailing companies as Macy's, Walgreen's, and Ace Hardware. A detail of Chicago's largest public companies is included below.

[4] PriceWaterhouseCooper (PWC) – Economic Outlook 2007

Chicago Area's Largest Public Companies- Ranked by 2007 Net Revenue						
No.	**Company**	**Location**	**Market Cap* (Millions)**	**2007 Net Revenue (Millions)**	**Full Time Employees**	**Primary Industries**
1.	Boeing Co.	100 N. Riverside Plaza Chicago, IL 60606	$64.430.1	$66,387.0	159,300	Aerospace, defense
2.	Walgreen Co.	200 Wilmot road Deerfield, IL 60015	$37,716.6	$53,762.0	226,000	Drugstores, mail-order pharmaceuticals
3.	Sears Holdings Corp.	3333 Beverly Road Hoffman Estates, IL 60179	$13,470.6	$50,703.0	337,000	Department Stores
4.	Kraft Foods Inc.	3 Lakes Drive Northfield, IL 60093	$50,047.2	$37,241.0	103,000	Snacks, beverages, packaged meals
5.	Allstate Corp.	2775 Sanders Road Northbrook, IL 60062	$29,405.5	$36,769.0	39,000	Property, casualty and life insurance
6.	Motorola Inc.	1303 E. Algonquin road Schaumburg, IL 60196	$36,300.1	$36,622.0	66,000	Communications equipment
7.	Abbott Laboratories	100 Abbott Park Road Abbott Park, IL 60064	$87,027.4	$25,914.2	68,000	Pharmaceuticals
8.	McDonald's Corp.	2111 McDonald's Drive Oak Brook, IL 60523	$68,647.8	$22,786.6	390,000	Fast-food restaurants
9.	UAL Corp.	77 W. Wacker Drive Chicago, IL 60601	$4,169.4	$20,098.0	55,000	Airline
10.	Exelon Corp.	10 S. Dearborn Street Chicago, IL 60603	$53,979.0	$18,716.0	17,800	Electricity supplier
11.	Illinois Tool Works Inc.	3600 W. Lake Street Glenview, IL 60026	$28,381.4	$16,170.6	60,000	Industrial machinery
12.	Sara Lee Corp.	3500 Lacey Road Downers Grove, IL 60515	$11,437.5	$12,278.0	52,400	Food, food-service and personal products
13.	R.R. Donnelley & Sons Co.	111 S. Wacker Drive Chicago, IL 60606	$8,148.1	$11,587.1	65,000	Commercial printing
14.	Baxter International Inc.	1 Baxter Parkway Deerfield, IL 60015	$36,782.7	$11,263.0	46,000	Medical products and services
15.	Integry's Energy Group Inc.	130 E. Randolph Street Chicago, IL 60601	$3,945.5	$10,292.4	5,231	Public utility holding company

Source: Crain's Chicago Business Top Lists 2009
**Market Capitalization as of 12/31/2007*

It should be noted that there are several very large companies that would have made it in the top 15 public companies, but they do not have their primary residence within the Chicago MSA. These companies include: Caterpillar Inc., Archer Daniels Midland Co., and Deere & Co., which are heavily influenced by the economic impact Chicago offers. We have found it prudent to mention these companies and include a chart detailing them below.

Chicago Area's Largest Public Companies- Ranked by 2007 Net Revenue						
No.	**Company**	**Location**	**Market Cap* (Millions)**	**2007 Net Revenue (Millions)**	**Full Time Employees**	**Primary Industries**
1.	Caterpillar Inc.	100 N. E. Adams Street Peoria, IL 61629	$45,276.5	$44,958.0	101,333	Construction and farm machinery, heavy trucks
2.	Archer Daniels Midland Co.	4666 E. Faries Parkway Decatur, IL 62526	$29,881.3	$44,018.0	27,300	Agricultural products
3.	Deere & Co.	1 John Deere Place Moline, IL 61265	$40,603.7	$23,648.2	52,022	Construction and farm machinery, heavy trucks

Source: Crain's Chicago Business Top Lists 2009
**Market Capitalization as of 12/31/2007*

A detail of the Chicago's largest private companies is included below.

Chicago Area's Largest Private Companies- Ranked by 2007 Net Revenue						
No.	**Company**	**Headquarters Location**	**2007 Net Revenue (Millions)**	**Chicago Employees**	**Worldwide Employees**	**Primary Industries**
1.	Reyes Holdings LLC	9500 W. Bryn Mawr Ave. 700 Rosemont, IL 60018	$9,700.0	385	9,000	Food and beverage distribution
2.	Topco Associates LLC	7711 Gross Point Road Skokie, IL 60077	$8,852.0	340	400	Procures goods on behalf of the cooperative
3.	CDW Corp.	300 N. Milwaukee Avenue Vernon Hills, IL 60061	$8,145.0	4,094	6,300	Computer hardware, software and accessories
4.	Global Hyatt Corp.	71 S. Wacker Drive Chicago, IL 60606	$8,144.0	3,902	83,700	Hospitality
5.	Ryerson Inc.	2621 W. 15th Place Chicago, IL 60608	$6,000.0	NA	5,400	Metal processor and distribution
6.	Tribune Co.	435 N. Michigan Avenue Chicago, IL 60611	$5,063.0	3,913	17,186	Media
7.	OSI Group LLC	1225 Corporate Blvd. Aurora, IL 60505	$4,850.0	1,700	20,000	Develops and processes food
8.	Eby-Brown Co. LLC	280 W. Shuman Blvd. Naperville, IL 60563	$4,500.0	550	2,275	Wholesale distributor
9.	Ace Hardware Corp.	2200 Kensington Court Oak Brook, IL 60523	$3,970.0	1,000	4,800	Retailer owned hardware cooperative
10.	Walsh Group LTD.	929 W. Adams Street Chicago, IL 60607	$3,635.7	1,600	5,500	Contractor, design builder and construction manager
11.	Amsted Industries Inc.	180 N. Stetson Street 1800 Chicago, IL 60601	$2,845.0	600	9,050	Manufacturer of railroad construction material
12.	Medline Industries Inc.	1 Medline Place Mundelein, IL 60060	$2,806.0	2,170	5,545	Manufacturer & distributor of medical supplies
13.	Heico Cos. LLC	70 W. Madison Street 5600 Chicago, IL 60602	$2,500.0	550	10,000	Buyout firm specializing in manufacturing
14.	Follett Corp.	2233 West Street River Grove, Il 60171	$2,369.0	2,458	8,405	Retail and wholesale distributor
15.	Inland Real Estate Group of Cos.	2901 Butterfield Road Oak Brook, IL 60523	$2,297.6	999	1,255	Commercial real estate developer and financier

Chicago is home to some of the largest privately held companies in America. This is evidenced by the fact that Reyes Holdings LLC is the 24th largest privately held company in the United States and there are four more companies in the top private 100 according to Forbes. It should be noted that Topco Associates LLC was acquired by Brain Tree Sourcing LLC in February 2006.

Chicago Area's Largest Money Managers		
No.	**Company**	**Total Assets Managed**
1	Northern Trust Global Investments	$731,900.0 Million
2	LSV Asset Management	$79,542.00
3	Nuveen Investments, Inc.	$79,000.00
4	PPM America Inc. and Subsidiary	$78,110.00
5	Harris Associates LP	$72,780.00
6	Lehman Bros. Asset Management LLC	$47,807.10
7	William Blair & Co. LLC	$47,010.90
8	Calamos Asset Management Inc.	$43,811.00
9	Columbia Wanger Asset Management	$38,200.00
10	Mesirow Financial Holdings Inc.	$26,249.70

Source: Crain's Chicago Business Top Lists 2008

It should be noted that the total assets detailed above are the assets managed out of the Chicago office only as of June 30, 2007. A detail of Chicago's largest banks is included below.

Chicago Area's Largest Banks- Ranked by Assets (As of March 31, 2008)						
No.	**Company**	**Assets (Millions)**	**Commercial Loans**	**Real Estate Loans**	**Consumer Loans**	**Other Loans**
1.	Northern Trust Corp.	$67,961.8	33.0%	1.5%	6.7%	58.8%
2.	Harris N.A.	$41,430.6	12.7%	11.6%	19.3%	56.4%
3.	Corus Bank N.A.	$8,976.7	0.9%	1.4%	0.04%	97.7%
4.	First Midwest Bank	$8,264.5	21.4%	32.0%	1.7%	44.9%
5.	MB Financial Bank N.A.	$8,075.0	24.3%	3.0%	0.8%	71.9%
6.	Private Bank & Trust Co.	$4,475.3	30.7%	27.0%	1.4%	40.8%
7.	Park National Bank	$4,458.1	5.4%	32.7%	0.3%	61.6%
8.	Midwest Bank & Trust Co.	$3,718.1	17.6%	41.3%	0.4%	40.6%
9.	Cole Taylor Bank	$3,511.1	26.0%	28.9%	0.7%	44.4%
10.	Old Second National Bank	$2,998.1	9.8%	30.7%	0.7%	58.8%

Source: Crain's Chicago Business Top Lists 2009

The list above includes the banks listing Illinois Headquarters in assets filings with Federal Deposit Insurance Corporation (FDIC). The commercial loan category includes domestic secured and unsecured loans for commercial and industrial purposes. The real estate loan category includes domestic non-farm and non-residential loans. Consumer loans are unsecured domestic loans to individuals. Further, the current economic climate has resulted in write downs of assets at a large number of the banks possibly including the ones above. The information above was the most recent available and the value of the assets may have changed since these numbers above were reported.

The table below details the largest accounting firms in Chicago ranked by employees.

Chicago Largest Accounting Firms- Ranked by the Number of staff members - (As of September 30, 2008)								
No.	**Company**	**Location**	**Professional Staff**	**Local CPAs**	**Local practice emphasis**			
					Auditing & Accounting	**Management Advisory**	**Tax**	**Other**
1.	Deloitte LLP	111 S. Wacker Drive Chicago, IL 60606	3,658	730	900	1,366	759	633
2.	Ernst & Young LLP	233 S. Wacker Drive Chicago, IL 60606	1,777	735	948	128	374	327
3.	PriceWaterHouseCoopers LLP	1 N. Wacker Drive Chicago, IL 60606	1,765	NA	615	385	470	295
4.	KPMG LLP	303 E. Wacker Drive Chicago, IL 60601	1,701	NA	573	539	407	182
5.	RSM McGladrey Inc./ McGladrey & Pullen	1 S. Wacker Drive Chicago, IL 60606	1,342	440	519	233	319	271
6.	Crowe Horwath LLP	1 Mid America Plaza Oakbrook Terrace, IL 60181	588	199	449	67	72	0
7.	Grant Thornton LLP	175 W. Jackson Boulevard Chicago, IL 60604	464	NA	187	74	113	90
8.	FGMK LLC	2801 W. Lakeside Drive Bannockburn, IL 60015	278	89	111	92	36	39
9.	Blackman Kallick LLP	10 S. Riverside Plaza Chicago, IL 60606	265	107	129	45	91	0
10.	BDO Seidman LLP	233 N. Michigan Avenue Chicago, IL 606061	202	69	112	46	31	13

The table below details the largest law firms in Chicago ranked by local attorneys.

Chicago Largest Law Firms- Ranked by the Number of local attorneys (As of June 30, 2008)															
			Local Partners' Specialties'												
No.	Company (Location)	No. of Attorneys	Antitrust	Banking	Business	Corp. & Sec.	Health Care	Insurance	Intellectual Property	Labor	Litigation	Environmental & Legislation	Municipal	Real Estate	Taxation
1.	Kirkland & Ellis LLP 200 E. Randolph Street Chicago, IL 60601	658	33	0	15	99	1	8	46	9	108	7	0	8	28
2.	Sidley Austin LLP 1 S. Dearborn Street Chicago, IL 60603	561	22	21	12	66	13	15	15	23	102	8	0	17	20
3.	Mayer Brown LLP 71 S. Wacker Drive Chicago, IL 60606	453	18	24	6	38	0	0	7	0	57	9	7	12	24
4.	Winston & Strawn LLP 35 W. Wacker Drive Chicago, IL 60601	368	3	45	14	55	0	0	4	13	73	2	0	5	12
5.	Jenner & Block LLP 330 N. Wabash Avenue Chicago, IL 60611	346	21	20	10	39	10	24	32	7	98	18	3	7	13
6.	McDermott Will & Emery LLP 227 W. Monroe Street Chicago, IL 60606	326	6	7	18	32	21	4	16	5	42	6	1	4	24
7.	Katten Muchin Roseman LLP 525 W. Monroe Street Chicago, IL 60661	313	6	20	8	82	13	2	13	3	70	4	6	40	9
8.	DLA Piper US LLP 203 N. LaSalle Street Chicago, IL 60601	264	5	13	7	44	4	5	10	3	35	5	1	49	13
9.	Schiff Hardin LLP Sears Tower Chicago, IL 60606	262	15	5	4	37	0	22	41	15	68	11	9	12	6
10.	Seyfarth Shaw LLP 131 S. Dearborn Street Chicago, IL 60603	259	0	0	3	14	0	0	6	51	24	9	0	16	5

Employment

Chicago is a substantial metropolitan market and the broad diversification of the Chicago economy and its lack of dependence on a single volatile industry (high technology for example) have preserved it from the worst effects of the economic recessions and the lingering slumps that have swamped the national economy. In being so broad based, the economy of Chicago resembles that of the nation and endures the same general strengths and weaknesses. The manufacturing base has suffered on the local, regional, and national basis. While the metropolitan area population has grown moderately in the past two decades, the level of employment has grown significantly. From 1970 through 2000, the number of workers increased by more than 3%. In the 1980's and continuing through 2009, a shift from manufacturing to the services sector began as manufacturing jobs moved to the south or even out of the country.

As of September 2009, the Chicago Metropolitan Area has an employment level of 4,361,986 persons. Historically, Illinois has ranked first in the nation in the number of new according to data released by U.S. Department of Labor, Bureau of Labor Statistics and the Illinois Department of Employment Security (IDES). However, the Chicago MSA like the United States on the whole has seen sizeable increases in unemployment.

Area: Chicago-Naperville-Joliet, IL Metropolitan Division Period: May 2008	
Occupation (SOC code)	**Employment**
Management Occupations(110000)	190,590
Business and Financial Operations Occupations(130000)	233,970
Computer and Mathematical Occupations(150000)	106,670
Architecture and Engineering Occupations(170000)	55,280
Life Physical and Social Science Occupations(190000)	32,700
Community and Social Services Occupations(210000)	44,180
Legal Occupations(230000)	37,170
Education Training and Library Occupations(250000)	Not Reported
Arts Design Entertainment Sports and Media Occupations(270000)	49,770
Healthcare Practitioner and Technical Occupations(290000)	193,280
Healthcare Support Occupations(310000)	88,540
Protective Service Occupations(330000)	98,610
Food Preparation and Serving Related Occupations(350000)	282,530
Building and Grounds Cleaning and Maintenance Occupations(370000)	120,570
Personal Care and Service Occupations(390000)	96,140
Sales and Related Occupations(410000)	403,710
Office and Administrative Support Occupations(430000)	661,370
Farming Fishing and Forestry Occupations(450000)	2,900
Construction and Extraction Occupations(470000)	155,360
Installation Maintenance and Repair Occupations(490000)	121,540
Production Occupations(510000)	310,820
Transportation and Material Moving Occupations(530000)	295,310
SOC code: Standard Occupational Classification code -- see http://www.bls.gov/soc/home.htm	

Unemployment rates in the Chicago region are rising to levels comparable and in most cases higher than the spike in unemployment in 2002 and 2003, accompanying the national economic slowdown. Preliminary figures for 2005 showed the lowest unemployment rates since 2001. Prior to 2002, Chicago experienced an improving unemployment rate in every year since 1994. Since the beginning of 2007, the unemployment rate in Chicago has gradually increased and, as of September 2009, the rate was at 11.3%. This is consistent with the rate of the Chicago-Naperville-Joliet Metropolitan area which had an unemployment rate of 10.2%. Below are tables showing the unemployment information since March 2008 for both the city of Chicago followed by the Chicago-Naperville-Joliet Metropolitan area which includes information on the state of Illinois.

Monthly Not Seasonally Adjusted Labor Force, Employment and Unemployment data in City Of Chicago						
Year	**Period**	**Civilian Labor Force**	**Employment**	**Unemployment**	**Unemployment Rate**	**Preliminary Calculation**
2009	Dec	1,311,564	1,161,822	149,742	11.4%	Yes
2009	Nov	1,327,945	1,176,092	151,853	11.4%	No
2009	October	1,321,599	1,168,622	152,977	11.6%	No
2009	September	1,315,721	1,167,837	147,884	11.2%	No
2009	August	1,320,339	1,181,020	139,319	10.6%	No
2009	July	1,352,409	1,196,655	155,754	11.5%	No
2009	June	1,353,182	1,190,054	163,128	12.1%	No
2009	May	1,330,300	1,178,228	152,072	11.4%	No
2009	April	1,316,562	1,177,190	139,372	10.6%	No
2009	March	1,305,167	1,176,004	129,163	9.9%	No
2009	February	1,305,480	1,179,254	126,226	9.7%	No
2009	January	1,304,211	1,189,499	114,712	8.8%	No
2008	December	1,310,100	1,209,987	100,113	7.7%	No
2008	November	1,315,079	1,220,151	94,928	7.2%	No
2008	October	1,309,950	1,212,700	97,250	7.4%	No
2008	September	1,328,631	1,238,502	98,129	7.4%	No
2008	August	1,346,398	1,236,030	110,368	8.2%	No
2008	July	1,367,411	1,251,750	115,661	8.5%	No
2008	June	1,371,827	1,260,012	111,815	8.2%	No

Source: Bureau of Labor Statistics

Monthly Not Seasonally Adjusted Labor Force, Employment and Unemployment data in Chicago-Naperville-Joliet, IL MSA							
Year	**Period**	**Civilian Labor Force**	**Employment**	**Unemployment**	**Unemployment Rate (MSA)**	**Unemployment Rate (IL)**	**Preliminary Calculation**
2009	Dec	4,841,045	4,327,544	513,501	10.60%	10.80%	Yes
2009	Nov	4,882,001	4,380,773	501,228	10.30%	10.40%	No
2009	October	4,861,132	4,361,035	500,097	10.30%	10.50%	No
2009	September	4,848,443	4,361,807	486,636	10.00%	10.40%	No
2009	August	4,878,800	4,406,849	471,951	9.70%	9.90%	No
2009	July	4,987,776	4,460,408	527,368	10.60%	10.50%	No
2009	June	4,998,506	4,447,906	550,600	11.00%	10.50%	No
2009	May	4,914,354	4,400,995	513,359	10.40%	9.90%	No
2009	April	4,865,272	4,390,285	474,987	9.80%	9.30%	No
2009	March	4,835,064	4,378,762	456,302	9.40%	9.30%	No
2009	February	4,838,279	4,395,050	443,229	9.20%	9.20%	No
2009	January	4,836,011	4,432,703	403,308	8.30%	8.50%	No
2008	December	4,854,484	4,508,629	345,855	7.10%	7.40%	No
2008	November	4,865,269	4,552,620	312,649	6.40%	6.70%	No
2008	October	4,865,876	4,566,217	299,659	6.20%	6.50%	No
2008	September	4,879,576	4,579,333	300,243	6.20%	6.40%	No
2008	August	4,933,549	4,607,117	326,432	6.60%	7.00%	No
2008	July	5,007,816	4,668,449	339,367	6.80%	7.00%	No
2008	June	5,009,271	4,671,506	337,765	6.70%	6.90%	No

Source: Bureau of Labor Statistics

Transportation

The Chicago Metropolitan Area is equipped with an expansive transportation infrastructure that is anchored by two major airports, one of the busiest highway and interstate systems in the country, an extensive rail system serving both commuters and commercial entities, and the central port in the United States. Chicago's O'Hare International Airport is the second busiest in the country behind Atlanta's Hartsfield Airport, handling over 75 million passengers annually. O'Hare International Airport recently completed a major renovation, moving the airport's massive heating and cooling plant and adding two new terminals and dozens of new aircraft boarding gates. The $3.2 billion World Gateway Program of O'Hare has addressed both the needs of the airlines and the travelers. The other major airport serving the Chicago region is Midway Airport on the southwest side of Chicago. The airport is in the finishing stages of an $800 million reconstruction featuring a new terminal and massive parking facility. The airport has increased the number of gates from 29 to 43 gates. Southwest Airlines is the dominant carrier at the airport.

AIR TRAVELERS THROUGH CHICAGO (Total passenger arrivals and departures)				
	2005	**2006**	**2007**	**2008**
O'Hare Domestic	65,124,169	64,576,289	64,270,672	59,332,468
O'Hare International	11,456,977	11,705,923	11,911,353	11,486,547
Midway Domestic	17,650,436	18,680,663	19,378,855	17,311,644
Midway International	212,402	187,725	125,009	33,991

Source: Chicago Department of Aviation *(Round-trip and connecting tickets are counted as two trips

The Chicago area is well known for its extensive mass transportation system which includes suburban commuter trains, city and regional bus routes, and subway and elevated train lines in the city. The Chicago Transit Authority (CTA) operates elevated rail lines, subway rail lines, and extensive bus routes within the city limits and selected border suburbs. Metra operates high-speed commuter trains connecting the farthest suburbs to downtown, while the Pace bus system covers the nearer suburbs. These three service boards make up the Regional Transportation Authority (RTA). The RTA has the primary responsibility of financial and budget oversight for the CTA, Metra and Pace. The RTA is the second largest public transportation system in North America providing over two million rides a day.

With its central location and access to interstates, water systems and train lines, the Chicago MSA serves as an integral shipping and transportation center. The Port of Chicago provides water access to the city available both from the Gulf of Mexico, by way of the Mississippi and Illinois Rivers and from the Atlantic Ocean via the St. Lawrence Seaway and the Great Lakes. In 2007, Chicago ranked 17th nationally in domestic trade, with over 21.1 million tons passing through the port. Located at the junction of five major interstate highways, which also bring commuter traffic into the downtown area, Chicago is the nation's largest trucking center, offering a comprehensive motor carriage system that attracts more than 30 million tons of freight annually. Chicago is also a hub of the nation's railway system, transporting approximately 23 million tons of manufactured goods annually along 18 trunk lines encompassing half of the nation's railway mileage. Chicago has an extensive interstate system linked by both federal and state highways. Interstate highways servicing the Chicago area include I-90/94 (Dan Ryan), I-94

(Edens), I-55 (Stevenson), I-290 (Eisenhower), I-294 (Tri-State), I-88 (East-West Tollway), I-355, I-57, I-80 and a massive amount of state and federal highways.

O'Hare Modernization Program (OMP)

The O'Hare Modernization Program is a $6.6 billion program with the aim of reconfiguring the current intersecting runway layout into a more modern parallel layout. All seven of the runways currently existing at O'Hare intersect except for one. After the phased implementation of the OMP, the more modern parallel configuration will represent a design similar to that which can be found at Dallas Fort-Worth and Atlanta Hartsfield. This program was approved by the federal government on September 30, 2005. According to flychicago.com, the OMP has the potential to decrease delays by 79% and increase the airport capacity by 60%. The OMP is projected to create 195,000 jobs and add $18 billion in annual economic activity to the region, which will add to the 450,000 jobs and $38 billion of activity the airport is responsible for. The program will need to acquire 433 acres in the municipalities of Chicago, Des Plaines, Elk Grove Village and Bensenville.

Conclusion

The Chicago metropolitan area has one of the largest population concentrations in the United States with over 9 million people in the statistical area. The economy is broad based and relatively diversified and is geographically a large area. The economy has been affected by the recent national recession as most sections of the country experienced the downturn but is well positioned for future growth and stability.

Neighborhood Map

NEIGHBORHOOD ANALYSIS

Austin

The Austin neighborhood is Chicago's largest neighborhood, both in size and in population with over 120,000 people and is located seven miles west of the Loop. Located on the far west side of the city, Austin abuts the affluent Oak Park, is the birthplace of Ernest Hemingway and is home to many Frank Lloyd Wright-designed buildings. Austin began as an upscale suburb built from railroad wealth. It has great beauty with its wide streets and Columbus Park, designed by famous landscape architect Jens Jenson.

The bulk of Austin is a rectangle bounded on the east by Cicero Avenue, on the west by Austin Boulevard, on the south by Roosevelt Road, and on the north by Grand and Fullerton Avenues. Neighboring communities include Chicago neighborhoods Humboldt Park and West Garfield Park to the east and Montclare and Belmont Cragin to the north; the city of Oak Park borders Austin to the west and the city of Cicero borders it to the south.

A recent renovation and expansion of the North Austin branch of the Chicago Public Library, the comprehensive resurfacing project (75%) of Austin's streets, and a program to dispose of bulk garbage items in the neighborhood's byways have all been positive signs for the community, which is hoping to recapture some of its previous glory.

Demographic Data

As of 2007, the population of Austin's area stands at 122,581. Comparatively speaking, the population of Austin at the time of the 2000 U.S Census was 117,738, representing a 3.2% increase from 1990 and a decline of 6% since 1960. About a quarter of Austin's population lives below the poverty line.

Transportation

The Eisenhower Expressway (I-290) passes through the southern end of Austin, linking the community with downtown Chicago and the western suburbs. Main thoroughfares in Austin include east-west roads Roosevelt, Madison, Washington, Lake, Chicago, Division, North, and Grand. North-south thoroughfares include Cicero, Laramie, Central, and Austin. Austin is located approximately 8.5 miles west of the Loop, or a 15-minute drive; 8 miles north of Chicago Midway Airport, or an 20-minute drive; and 13.5 miles southeast of O'Hare International Airport, or a 30-minute drive.

Austin enjoys good access to public transportation. The Chicago Transit Authority's elevated train runs two lines through Austin: the Green Line stops at Cicero, Laramie, Central, and Austin, and the Blue Line (Forest Park) stops at Cicero & Austin. Eleven bus routes also serve Austin. Metra commuter rail has stations in north Austin at Cragin and Hanson. Another line runs through nearby Oak Park stopping at Cicero and Clyde.

Government

The community of Austin is divided amongst five different wards of the city government. The south end belongs to the 24th Ward, headed by Alderman Michael D. Chandler. The 29th Ward, led by Alderman Isaac S. Carothers, is almost entirely within Austin, covering a narrow strip along the community's western edge. Central Austin belongs to the 28th Ward, led by Alderman Ed Smith. The northwest arm of Austin is taken by the 36th Ward, with Alderman William J.P. Banks. The 37th Ward, headed by Alderman Emma Mitts, claims Austin's northeast corner.

Landmarks and Attractions

Columbus Park is Austin's largest attraction. Constructed in 1920, it was designed in a prairie mode by renowned landscape architect Jens Jensen. The park originally featured a lagoon, a golf course, athletic fields and a swimming pool, as well as winding paths throughout. The construction of the Eisenhower Expressway destroyed nine acres at the park's southern end. The park was extensively restored in 1992.

Several architecturally significant historic landmarks are located in Austin, including the Laramie State Bank Building, the Hitchcock House, the Walser House, and four houses designed by Frederic Schock.

Summary

There is plenty of action in Austin, where determined residents and community groups are revitalizing the city's largest neighborhood. Recently, Mayor Richard Daley was quoted as saying, "More than $310 million of public and private projects in Austin have been completed over the last five years or are about to begin. They are the result of a collaborative effort involving government, the private sector, the not-for-profit sector and neighborhood and community organizations."

PROPERTY DESCRIPTION

SITE DESCRIPTION

Location: The subject property is located at the southwest corner of Lavergne Avenue and Augusta Boulevard in the Austin neighborhood of the City of Chicago, Cook County, Illinois.

Shape: Rectangular.

Size: The site contains 11,327 square feet or 0.26 acres with approximately 90 feet of frontage along Lavergne Avenue and approximately 125.85 feet of frontage along Augusta Boulevard.

Access/Visibility: The residential units are accessed from entrances on Lavergne Avenue and Augusta Boulevard. Visibility is good from adjoining streets.

Topography: Site is level at street grade.

Soil And Subsoil: No soil tests were provided to us in connection with this appraisal and no responsibility is assumed for any adverse subsoil conditions that may exist. Our appraisal specifically assumes that soil conditions are adequate to support the subject's improvements over the remaining economic lifetime.

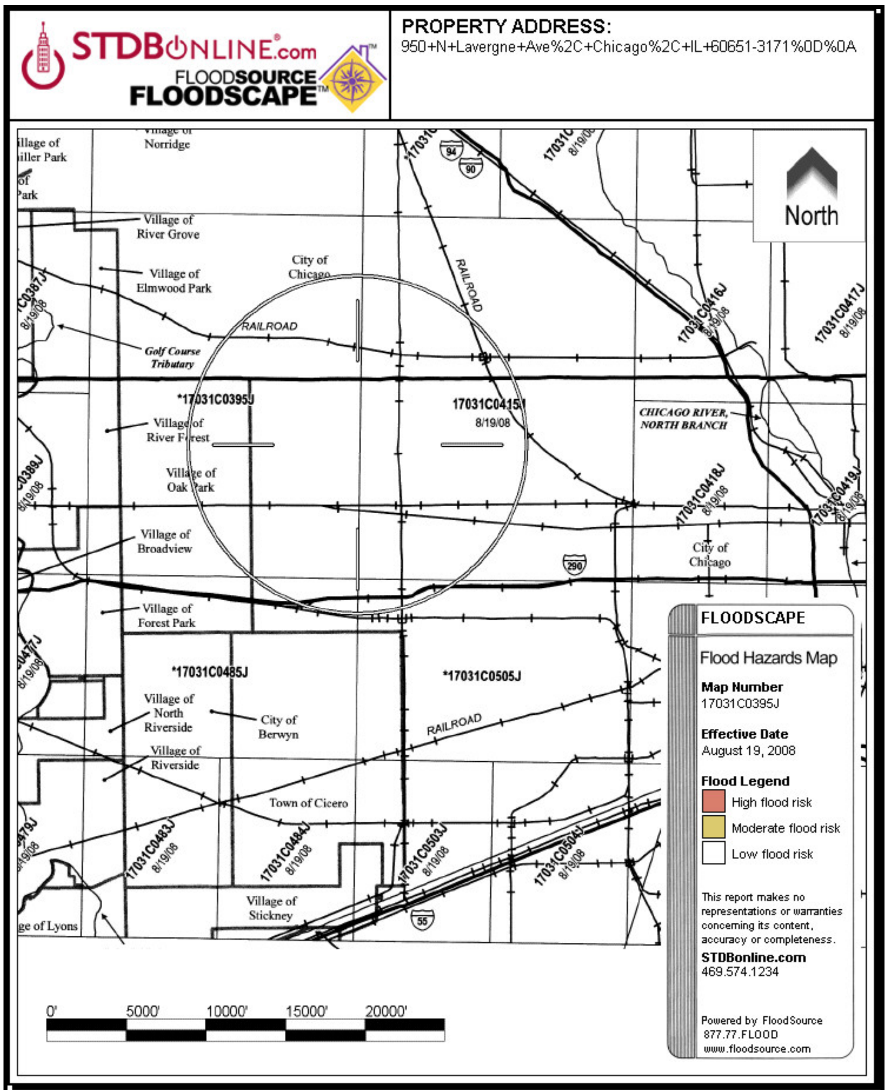
Environmental: The appraiser did not perform any soil tests or tests of the underground water for possible contamination. The appraiser is not qualified to detect such substances, and therefore, the extent of hazardous waste remaining on the property, if any, is not known. In absence of specific information or data to the contrary, the appraiser has estimated value of the property as is “clean” and uncontaminated. The value estimate does not take into account any negative or positive factors caused by the existing or forthcoming EPA or other regulations.

Easement and Restrictions: After physical inspection of the property, no adverse easements or restrictions were observed which may impact the value of the property being studied. Should further investigation reveal the existence of an easement which would adversely affect the property, we reserve the right to amend this report accordingly.

Flood Plain Data:

A review of the Federal Emergency Management Agency's Flood Insurance Rate Map Panel No. 17031C0395J, dated August 19, 2008, indicates the subject property is located within a Flood Zone X, an area of minimal flooding potential.

Flood Plain Map



BUILDING DESCRIPTION

Overview:	The subject property is a three-story apartment building. The property has a gross area of approximately 20,108 square feet demised for eighteen (18) residential units. The building manifests a brick façade supported by a structural masonry.
Construction Features:	The property is constructed with a structural masonry frame. Windows are generally thermo-panes set in aluminum clad wooden frames.
Fire Protection:	The building is not equipped with a sprinkler system but does manifest smoke detectors.
Interior Finish:	The residential areas contain hardwood flooring in the living areas and bedrooms, and ceramic tile floors in the kitchen. The kitchens include a gas stove, stainless steel sinks, and pantry.
Mechanical:	**Electrical:** Adequate electrical service and power is distributed throughout the building. The building standard finish includes sufficient electrical outlets. **HVAC:** The units are heated by a central hot water boiler system. **Plumbing:** Water is distributed in copper piping with domestic hot water provided by a gas-fired hot water heater.
Age and Condition:	The building was constructed in 1915 according to public records. The building is presently in below average condition and needs interior renovations that are detailed in the addenda of this report and estimated by ownership to cost $300,000 with $205,000 dedicated to convert the building to individual forced air heating and cooling units.
Functional Utility:	Good for residential apartment use.

MARKET ANALYSIS

Chicago Residential Market Overview

The following is an overview of the supply and demand factors in the overall Chicago apartment market. The Chicago apartment market is tracked quarterly by Reis, Inc., and is divided into 25 submarkets. The subject property is located within the Austin community.

In analyzing the subject property, we have considered historical occupancy, rent growth, inventory, construction and absorption within the market, as well as a survey of those properties directly competitive with the subject. Rental rates included in the financial projections have been validated based upon a review of the historical trends as well as in consideration of future supply and demand.

The Chicago metropolitan region has been growing steadily in recent years. Between 1990 and 2000, the MSA population increased by over 11%, and between 2000 and 2004, there was a net increase of 295,000 residents, due to natural increase (births) compensating for a modest net migration loss. The overall rate of growth has slowed, but is still 3.7% for those four years. The City of Chicago experienced an increase in population of over 4% between 1990 and 2000, but the 1990s appear to have been an anomaly. Between 2000 and 2006, the City lost approximately 34,000 residents, or more than 1% of its population (due to net out migration), consistent with long-term population trends.

The Chicago metro area is an affluent region with an estimated 2005 median household income ($45,570) that is nearly 20 percent higher than the national median. Rising median income combined with increased household formations has resulted in growth of total income in the region at a compound annual rate of 2.01 percent from 2000 to 2005. As of 2007, when compared to the rest of the world, Chicago has the 4th largest urban agglomeration based on GDP (measured using PPP – Purchasing Power Parity) in the world[5]. According to a study released by the United States Conference of Mayors, the Chicago MSA produced a Gross Metropolitan Product (GMP) worth $392.6 billion in 2004, placing it third among US metropolitan areas, after New York and Los Angeles.

Overall, the Chicago area has a stable and exceptionally well-diversified economic base. The region is home to the second largest concentration of Fortune 500 companies in the United States. Of the 500 largest United States corporations listed in *Fortune Magazine* in 2007, 11 are located in the Chicago area and many others have regional or branch offices located in Chicago. The top 100 companies on the list include Boeing, Sears Roebuck, Allstate, Walgreen's, and Motorola.

Chicago is a substantial metropolitan market and the broad diversification of the Chicago economy and its lack of dependence on a single volatile industry (high technology for example) have preserved it from the worst effects of the economic recessions and the lingering slump that swamped the national economy. In being so broad based, the economy of Chicago resembles

[5] PriceWaterhouseCooper (PWC) – Economic Outlook 2007

that of the nation and endures the same general strengths and weaknesses. The manufacturing base has suffered on the local, regional, and national basis. While the metropolitan area population has grown moderately in the past two decades, the level of employment has gone up significantly. From 1970 through 2000, the number of workers increased by more than 3%. In the 1980's and continuing through 2006, a shift from manufacturing to the services sector began as manufacturing jobs moved to the south or even out of the country.

The market for condominium units continues to exert a major influence on the Chicago area apartment market. While thousands of rental units have been converted to condominiums, and demand for condominiums drew developers away from the rental sector condominium unit sales have substantially dipped from the levels experienced in 2006 and 2007. The cutback in apartment construction along with the actual reduction in the volume of the existing inventory, have helped shore up the rental sector. The rental vacancy rate declined as people left pool of potential homeownership surrounding turmoil in the capital markets. However, as occupancy rates approach capacity landlords will push rates upward to capitalize on the revitalized demand in the rental sector.

Rental Market Overview

Chicago Metropolitan Market Overview											
Year	Quarter	Inventory (Units)	Completions	Inventory Growth (%)	Vacant Stock	Vacancy Rate	Vacancy Change (%)	Occupied Stock	Net Absorption	Asking Rent	Asking Rent Change (%)
2005	Y	443,989	1,527	-1.2%	25,098	5.7%	-0.7%	418,891	(1,649)	$968.00	1.0%
2006	Y	441,864	1,348	-0.5%	22,810	5.2%	-0.5%	419,054	163	$999.00	3.2%
2007	Y	439,683	669	-0.5%	20,840	4.7%	-0.5%	418,843	(211)	$1,044.00	4.5%
2008	2	440,641	958	0.2%	22,697	5.2%	0.5%	417,944	(1,285)	$1,064.00	1.1%
2008	3	441,140	499	0.1%	23,070	5.2%	0.0%	418,070	126	$1,068.00	0.4%
2008	4	441,878	738	0.2%	24,043	5.4%	0.2%	417,835	(235)	$1,068.00	0.0%
2008	Y	441,878	2,195	0.5%	24,043	5.4%	0.7%	415,835	(1,008)	$1,068.00	2.3%
2009	1	442,100	222	0.1%	26,542	6.0%	0.6%	415,558	(2,277)	$1,063.00	-0.5%
2009	2	443,291	1,191	0.3%	29,444	6.6%	0.6%	413,847	(1,711)	$1,061.00	-0.2%
2009	3	443,359	68	0.0%	29,179	6.6%	0.0%	414,180	333	$1,058.00	-0.3%
2009	4	443,839	480	0.1%	29,553	6.7%	0.1%	414,186	106	$1,051.00	-0.7%
2009	Y	443,728	1,850	0.4%	29,542	6.7%	1.3%	414,186	(3,649)	$1,051.00	-1.6%
2010	1	444,576	848	0.2%	29,625	6.7%	0.0%	414,951	765	$1,055.00	0.4%
2010	2	445,129	1,013	0.1%	29,313	6.6%	-0.1%	415,816	865	$1,059.00	0.4%

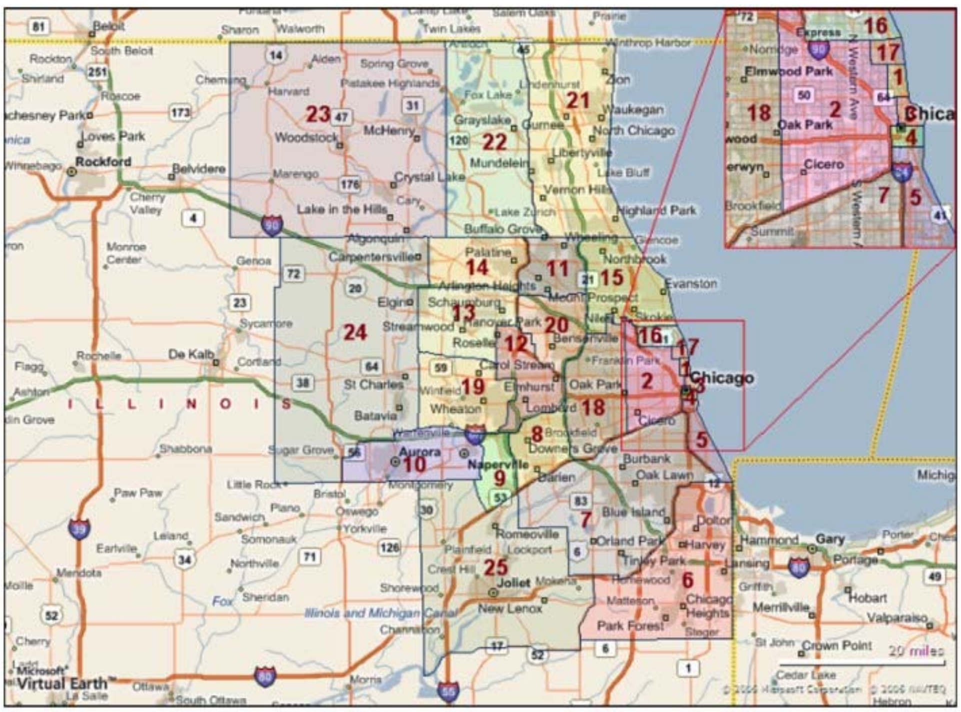
The Chicago Metro apartment market contains approximately 445,129 rental units in 2,274 properties situated within Chicago and the adjacent suburban areas, as tracked by REIS. From 2005 to 2010, market vacancy ranged from 4.7% to 6.7%, with the vacancy rate as of the first quarter of 2010 at 6.7%. The year-end 2009 rate of 6.7% is higher than year-end 2008's rate of 5.4%. Average rents for apartments within Chicago, as of Second Quarter 2010, are as follows:

Unit Type	Average Monthly Rent	Average Rent PSF
Studio	$811.00	$1.72
One Bedroom	$980.00	$1.36
Two Bedroom	$1,207.00	$1.19
Three Bedroom	$1,485	$1.19

Occupancy

The current vacancy rate in Chicago as of the Second Quarter of 2010 is 6.6%, which is down from 6.7% at 2009 year end and 1Q10. Occupancy in the Chicago area apartment market has experienced an overall decline over the course of 2008 and 2009, with the 4th Quarter 2008 recording a vacancy rate of 5.4%. This is slightly up from 4.7% at the year end of 2007. However, the increase in vacancy is largely attributed to new product entering the market that has yet to be fully absorbed. According to REIS, the Chicago metropolitan area, during the 2nd Quarter 2010, had an average vacancy rate of 6.6%, down from prior quarters partly due to the tighter lending standards that has been s staple in the market pushing what would have been potential buyers into the renting pool. From a historical perspective, the year-end 2007, 2006 and 2005 vacancy rates for the Chicago metropolitan area were 4.7%, 5.2% and 5.7%, respectively.

Chicago Metropolitan Apartment Market Map



Chicago Submarkets

1	Lincoln Park	2	City West	3	Gold Coast
4	The Loop	5	South Shore	6	Southeast Cook County
7	Southwest Cook County	8	Downers Grove	9	Woodridge/Lisle
10	Aurora/Naperville	11	Wheeling	12	Glendale Heights/Lombard
13	Schaumburg/Hoffman	14	Palatine	15	Glenview/Evanston
16	Rogers Park/Uptown	17	Belmont to Montrose	18	Oak Park
19	Glen Ellyn/Wheaton	20	O'Hare	21	East Lake County
22	West Lake County	23	McHenry County	24	Kane County
25	Joliet				

Chicago Metro Historical Occupancy	
Quarter	**Vacancy**
2005 Year End	5.7%
2006 Year End	5.2%
2007 Year End	4.7%
2008 1st Quarter	4.7%
2008 2nd Quarter	5.2%
2008 3rd Quarter	5.2%
2008 4th Quarter	5.4%
2008 Year End	5.4%
2009 1st Quarter	6.0%
2009 2nd Quarter	6.6%
2009 3rd Quarter	6.6%
2009 4th Quarter	6.7%
2009 Year End	6.7%
2010 1st Quarter	6.7%
2010 2nd Quarter	6.6%

Supply and Demand

Construction numbers for Chicago apartments tend to be modest considered alongside the area's huge population base. Historically, the largest factor affecting the Chicago metropolitan apartment market is the actual reduction in the volume of the rental stock due to the movement of rental units to the condominium sector. At 2Q10 the market registered a 19.4% change in rental apartment inventory. The change in inventory growth goes to support that new construction is currently sought and the supply of apartments is expected to increase. .

There seems little danger of oversupplying the rental sector. Oversupply would more than likely pertain to the condominium sector. As of year-end 2008, new construction accounted for 2,195 rental units being added to the existing inventory. This was the largest addition to the market since before 2004. During 2009 completions totaled 1,362 which is less than 2008 yet a significant increase in units.

Completion (Units)	
Year	**No. of Units**
2005 Year End	1,527
2006 Year End	1,348
2007 Year End	588
2008 1st Quarter	0
2008 2nd Quarter	958
2008 3rd Quarter	499
2008 4th Quarter	738
2008 Year End	2,195
2009 1st Quarter	111
2009 2nd Quarter	703
2009 3rd Quarter	68
2009 4th Quarter	480
2009 Year End	1,850
2010 1st Quarter	848
2010 2nd Quarter	1,013

Due to highest delivery numbers we have seen in recent years and the marketing time it takes for new properties to lease up units, we saw only 106 units absorbed during the 4th Quarter of 2009.

Historically, the Chicago apartment market has had a difficult time absorbing the units that were delivered to the market in 2005, 2007, and 2008 evidenced by absorption of -1,649, -211, and -1,285 respectively. This represents a similar trend as -1,088 units were absorbed at year end 2008.

Rent

In order to gain a better perspective on how the Chicago rental market competes with other rental markets in the Midwest and the United States, we have included the table below.

Monthly Rent Comparison (2nd Quarter 2010)				
Location	**Studio**	**1 BR**	**2 BR**	**3 BR**
Chicago	$811	$930	$1,207	$1,485
Midwest	$804	$809	$964	$1,232
United States	$1,019	$1,023	$1,222	$1,419
Monthly Rent Comparison (PSF)				
Chicago	$1.72	$1.36	$1.17	$1.18
Midwest	$1.51	$1.05	$0.88	$0.85
United States	$1.86	$1.29	$1.09	$1.00

The Chicago rental market is one of the most expansive in the country and commands rental rates above the average in the Midwest on an aggregate and per square foot basis as evidenced by the chart above. Additionally, when compared to the United States average on an aggregate monthly basis the Chicago rates generally follow the trend of falling under the United States average. However, when one looks at the Chicago market as compared to the United States market on a price per square foot basis the Chicago rental market exceeds the United States rates for all unit types except studio apartments.

Chicago Metropolitan Area				Asking Rent Growth					
	Avg. Rents and Sizes			Quarterly			Annualized		
Unit Type	**2Q10**	**Avg. SF**	**Avg. PSF**	**2Q10**	**1Q10**	**YTD**	**1 Year**	**3 Year**	**5 Year**
Studio	$811	471	$1.72	-0.4%	0.4%	0.7%	-2.2%	1.6%	1.8%
One Bedroom	$980	723	$1.36	0.5%	0.3%	0.8%	-1.9%	1.6%	1.8%
Two Bedroom	$1,207	1,018	$1.19	0.2%	0.4%	0.7%	-1.1%	1.9%	1.9%
Three Bedroom	$1,485	1,257	$1.18	-0.4%	1.0%	0.6%	-2.3%	1.5%	1.4%

Source: REIS, Inc.

Over the course of 2009, losses in average asking rental rates ranged from 1.1% to 2.2% depending on the unit type. This falls short of the average changes made over the three year period but above those gains seen in a five year period. The slight drop in rental rates coupled with the relatively stable vacancy and negative absorption suggests that landlords have not increased their ability to capture higher rental rates. It is likely that this can be attributed to the substantial rise in unemployment largely due to the recession that has rooted itself in the US economy.

The rental market is feeling some competition from the condominium rental market with investor condominium units entering the rental pool. The number of condominium units is estimated to be from 2,000 to 3,000 units with more units estimated to be entering the market due to 10,000 condominium units coming on-line during 2008 and 2009. However, the condominium rental market is fragmented with the vast majority of owners being individuals that post their offerings on the MLS or through word of mouth sources.

Austin

The subject is in a well situated location near Cicero Avenue which provides commuter access with both Chicago CTA and Metra rail line. We surveyed the immediate neighborhood around the subject and found several units for rent. The properties we identified were generally of similar size and condition as the subject units. The asking rents for the units we surveyed are summarized below.

Property	Description	Rent
855 N. Lockwood Avenue Chicago, IL 60644	The unit is one-bedroom/ one bathroom unit. The unit features refinished floors and new paint.	$625
1432 N. Lockwood Avenue Chicago, IL 60651	The unit is a one-bedroom/ one bathroom unit. The unit features hardwood floors, a fireplace, loft-style lighting, forced heat, updated kitchen, a formal dining room, and marble in the bathroom.	$650
5259 W. Superior Avenue Chicago, IL 60625	The unit is a one-bedroom/ one bathroom unit measuring approximately 450 square feet. The unit features air conditioning, hardwood flooring, cable-ready, storage space, and radiant heat. Both water and heat are included in the rent.	$750
Division & Lockwood Chicago, IL 60651	The unit is a two-bedroom/ one bathroom unit measuring approximately 550 square feet. The unit features hardwood floors, new kitchen appliances, and heat is included.	$700
5200 W. Superior Avenue Chicago, IL 60644	The unit is a two-bedroom/ one bathroom unit. The unit features new kitchen appliances and hardwood floors.	$885
833 N. Karlov Avenue Chicago, IL 60651	The unit is a three-bedroom/ one bathroom unit. No further information was available.	$750
904 N. Lawler Avenue Chicago, IL 60601	The unit is a three-bedroom/ one bathroom unit. The unit features carpeted rooms, remodeled bathrooms and kitchens, and a walk-in pantry and sun porch.	$800
4322 W. Kamerling Avenue Chicago, IL 60651	The unit is a three-bedroom/ one bathroom unit measuring 1,100 square feet. The unit was recently rehabbed and features central heat and air conditioning, and a garage space.	$900

We used the current rents in place, as given to us by the property owner, in our projection. The in-place rents are within the market as reflected above given the location of the subject and considered reasonable.

Given the range of comparable rental rates and quality of apartment units, we conclude that the existing rate for the residential units to be within the parameters of the market.

Selected area demographics within a ½ -, 1- and 1.5-mile radius of the subject property are shown in the following table.

Demographical Survey			
	0.5 Mile:	1 Mile:	1.5 Miles:
2000 Census Demographics			
Total Population	15,723	52,640	129,137
Total Households	4,322	14,837	37,308
Median Age	27.7	27.8	27.7
Owner Housing Units	1,922	6,533	14,878
Average Household Income	$39,242	$42,697	$43,730
Median Household Income	$30,017	$32,345	$32,305
Per Capita Income	$10,907	$12,135	$12,729
2010 Demographics			
Total Population	15,213	51,347	127,103
Total Households	4,212	14,512	36,688
Median Age	28.7	29.0	28.7
Owner Housing Units	1,908	6,494	14,831
Average Household Income	$56,058	$57,677	$57,002
Median Household Income	$46,095	$47,765	$45,959
Per Capita Income	$15,713	$16,388	$16,658
2015 Demographics			
Total Population	15,013	50,775	125,898
Total Households	4,153	14,330	36,282
Median Age	29.1	29.5	29.1
Owner Housing Units	1,864	6,366	14,564
Average Household Income	$65,946	$67,992	$67,063
Median Household Income	$54,852	$55,352	$54,104
Per Capita Income	$18,457	$19,283	$19,562
% Population Change 2000-2010	-3.24%	-2.46%	-1.58%
% Household Change 2000-2010	-2.55%	-2.19%	-1.66%
% Population Change 2010-2015	-1.31%	-1.11%	-0.95%
% Household Change 2010-2015	-1.40%	-1.25%	-1.11%
% Change Per Capita Income 2000-2010	44.06%	35.05%	30.87%
% Change Per Capita Income 2010-2015	17.46%	17.67%	17.43%

Population

Within one mile from the subject, the population saw a slight decrease of 2.46% over the last ten year period. The number of residents within a one mile radius was reportedly 51,347 and projections for population trends for the ensuing five years indicate a stable population base with a negligible loss of 1.11%.

Households

A household consists of all people occupying a single housing unit. While individual members of a household purchase goods and services, these purchases actually reflect the needs and decisions of an entire household. Accordingly, the household is a critical unit to be considered when reviewing market data and forming conclusions about the subject's trade area.

According to Site to do Business, over the last ten years the number of households within a one-mile radius of the subject property had decreased by approximately 2.19% similar to the population rate and attaining a total number of 14,512 households. Projections indicate a minimal decrease in the number of households for the ensuing five year period.

Income Levels

According to Site to do Business, an online demographic database, the average and median household income levels within one mile of the subject in 2010 were $57,677 and $47,765 respectively. This income level indicates a lower-middle class population base, a defining characteristic of the subject's immediate area.

HIGHEST AND BEST USE

Highest and Best Use, as defined by the Appraisal Institute and used in this appraisal, is: "the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."

As implied in the definition above, the highest and best use of the property as if vacant may differ from the highest and best use of the site as improved. In either case, the highest and best use is that use which satisfies the four tests imposed by the definition: legal permissibility, physical possibility, financial feasibility, and maximal productivity. In other words, the use that "results in the highest value."

In estimating the highest and best use, there are four stages of analysis:

1. **Possible Use -** What uses of the property are physically possible?
2. **Permissible Use (legal) -** What uses are permitted by zoning and deed restrictions on the site in question?
3. **Feasible Use** - Which possible and permissible uses will produce a net return to the owner of the site?
4. **Highest and Best Use** - Among the feasible uses, which will produce the highest net return or highest present worth?

Highest and Best Use As If Vacant

Legal Permissibility. The subject site is zoned RS-3 Residential Single-Unit District, by the City of Chicago Zoning Ordinance. The existing residential uses represent legal but non-conforming uses under the salient requirements of this zoning classification. The property is permitted to remain in its current configuration (i.e. density and setbacks) and with its current perimeters indefinitely. However, any type of change in the current configuration would need to conform to zoning ordinances. It is our understanding that the property is currently in compliance with any environmental issues with the Federal and/ or Illinois Environmental Protection Agency. However, competent legal counsel should opine on this matter. If the site were vacant and available for development a multi-family residential building would be legally permissible.

Physically Possible. No soil tests were reviewed in connection with this appraisal. However, the current improvements have been on the site for over 90 years while adjacent properties have been on the respective sites for a similar amount of years and this is an indication of the physical possible use.

Financial Feasibility is concerned with the ability of any improvement to produce a sufficient return to attract development capital. Based on the utilization of the property by the tenants we believe that financial feasibility of an apartment building at this location is demonstrated. We believe that the existing residential apartment property is the maximum productive use for the site based on the permitted uses in the area.

Maximally Productivity. All factors considered, the highest and best use of the subject site, as if vacant, is for the development of an apartment building.

Highest and Best Use As Improved

The highest and best use of the subject property as improved must meet the same criteria set forth for the subject as if vacant. The subject property is permitted to remain indefinitely in its current configuration and within its current parameters. The improvements were in fair physical condition at the time of our inspection. Therefore, physical possibility is implicit. On the basis of the analysis contained in the valuation sections of this report, the value of the property as improved is greater than the value of the land as if vacant. Thus, it would not be economically prudent to demolish the existing improvements in order to maximize the development potential of the site. Rather, it would be more profitable to maintain the existing improvements.

All factors considered, the use of the subject as an apartment building is consistent with the principles of highest and best use.

APPROACHES TO VALUE

The valuation of real estate is determined primarily through the use of three basic approaches to value: the Cost Approach, the Income Capitalization Approach and the Sales Comparison Approach. From the indicated values resulting from these analyses and the weight accorded to each value indication, an opinion of value is reached based upon expert judgment within the framework of the appraisal process.

The Cost Approach involves estimating the current cost to construct the improvements new, including an allowance for developer's profit and deducting from this amount accrued depreciation that has resulted from physical deterioration and functional and economic obsolescence. The limitations of this approach are the need to make large, subjective estimates for depreciation, especially with older properties. More important, this approach is not used by sellers and buyers in the acquisition/disposition analyses for properties of the subject type. Due to the age of the subject, we have concluded that this approach is not reliable as there would be a need to make a subjective estimate of depreciation.

The Sales Comparison Approach is based on the assumption that a prudent buyer would not pay more for a property than it would cost to acquire a comparable substitute property. Since no two properties are ever identical, the necessary adjustments for differences in quality, location, size, market appeal, and a number of other factors that affect prices paid for properties must be made. The limitation of this approach is that the motives of the individual purchasers and sellers vary depending on their need for cash, their tax position, their personal preferences, available financing, and a host of other factors that must be taken into consideration. As a result, it is often difficult to obtain sufficient information on a comparable sale to be able to make precise comparisons. Nonetheless, we did conclude that this approach was reliable for this valuation but from a secondary perspective.

The Income Capitalization Approach involves an analysis of a property in terms of its ability to produce a net annual income. It is concerned with estimating the present worth of future benefits that can be derived through ownership of a property. In utilizing this approach, either stabilized net operating income is capitalized at an overall rate commensurate with the rate demanded by investors or a projected cash flow stream is discounted at an appropriate rate in order to arrive at an estimate of value. The Income Capitalization Approach is generally most useful in valuing an income producing property, which normally would be purchased by investors rather than by users. We consider this approach highly relevant to the valuation of the subject property as a prospective buyer would place emphasis upon the ability of the subject to generate a return on investment.

The final step in the valuation process is the reconciliation or correlation of the value indications. In the reconciliation or correlation, we consider the relative applicability of each of the approaches used, examine the range between the value indications, and place major emphasis on the approach that appears to produce the most reliable solution to the specific appraisal problem.

In arriving at a value estimate on an “as is” and “as repaired” basis for the subject property, we have placed primary reliance on the Income Capitalization Approach. This reliance is based on the supposition that the most likely buyer would acquire the property as an investment albeit an operating investment and would base an acquisition price on his or her perception the property's income/cash flow potential. We did consider to a lesser degree, the value estimates arrived by the Sales Comparison Approach as this provides an indication based on actual transactions that have taken place in the market place.

COST APPROACH

The Cost Approach typically involves estimating the replacement cost of the improvements (both "hard" and "soft") adding the land value, adding a profit margin, and deducting a depreciation estimate. We typically would not use a Cost Approach for a property of the subject type. The problem is that, in practical terms, it is impossible to make accurate depreciation estimates for properties of the subject type.

The Cost Approach was not used in this appraisal as it does not reflect the motivation of purchasers for properties of the subject type in the current market. This is the case because the estimate of economic obsolescence and developers’ profit would be very large, totally subjective, and without market support.

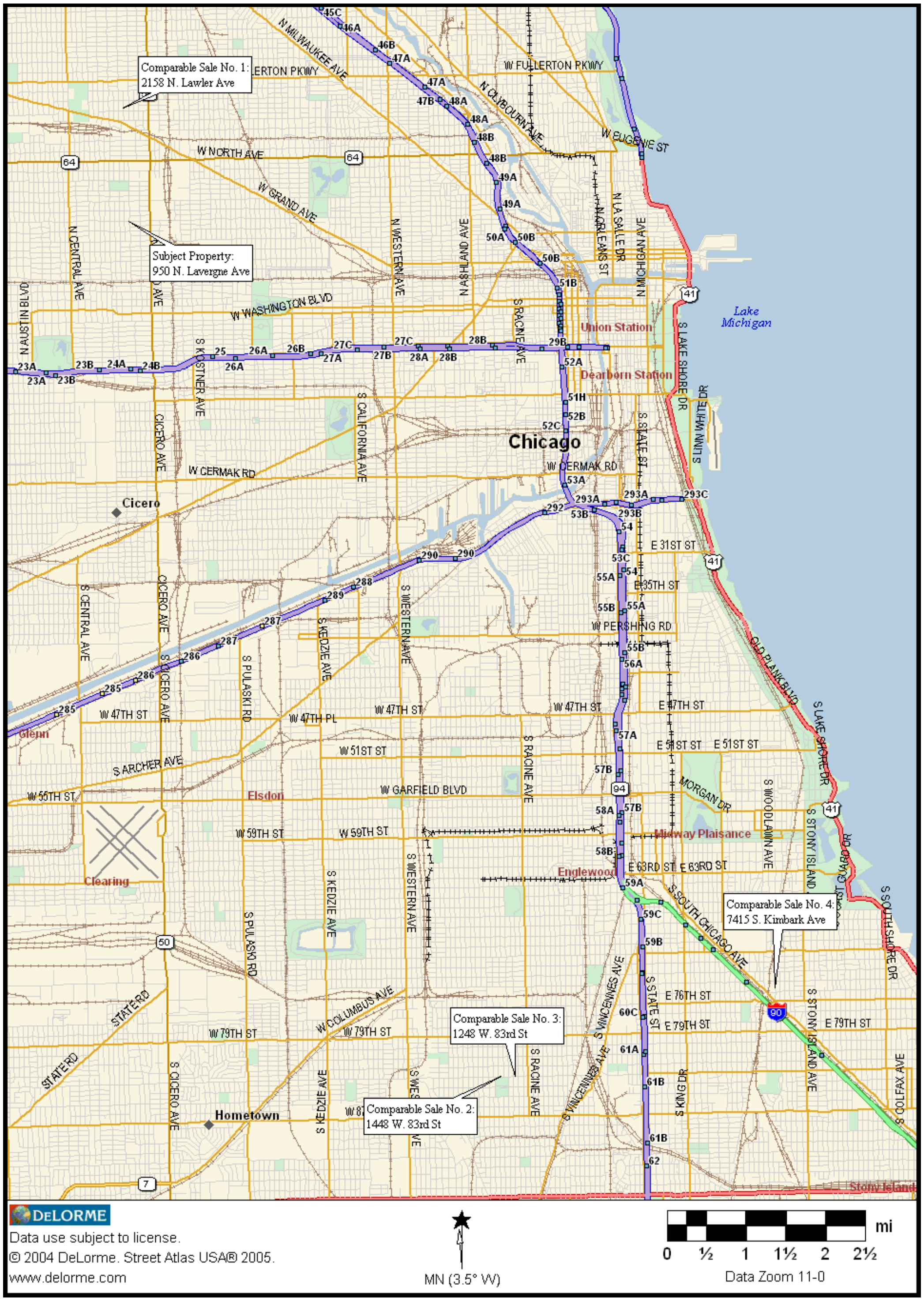
SALES COMPARISON APPROACH

The Sales Comparison Approach involves a comparison of the subject property with other apartment properties that were sold recently. These sales encompassed properties located in the northern neighborhoods of Chicago. This approach to value is based on the premise that a buyer would not pay more for a property than it would cost to acquire a comparable substitute property. In addition to differences in physical factors that influence value levels, adjustments must be made for changes in market conditions since the date of the transaction, the market rental rate and occupancy at the time of sale, upside income potential, protection from increases in operating expenses, the motives of the buyers and the sellers and a variety of other factors that have an impact on the price at which a property sells. The following table contains summary information of the more pertinent sales we considered.

Comparable Sales Summary 950 N. Lavergne Avenue Chicago, IL 60651						
No.	**Property**	**Date of Sale**	**No. of Units (Bldg Size- SF)**	**Year Built**	**Sale Price**	**Price per Unit**
1.	Apartment Building 2158 N. Lawler Avenue Chicago, IL 60639	May ‘10	9 (4,800)	1926	$360,000	$40,000
2.	Apartment Building 1448 W. 83rd Street Chicago, IL 60620	Dec. ‘09	13 (12,240)	1924	$250,000	$19,231
3.	Apartment Building 1248 W. 83rd Street Chicago, IL 60620	Jul. ‘09	13 (12,600)	1925	$375,000	$28,846
4.	Apartment Building 7415 S. Kimbark Avenue Chicago, IL 60619	Dec. ‘08	30 (22,686)	1927	$650,000	$21,667

More detailed information is given in the following pages.

Comparable Sales Map



Comparable Sale No. 1

Location:	**Apartment Building** 2158 N. Lawler Avenue Chicago, IL 60639
Date of Sale:	May 26, 2010
Buyer:	Milos & Zora Orlic
Seller:	Us Bk National ASSN
PIN:	13-33-217-019
Verification:	Cook County Document No. 1016547076
Building Size:	4,800 square feet
No. of Units:	9
Year Built:	1926
Lot Size:	5,047 square feet; or 0.116 acres
Sale Price:	$360,000
Price per Unit:	$40,000

Comparable Sale No. 2

Location:	**Apartment Building** 1448 W. 83rd Street Chicago, IL 60620
Date of Sale:	December 18, 2009
Buyer:	Oceania Holdings 13 LLC
Seller:	Northside Comm Bank
PIN:	20-32-126-018
Verification:	Cook County Document No. 0935633049
Building Size:	12,240 square feet
No. of Units:	13
Year Built:	1924
Lot Size:	5,341 square feet; or 0.123 acres
Sale Price:	$250,000
Price per Unit:	$19,231

Comparable Sale No. 3

Location:	**Apartment Building** 1248 W. 83rd Street Chicago, IL 60620
Date of Sale:	July 7, 2009
Buyer:	HTF Enterprises Inc
Seller:	Northside Comm Bank
PIN:	20-32-130-018
Verification:	Cook County Document No. 0920112067
Building Size:	12,600 square feet
No. of Units:	13
Year Built:	1925
Lot Size:	5,336 square feet; or 0.122 acres
Sale Price:	$375,000
Price per Unit:	$28,846

Comparable Sale No. 4

Location:	**Apartment Building** 7415 S. Kimbark Avenue Chicago, IL 60619
Date of Sale:	December 4, 2008
Buyer:	Chicago Title Land Trust Co Trust No. 8002352084
Seller:	Fairway Cap Funding
PIN:	20-26-225-005
Verification:	Cook County Document No. 0901529038
Building Size:	22,686 square feet
No. of Units:	30
Year Built:	1927
Lot Size:	12,600 square feet; or 0.289 acres
Sale Price:	$650,000
Price per Unit:	$21,667

Analysis of Improved Sales

The comparable sales occurred between December 2008 and May 2010. The sales reflect sale prices per unit ranging from $19,231 to $40,000. The sales are located in proximity to the subject or in comparable neighborhoods of Chicago. These buildings were completed between and 1924 and 1927 as well as containing 9 to 30 units.

Adjustment Grid				
Sale #	**1**	**2**	**3**	**4**
Transaction Type	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Sale Date	May '10	Dec. '09	Jul. '09	Dec. '08
Sale Price	$360,000	$250,000	$375,000	$650,000
Sale Price per Unit	$40,000	$19,231	$28,846	$21,667
Property Rights Conveyed	0%	0%	0%	0%
Financing	0%	0%	0%	0%
Conditions of Sale	10%	10%	10%	0%
Market Conditions	0%	-5%	-10%	-15%
Subtotal %	**10%**	**5%**	**0%**	**-15%**
Subtotal Value	**$44,000**	**$20,193**	**$28,846**	**$18,417**
Physical Characteristics				
Location	-20%	10%	10%	10%
Condition/ Utility	-20%	10%	-20%	10%
Size	0%	-5%	-5%	-5%
Occupancy	-10%	0%	0%	10%
Total Other Adjustments	**-50%**	**15%**	**-15%**	**25%**
Adjusted Sale Price per Unit	**$22,000**	**$23,221**	**$24,519**	**$23,021**

Statistical Measure- Range	
Low	$22,000
High	$24,519
Mean	$23,190
Median	$23,121

Property Rights Conveyed – To the best of our knowledge, all the sales used in arriving at an opinion of market value involved the transfer of a fee simple interest.

Financial Terms/Financing – To the best of our knowledge, all sales were completed with cash or market oriented financing.

Conditions of Sale – Adjustments addressing conditions of sale typically focus on the motivations of buyers and sellers. In many sales, the conditions of sale may impact pricing to a significant degree. Three of the sales used within this analysis were previously owned by financial institutions which sell properties at discounted prices in the amount covering the respective mortgage note and typically below market. We made an upward adjustment in order to reflect a market derived sale price.

Market Conditions/Date of Sale – The sales within this section were completed between December 2008 and May 2010 having been completed over the last 24 months. Over this period the Chicago apartment market has experienced a decrease in prices due primarily to the mortgage crisis and the fall-out in the lending industry.

The Sales Comparison Approach for apartment buildings utilizes a series of adjustments of various factors of the respective sales, including changes in market conditions since the date of the transaction, upside income potential, protection from increases in operating expenses, the motives of the buyers and the sellers and a variety of other factors that have an impact on the price at which a property sells. For the above sales, we focused on location, size, condition, and date of sale. Relative to property size, the general real estate trend reflects an inverse relationship between size and sale price per unit such that as the size increases then sale price per unit tends to decline with the reverse also true. In terms of the sale date, we made downward adjustments to reflect the current state of the economy which has worsened over the last 36 months and has driven real estate values downward. For elements superior to the subject we made downward adjustments and upward adjustment for inferior traits. The adjustments were made to the sale price per unit and are described below.

Sale No. 1: The property is located north of the subject along Lawler Avenue. The sale occurred in May 2010. Due to the recent sale transfer, we made no adjustment for market appreciation since the date of sale. However, the property was bank-owned. As previously determined, bank-owned assets typically sell below market-derived conditions. Therefore, we made an upward adjustment of 10%. Applying the aforementioned adjustments resulted in a subtotal value of $44,000 per unit. The sale was deemed to be located in a superior location from a perspective of real estate values and accessibility from the CTA rail line. We made a downward adjustment. The overall physical condition of this building is superior to the subject requiring an additional downward adjustment. Lastly, the building consists of fewer units than the subject which would allow it to maintain a higher occupancy level than the subject. We made a downward adjustment. Applying the foregoing adjustments resulted in an adjusted sale price of $22,000 per unit.

Sale No. 2: The property is located southeast of the subject along 83rd Street. The sale occurred in December 2009. Based on the ongoing market conditions, we have adjusted this sale downward by 5% addressing the market decline. In addition, the property was bank-owned. As previously determined, bank-owned assets typically sell below market-derived conditions. Therefore, we made an upward adjustment of 10%. Applying the aforementioned adjustments resulted in a subtotal value of $20,193 per unit. The sale was deemed to be located in an inferior location from a perspective of real estate values. We made an upward adjustment. The overall physical condition of this building is inferior to the subject requiring an additional upward adjustment. Lastly, based on the number of units and overall size of the building, we made a downward adjustment to reflect the larger-sized units. Applying the foregoing adjustments resulted in an adjusted sale price of $23,221 per unit.

Sale No. 3: The property is located southeast of the subject along 83rd Street. The sale occurred in July 2009. Based on the ongoing market conditions, we have adjusted this sale downward by 10% addressing the market decline. In addition, the property was bank-owned. As previously determined, bank-owned assets typically sell below market-derived conditions. Therefore, we made an upward adjustment of 10%. Applying the aforementioned adjustments resulted in a subtotal value of $28,846 per unit. The sale was deemed to be located in an inferior location from a perspective of real estate values. We made an upward adjustment. The overall physical condition of this building is superior to the subject requiring a downward adjustment. Lastly, based on the number of units and overall size of the building, we made a downward adjustment to reflect the larger-sized units. Applying the foregoing adjustments resulted in an adjusted sale price of $24,519 per unit.

Sale No. 4: The property is located southeast of the subject along Kimbark Avenue. The sale occurred in December 2008. Since the date of sale, the national economy has declined and as a result limited credit lending. Therefore, we made a downward adjustment of 15% resulting in a subtotal value of $18,417 per unit. The sale was deemed to be located in an inferior location from a perspective of real estate values. We made an upward adjustment. The overall physical condition of this building is inferior to the subject requiring an additional upward adjustment. Based, on the number of units and overall size of the building, we made a downward adjustment to reflect the larger-sized units. Lastly, the building consists of more units than the subject which may be problematic in maintaining a consistent occupancy level. We made an upward adjustment. Applying the foregoing adjustments resulted in an adjusted sale price of $23,021 per unit.

Conclusion

The adjusted sales prices as discussed above ranged from $22,000 per unit to $24,519 per unit. We believe that the subject's market value estimate should fall near the middle of the range. Accordingly, our opinion of value is reflected below in the following table.

Average Adjusted Sales Price Per Unit	$23,190
No. of Units	18
Estimated Sales Price	$417,420
Estimated Deferred Maintenance Items	($15,000)
Revised Estimated Sales Price	$402,420
Rounded	**$400,000**

INCOME CAPITALIZATION APPROACH

Introduction
Definition and Discussion of Methodology

The Income Approach is defined as follows:

"The approach through which an appraiser derives a value indication for income-producing property by converting benefits; i.e., cash flows and reversion, into property value. This conversion can be accomplished in two ways: one year's income expectancy or several years' income expectancies may be capitalized at a market-derived capitalization rate or a capitalization that reflects a specified income pattern, return on investment, and change in the value of the investment; secondly, the annual cash flows may be discounted for the holding period and the reversion at a specified rate."

The typical Income Capitalization Approach utilizes a direct capitalization methodology for properties with cash flows that are not dependent on long term or multi-year leases. This is the case with the subject property as the typical leases for the residential units are for twelve months. Therefore, we projected a stabilized net operating income over a twelve month period (December 1 , 2010 through November 30, 2011) and capitalized this income using a market derived overall capitalization rate.

As is Valuation

Income

Gross income at the subject property is derived from one source: residential rental income. Based on information provided to us by the owner and our site inspection, we have generated the following potential rent roll. The building currently has 8 units vacant and one eviction in progress representing an occupancy level of 40%.

Estimated Rent Roll- Residential				
Unit Type	**No. of Units**	**Size- SF**	**Monthly Rent/ Unit**	**Annual Amount/ Unit**
One-bedroom/ one-bathroom	8	700	$675	$8,100
Two-bedroom/ one-bathroom	7	900	$750	$9,000
Three-bedroom/ one-bathroom	3	900	$800	$9,600

Residential Rental Income: This consists of the expected rents from the apartment units at the property. We surveyed the Austin area for asking rents for one, two, and three- bedroom units and were able to identify several. Given the range of comparable rental rates and quality of apartment units, we concluded that the existing rate for the residential units to be within the parameters of the market.

Our twelve month projection for gross potential revenue-residential is therefore $156,600.

Vacancy/Credit Loss: At the time of our inspection, the building had (8) units vacant with an additional unit currently being evicted. We have estimated combined vacancy and financial loss as a reserve against bad debt and un-collectable accounts at 20% of Gross Total Income. We derived this estimate by surveying the subject area and current occupancy level.

Effective Gross Revenue

Based on the above analysis, effective gross income for the subject property, considering all sources of income, is $125,280.

Projection of Operating Expenses. In order to estimate operating expenses for a fiscal year projection ending November 30, 2011 for the subject property, we have used our knowledge of comparable apartment properties and information gathered from the market to assess the reasonability of the expenses.

CAM, Repairs and Maintenance, and utilities: This includes the cost of maintaining the interior and exterior building components, mechanical maintenance, common areas, roof maintenance and repair, landscaping, as well as utilities including electric, water, heat, and sewer of the building. The units are not separately metered for heat. In our analysis we have estimated this expense at $45,000 annually or $2,500 per unit.

Real Estate Taxes: We have described the historical taxes in the Real Estate Tax section of this report. Our final estimate is based on consideration of 2008 taxes. As such we increased actual 2008 taxes payable in 2009 by 2.0% yielding $9,889.

Insurance: This category consists of property and liability insurance. In our analysis we have estimated this expense at the budgeted amount of $2,700 or $150 per unit.

Reserves: This category addresses a reserve for replacement for the subject which has been calculated based on $300 per residential unit.

Management Fees: In our analysis we have assumed a market rate management fee of 3.0% of effective gross income. The projected management fees for the next 12 months are $3,758.

Total Expenses: Our projected cash flow in the first year indicated total expenses of $66,747 or $3,708 per unit.

Our estimate for the fiscal year is set forth in the following table. The subject property has a projected Net Operating Income after reserves of $58,533 or $3,252 per unit.

Project:	**950 N. Lavergne Ave**		
Client:	**Quick Funding LLC**		
Consultant:	**Property Valuation Advisors, Inc.**		
	Estimate for the next 12 months		
	2010/2011	**%EGI**	**$/Unit**
Income			
Rental Income	$156,600	125.00%	$8,700
Recoverable Expenses	$0	0.00%	$0
Total Income	$156,600	125.00%	$8,700
Vacancy/ Collection Lost (20%)	($31,320)	-25.00%	($1,740)
Effective Gross Income	$125,280	100.00%	$6,960
Expenses			
CAM/ Utilities/ R&M	$45,000	35.92%	$2,500
Real Estate Taxes	$9,889	7.89%	$549
Insurance	$2,700	2.16%	$150
Reserves	$5,400	4.31%	$300
Management Fee (3%)	$3,758	3.00%	$209
Total Expenses	$66,747	53.28%	$3,708
Net Operating Income	**$58,533**	**46.72%**	**$3,252**

Capitalization of Net Income

The final step in arriving at a value estimate through the Income Capitalization Approach involves the selection of an appropriate capitalization rate and its application to the projected stabilized net cash flow. The selection of an appropriate capitalization rate involves the consideration of the risks involved as well as any additional upside income potential of the property. In selecting this rate, we have considered several factors.

The meltdown in the sub-prime mortgage market caused economic chaos during late July and into mid-August 2007 and marked the beginning of the economic downturn in the United States and eventually throughout the world economy. Stress within the funding market was evidenced by volatility in overnight lending rates, elevated term rates, and illiquidity especially in terms of funding markets.

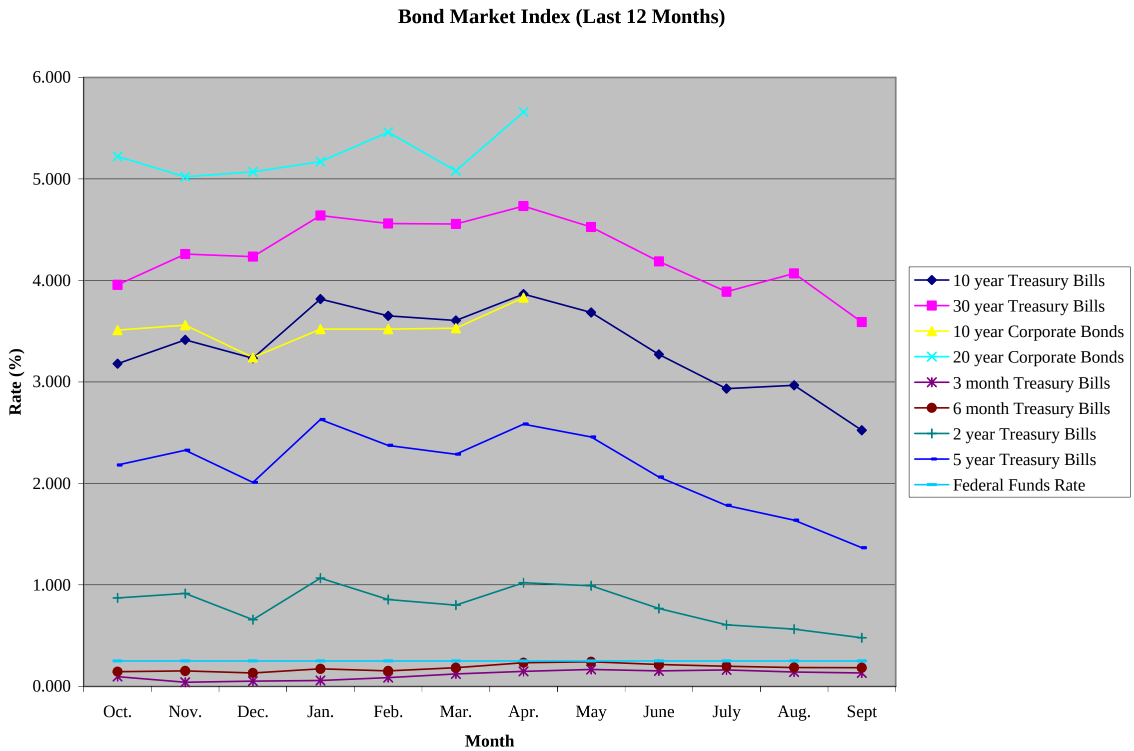
The Federal Reserve reacted by engaging in open market operations to provide the necessary reserves to sustain the federal funds rate at 5.25%. Despite these efforts the condition of the financial markets continued to worsen increasing uncertainty, which would likely curb economic growth going forward. The FOMC concluded that there were downside risks to growth, primarily seen in the financial markets, and in order to mitigate these findings sought it necessary to begin the process to reduce the primary credit rates. These rates continued to fall over the early months of 2008.

In March 2008, confidence in many of the nation’s largest banks continued to decline. This was fully realized when JP Morgan Chase agreed on March 16 to buy Bear Stearns at an astonishing $2.00 per share. This is a 93.0% discount of the company’s closing stock price the Friday before the transaction took place. In July 2008, Indymac Bank was placed in the receivership of the FDIC (Federal Deposit Insurance Corporation). This was the fourth largest bank failure in the history of the United States. There were numerous developments surrounding the credit crisis in September 2008. The US Treasury placed Fannie and Freddie Mac, which guaranteed about half of the U.S.'s mortgage market, into conservatorship run by the Federal Housing Finance Agency. Merrill Lynch was sold to Bank of America. Washington Mutual was seized by the FDIC, which then sold large portions of the company to JP Morgan Chase for $1.9 billion. This was the largest bank failure in United States history. Lehman Brothers filed for Chapter 11 bankruptcy protection. All of these and other developments culminated in the need for action. On October 3, 2008 President George W. Bush signed into law the Emergency Economic Stabilization Act creating the $700 billion Trouble Assets Relief Program (TARP).

Analysis suggests that economic recovery began at the end of 2009. The Federal Reserve continues to purchase large quantities of agency debt and mortgage back securities while engaging in open market operations. A primary tool to accomplish this has been the Term Asset-Backed Securities Loan Facility (TALF).

The aim of this measure is to allow for credit to be extended households and businesses. Under this measure, the Federal Reserve Bank of New York will lend up to $1.0 trillion (originally $200 billion) on a non-recourse basis to certain holders of AAA-rated asset-backed securities backed by newly and recently originated consumer and small business loans. As interest rates spreads on AAA-rated tranches of ABS rose to levels far outside of historical levels, lending in this area became a primary concern of the Committee. The TALF measure serves as an incentive to increase credit availability and support economic activity by facilitating a venue for normal interest rate spreads. These measures will keep the Federal Reserve's balance sheet at a high level in the future.

As evidenced in the chart below, the bond market has begun to experience a reduction in corporate bond spreads over Treasury securities, which indicates a greater confidence in corporate bonds as an investment when compared to the US securities. Additionally, there has been some notable improvement during the August 2009 and September 2009 intermeeting period concerning the spreads between the LIBOR (London Interbank Offered Rates) and OIS (overnight index swaps) at the one and three month levels. The spread between these two items has returned to pre August 2007 levels before the financial crisis really began to take hold. This is significant because this spread helps in providing an indication of the risk and liquidity in the money market which serves an integral market for satisfying short term lending allowing for the day to day operations of numerous businesses.



As of September 2010, long-term Treasury instruments (10 and 30 years) were yielding 2.523% and 3.589%, respectively. Short-term rates were lower, with three-month, six-month, two-year, and five-year Treasury bills yielding 0.132%, 0.183%, 0.478%, and 1.366%, respectively. Clearly, these investment vehicles cannot be directly compared to an investment in the subject property due to their significant differences in risk and upside potential. However, they do indicate what investors expect to receive from "safe," fully taxable, fixed-rate investments.

Bond Market Index (Last 12 Months)												
Type	**Oct.**	**Nov.**	**Dec.**	**Jan.**	**Feb.**	**Mar.**	**Apr.**	**May**	**June**	**July**	**Aug.**	**Sept**
10 year Treasury Bills	3.179	3.414	3.233	3.816	3.650	3.604	3.865	3.683	3.270	2.933	2.967	2.523
30 year Treasury Bills	3.956	4.260	4.234	4.639	4.560	4.556	4.732	4.526	4.187	3.888	4.069	3.589
10 year Corporate Bonds	3.510	3.560	3.240	3.520	3.520	3.530	3.830					
20 year Corporate Bonds	5.220	5.020	5.070	5.170	5.460	5.080	5.660					
3 month Treasury Bills	0.096	0.041	0.051	0.058	0.086	0.122	0.147	0.167	0.152	0.162	0.142	0.132
6 month Treasury Bills	0.145	0.152	0.132	0.172	0.152	0.183	0.233	0.242	0.215	0.198	0.185	0.183
2 year Treasury Bills	0.872	0.915	0.656	1.066	0.856	0.801	1.021	0.991	0.766	0.606	0.564	0.478
5 year Treasury Bills	2.181	2.327	2.010	2.628	2.374	2.287	2.584	2.457	2.062	1.783	1.637	1.366
Federal Funds Rate	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250

Selection of Capitalization Rate

To a certain extent, overall capitalization rates are influenced by investor perception in any asset class. The primary factors affecting the overall rate at which a property is purchased include the anticipation of the ability to increase the revenue during the holding period. An additional consideration is the amount of assurance an investor has in regard to income that will be delivered from the investment. A property with a history of consistently good performance is generally less risky than a property with varying performance. Overall rates vary on the perceived risks inherent in the investment.

According to Price Waterhouse Coopers/Korpacz Real Estate Investor Survey, *National Apartment Market – Third Quarter 2010*, market participants generally quoted targeted "going-in" or overall capitalization rates of 4.50% to 11.00% with an average of 7.12%, a 56 basis point decrease from the previous quarter; and residual capitalization rates of 5.25% to 11.00% with an average of 7.54%; a 30 basis point decrease from the previous quarter. These averages are 72 and 52 basis points, respectively lower from one year ago.

Korpacz Real Estate Investor Survey Third Quarter 2010 National Apartment Market			
Key Indicators	**Current Quarter**	**Last Quarter**	**Year Ago**
Discount Rate (IRR(a)):			
RANGE	6.00%-14.00%	6.25%-14.00%	7.50%-14.00%
AVERAGE	9.40%	9.89%	10.06%
CHANGE (Basis Points)	-	-49	-66
Overall Cap Rate (OAR(a)):			
RANGE	4.50%-11.00%	5.00%-11.00%	5.75%-10.00%
AVERAGE	7.12%	7.68%	7.84%
CHANGE (Basis Points)	-	-56	-72
Residual Cap Rate:			
RANGE	5.25%-11.00%	5.50%-11.00%	5.75%-9.75%
AVERAGE	7.54%	7.84%	8.06%
CHANGE (Basis Points)	-	-30	-52
Market Rent Change Rate (b):			
RANGE	(10.00%)-3.00%	(10.00%)-3.00%	(5.00%)-3.00%
AVERAGE	(0.12%)	(0.49%)	0.04%
CHANGE (Basis Points)	-	+37	-16
Expense Change Rate (b):			
RANGE	0.00%-4.00%	0.00%-4.00%	2.00%-3.00%
AVERAGE	2.42%	2.38%	2.77%
CHANGE (Basis Points)	-	+4	-35
Average marketing Time (in months)			
RANGE	1.00-18.00	1.00-18.00	3.00-18.00
AVERAGE	7.16	7.14	9.11
% CHANGE	-	+0.28	-21.41
a: Rate on unleveraged, all cash transactions			
b: Initial rate of change			

Estimate of Value via the Direct Capitalization Method

Further, based on our review of the external influences impacting the subject's proximate market area, review of investment trends and the smaller size of the subject, **we have selected an overall capitalization rate of 14.0%.** This rate is above the range of the survey. Given the nature of the subject, we have concluded that this rate from an investor's perspective would offer a return commensurate with these characteristics as well as risk associated with an investment such as the subject.

Market Value Estimate- As Is

In determining an "as is" market value, we used a direct capitalization of the net operating income after reserves from our projection described above. The net operating income after reserves is $58,533. Assuming a **direct capitalization rate of 14.00%**, the estimated market value is $418,090. However, based on our inspection of the property, we concluded approximately $15,000 in deferred maintenance items such as broken windows and updating the back porches to meet the City of Chicago's rules and regulations. Our revised market estimate is $403,090 rounded to $405,000.

VALUATION BY DIRECT CAPITALIZATION		
Cash Flow After Reserve		$58,533
Divided by Overall Rate		14.00%
Estimated Value		$418,090
Deferred Maintenance Items		($15,000)
Revised Estimated Value		$403,090
VALUATION INDICIES		
Rounded Value Estimate		**$405,000**
Value per Unit	18	$22,500

Market Value Estimate- As Repaired and Renovated

In determining an "as repaired and renovated" market value, we considered the scope of work located in the Addendum of this report. The budget includes $300,000 to repair and renovate the building. The majority of the renovation cost, $205,000 is to install individual heating and cooling units throughout the building. The budget includes adding two garden units in the basement. The is a dilapidated unit in the basement that the City of Chicago ordered to be vacated based on non-conforming zoning, building and fire codes. Based our knowledge and feasibility of the market and code and regulations pursuant to the City of Chicago, we have determined the redevelopment of the basement space to (2) Garden units is illegal according to the Chicago codes, and the conversion of (9) 1-bedrooom units into 2-bedroom units not to be feasible at this time due to the current market economics and lack of construction plans. However, the vacant units need to be renovated and the amount of money in the budget for conversion to an addition bedroom should be used to renovate the vacant units.

In regards to updating the back porches, we considered this item as deferred maintenance of the subject requiring compliance to the City of Chicago's rules and regulations. Lastly, we deemed the conversion of the boiler system to individual HVAC units to be adequate. However, based on the market area, we did not elect to raise rental rates based on this premise. The conversion of the boiler to individual HVAC units would further increase financial obligations to each individual unit while lessening the heating liabilities of the landlord to only the common areas. We have estimated the conversion would save approximately ½ of the CAM/ Utilities/ R&M line item in our "as is" expense projection. Therefore, in our "as repaired" market value estimate our projected cash flow is as follows:

Project:	**950 N. Lavergne Ave**		
Client:	**Quick Funding LLC**		
Consultant:	**Property Valuation Advisors, Inc.**		
	Estimate for the next 12 months		
	2010/2011	**%EGI**	**$/Unit**
Income			
Rental Income	$156,600	125.00%	$8,700
Recoverable Expenses	$0	0.00%	$0
Total Income	$156,600	125.00%	$8,700
Vacancy/ Collection Lost (20%)	($31,320)	-25.00%	($1,740)
Effective Gross Income	$125,280	100.00%	$6,960
Expenses			
CAM/ Utilities/ R&M	$22,500	17.96%	$1,250
Real Estate Taxes	$9,889	7.89%	$549
Insurance	$2,700	2.16%	$150
Reserves	$5,400	4.31%	$300
Management Fee (3%)	$3,758	3.00%	$209
Total Expenses	$44,247	35.32%	$2,458
Net Operating Income	**$81,033**	**64.68%**	**$4,502**

We used a direct capitalization of the net operating income after reserves from our projection described above. The net operating income after reserves is $81,033. Assuming a **direct capitalization rate of 14.00%**, the estimated market value is $578,804 rounded to $580,000.

VALUATION BY DIRECT CAPITALIZATION		
Cash Flow After Reserve		$81,033
Divided by Overall Rate		14.00%
Estimated Value		$578,804
VALUATION INDICIES		
Rounded Value Estimate		**$580,000**
Value per Unit	18	$32,222

FINAL VALUE ESTIMATE AND MARKETING PERIOD

In valuing the subject property, we have considered the three methods of valuation: The Cost Approach, The Income Capitalization Approach, and the Sales Comparison Approach. As previously mentioned, the Cost Approach was considered to be not applicable. We believe that the typical buyer would acquire the subject as an investment and thus rely upon the Income Capitalization Approach to Value.

Value Indications

Cost Approach:	N/A[6]
Sales Comparison Approach:	**$400,000 "As Is"**
Income Capitalization Approach:	**$405,000 "As Is"**
	$580,000 "As Repaired"

Final Value Estimate "As Is":	**$405,000 *Equivalent to the current contract agreement**
Final Value Estimate "As Repaired":	**$580,000**

The apartment building sales market in the Chicago Metropolitan area has slowed dramatically during the past 12 months with fewer and fewer sales of properties. The credit crisis led to a decline in commercial loans that are available. These factors coupled with the faltering national economy and the increase in the unemployment rate has created a less-than-friendly environment for the apartment market.

All factors considered we believe that this property could readily be sold at the appraised value within 12 months assuming the property will be actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used by buyers and sellers of similar type property.

The Korpacz Real Estate Investor Survey for the Third Quarter 2010 reflects an average marketing time for apartment buildings on a nationwide basis of 7.16 months, an increase from the prior quarter level of 7.14 months.

Exposure time is 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. The exposure time typically differs from the marketing period as it is assumed to precede the effective date of the appraisal. We project exposure time for the subjects of twelve months.

[6]**The Cost Approach was not used in this appraisal as it does not reflect the motivation of purchasers for properties of the subject type in the current market. This is the case because the estimate of depreciation would be very large, totally subjective, and without market support.**

CERTIFICATION OF VALUE

The undersigned do hereby certify that, except as otherwise noted in this appraisal report:

- 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 is our personal, 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 we have no personal interest or bias with respect to the parties involved;
- Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the estimate, the attainment of a stipulated result, or the occurrence of a subsequent event;
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice;
- Brian D. Flanagan made a personal inspection of the property that is the subject of this report; Miguel A. Rojas provided professional assistance in the compilation of this report;
- 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 and the Standard of Professional Appraisal Practice of the Appraisal Institute:
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, Brian D. Flanagan has completed the requirements of the continuing education program of the Appraisal Institute. His State Certified General Appraisal license expires on September 30, 2011, and is renewable.

We have performed our services and prepared this report in accordance with generally accepted appraisal practices, and make no other warranties, either expressed or implied, as to the character and nature of such services and product.

Based upon the information contained in this report and upon the judgment, knowledge, and experience of the undersigned, it is the opinion of the undersigned that the current “as is” market value of the fee simple interest in subject property as of the date of inspection, October 29, 2010 is:

FOUR HUNDRED FIVE THOUSAND DOLLARS
$405,000
* Equivalent to the current contract agreement

Based upon the information contained in this report and upon the judgment, knowledge, and experience of the undersigned, it is the opinion of the undersigned that the current “as repaired” market value of the fee simple interest in subject property as of the date of inspection, October 29, 2010 is:

FIVE HUNDRED EIGHTY THOUSAND DOLLARS
$580,000

If you have any questions regarding our value estimate or analysis or require any additional information please contact the undersigned. We appreciate having the opportunity to be of service to you in this matter.

If you have any questions regarding our value estimate or analysis or require any additional information please contact the undersigned. We appreciate having the opportunity to be of service to you in this matter.

Respectfully submitted,

PROPERTY VALUATION ADVISORS, INC.

Brian D. Flanagan

Brian D. Flanagan, MAI
President
State Certified General Real Estate Appraiser
Certification Number 553-000103
Expires 9/30/2011

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been based on, and is subject to, the following general assumptions and limiting conditions:

- **The value reported is only applicable to the purpose, function, and terms stated in this report and shall not be used for any other purpose.**
- **The appraisers have assumed that the reader (s) of this report is well versed in real estate and is a sophisticated and knowledgeable business person(s).**
- **No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.**
- **Responsible ownership and competent property management are assumed.**
- **The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.**
- **All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.**
- **It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.**
- **It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described and considered in the appraisal report. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.**
- **It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in the appraisal report.**
- **The appraisers shall not be required to give testimony as a witness or to appear in any capacity in any legal or administrative hearing or procedure, or to have any continued service responsibility unless compensated, by the engager of this report, in advance, according to their fee schedule then in effect.**
- **Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such material on or in the property. The appraiser, however is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there are no such material on or in the property that would cause a loss in value. No responsibility is assumed for 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 are not engineers, no warranties are made by references to physical property characteristics in terms of quality, condition, cost, suitability, soil conditions, flood risk, obsolescence, etc., and no liability is assumed for any engineering-related issues.**
- **Possession of this report or a copy thereof does not imply right of publication, nor use for any purpose by any other than the person to whom it is addressed, without the written consent of Property Valuation Advisors, Inc.**
- **The liability of Property Valuation Advisors, Inc., and its employees is limited to the client. This appraisal was prepared specifically for our client, to whom this appraisal was addressed.**

- **Cash flow projections are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within the appraisal report. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may well vary from the projections contained herein. The appraisers do not warrant that these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of the appraisers. The appraisers are not trying to forecast the future but rather are attempting to replicate techniques utilized by market participants for properties similar to the subject.**

- **The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements for the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of the ADA in estimating the value of the property.**

ADDENDA

Qualifications

BRIAN D. FLANAGAN, MAI
State Certified General Real Estate Appraiser

Brian D. Flanagan is Founder and President of Property Valuation Advisors, Inc. (PVA). Property Valuation Advisors' corporate headquarters are located in Chicago. Mr. Flanagan has over twenty-five years of experience in real estate analysis, appraisal and valuation, deal structuring, property ownership and portfolio valuation. His diversified background includes the valuation of real estate for a wide range of applications including market value appraisals, property portfolio consulting and valuation, investment advisory services, bond financing and tax increment financing issues, and specialized valuations including office buildings, retail centers, shopping malls, small and large scale industrial properties and manufacturing facilities, hotels/motels, special use medical facilities, and manufactured home communities.

Mr. Flanagan has completed projects throughout the United States, Canada, Europe, Bermuda and the Caribbean on behalf of domestic and foreign investment firms, REITs, pension funds and their advisors, financial institutions and insurance companies.

Areas of specialization for Mr. Flanagan include: development and redevelopment, portfolio valuation, investment analysis via computerized lease-by-lease analysis, discounted cash flow analysis, feasibility, and market studies. Mr. Flanagan concentrates on appraisals and valuation issues.

Before founding Property Valuation Advisors, Inc. (PVA), Mr. Flanagan served as Senior Vice President at the Chicago development and consulting firm of Sudler Marling, Inc. and as a Principal at the national accounting firm of Laventhol & Horwath (L&H). Prior to his position at L&H, Mr. Flanagan was a Senior Manager at the national accounting firm of Pannell Kerr Forster and a Senior Analyst at VMS Realty Partners.

Property Valuation Advisors clients include CS First Boston/Column Financial, Berkadia Capital, Wells Fargo Bank, JP Morgan Chase, Associated Bank, Prudential Insurance Company, Metropolitan Capital Bank, Allstate Insurance Company, Nationwide Insurance Company, State Farm Insurance, Associated Bank, TCF Bank, MB Financial Bank, Cole Taylor Bank, Premier Bank, Bridgeview Bank Group, and Jackson National Life.

Mr. Flanagan graduated from the Ohio State University, Columbus, Ohio with a Bachelor of Arts degree with a concentration in Economics. He earned his Masters of Business Administration (M.B.A.) degree from Xavier University, Cincinnati, Ohio with a concentration in Finance. Mr. Flanagan has earned his MAI designation (Member, Appraisal Institute #8481), is a State Certified General Real Estate Appraiser (#553-000103), Associate Member of CCIM, a Member of the Illinois Coalition of Appraisal Professionals, a Member of The Ohio State University Alumni Association, Member of Alpha Sigma Nu (The Honorary Society of Jesuit Institutions of Higher Learning) and a Member of the Xavier University Alumni Association.

Rent Roll

Exhibit A
(Rent Roll)

Unit	Occupied	Rent	
950-1	☑	$ 750	
950-2	☑	$ 800	
950-3			
954-1	☑	In Eviction	
954-2	☑	$ 800	
954-3	☑	$ 800	
956-1			
956-2	☑	$ 800	
956-3	☑	$ 800	
~~5007-1~~	~~☑~~	~~$ 650~~	VACANT
~~5007-2~~	~~☑~~	~~$ 675~~	VACANT
5007-3	☑	$ 675	
5009-1			
5009-2	☑	$ 675	
5009-3			
5011-1			
5011-2			
5011-3	☑	$ 675	
Totals	12	~~$ 8,400~~	$6,775.00

Purchase Contract Excerpts

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE ("Agreement") is entered into this 20th day of September, 2010 (the "Effective Date"), by and between GMU Holdings LLC ("Seller"), and Mario Lane and Benita ~~Bonita~~ Grayson ("Buyer"). Seller desires to sell to Buyer and Buyer desires to purchase from Seller the real estate located at 950 N. Lavergne Avenue, Chicago IL (APN # 16-04-418-021-0000), consisting of a 19 unit rental apartment building, together with all buildings, structures, fixtures, personal property to the extent owned by Seller, and improvements thereon (the "Property"). In consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the parties hereto agree as follows:

I. PURCHASE AND SALE OF THE PROPERTY.

A. Agreement to Purchase and Sell. In consideration of the payment by Buyer to Seller of the sum of FOUR HUNDRED AND FIVE THOUSAND US DOLLARS AND 0/100 Dollars ($405,000.00) ("Purchase Price"), Seller hereby agrees to sell the Property to Buyer and Buyer hereby agrees to purchase the Property from Seller upon the terms and conditions set forth herein.

B. Earnest Money. Upon execution of this Agreement, Buyer shall deliver TEN THOUSAND US DOLLARS AND NO/100 Dollars ($10,000.00) ("Earnest Money") made payable to First American Title, located at 30 North La Salle Street, Chicago IL, Attention: Reggie Cunningham - Tel: (312) 553-0471 ("Title Company") to be held with no interest to Buyer. The Earnest Money will be non-refundable and contingent only upon Seller's ability to convey insurable title to Buyer at closing.

II. REQUIREMENTS AND CONDITIONS OF CLOSING. Upon execution of this Agreement, Buyer and/or Seller, as the case may be, agree to perform the following:

A. Title Commitment. Buyer shall obtain a Title Commitment, showing Seller's title to the Property, setting forth all exceptions to Seller's title to the Property, together with copies of all documents evidencing all exceptions set forth in same. Buyer shall be responsible for the costs of the Title Commitment.

B. Survey. No survey is in Seller's possession. Buyer may obtain a Survey to the extent that Buyer so elects. Buyer shall be responsible for the cost of any such Survey.

III. PAYMENT OF PURCHASE PRICE. The Purchase Price minus the Earnest Money shall be payable in cashier's check or wire transfer at Closing.

IV. CLOSING.

A. Date and Location. Closing shall be held on or before October 5, 2010. Closing shall be held at the offices of the Title Company or, at the election of Seller, by mail.

B. Delivery by Seller. At Closing, Seller shall cause to be delivered to Buyer the following documents and instruments, all of which shall be dated on or effective as of the Closing Date:

1. A Special Warranty Deed, duly executed and acknowledged by Seller, conveying to Buyer good and indefeasible fee simple title to the Property subject to all easements, restrictions, covenants and matters of record against the Property and such other

AGREEMENT OF PURCHASE AND SALE

items as the Title Company is willing to insure over at standard rates (the "Permitted Exceptions").

2. (i) Such other documents and instruments as are reasonably required to transfer the Seller's interest in the Property to Buyer; (ii) any affidavit or document reasonably required by the Title Company and acceptable to Seller; and (iii) state and local transfer tax declarations, if any.

C. Delivery by Buyer. At Closing, Buyer shall cause to be delivered to Seller the following documents, instruments, and items, all of which shall be dated on or effective as of the Closing Date:

1. The Purchase Price.

2. All other documents reasonably requested by Seller and/or Title Company.

D. Recordation. Upon the completion of the deliveries specified herein, the Title Company shall be authorized to cause the appropriate closing documents to be immediately recorded in Cook County, Illinois.

E. Owner's Title Policy. Buyer shall be responsible for all fees and costs of the Owner's Title Policy in the amount of the Purchase Price, issued by the Title Company, showing title to the Property to be vested in Buyer, subject only to the Permitted Exceptions. Any cost associated with any endorsements to the Owner's Title Policy shall be paid by Buyer.

F. Closing Costs. At Closing, (i) Buyer shall pay the costs of the base premium incident to the issuance of the Owner's Title Policy, (ii) Buyer shall pay all costs and expenses incident to any surveys and any endorsements to the Owner's Title Policy, (iii) Seller shall pay the costs of the documentary transfer taxes, recording of the Deed and deed stamps, and (iv) all fees, or any other costs associated with the sale of the Property shall be paid as customary. Each party shall be responsible for the fees and expenses of its respective legal counsel. Buyer shall pay any recording or other fees arising from any loans or mortgages obtained by Buyer. Seller shall pay the costs of releasing any liens or encumbrances, other than Permitted Exceptions.

G. Tax-Free Exchange. Seller agrees, upon request by Buyer, to cooperate with Buyer to complete a like-kind tax deferred exchange as authorized by Section 1031 of the Internal Revenue Code of 1986, as amended, including the assignment of this Agreement to a "Qualified Intermediary", as such term is defined in Section 1031 to facilitate the exchange; provided, however, Seller shall not be required to take title to any other property or incur any additional expense or liability as the result of such exchange. Furthermore, any such exchange shall not relieve Buyer from its obligations hereunder and shall not cause the Closing to be delayed. Any assignment of this Agreement necessary to accomplish such a tax deferred exchange shall be deemed approved by Seller without the necessity of any further written consent by Seller.

V. CLOSING STATEMENT. A closing statement, in the form customarily used in Cook County, Illinois, shall be prepared by the Title Company and executed by the parties hereto at Closing, which closing statement shall evidence the monetary terms of transaction.

VI. PRORATIONS.

A. Ad Valorem Taxes and Special Assessments. General ad valorem taxes and special assessments, if any, shall be prorated as of the Closing Date. If Closing shall occur before the tax rate is fixed

IN WITNESS WHEREOF, the parties have executed this Agreement of Purchase and Sale on the date first written above.

SELLER:

GMU Holdings LLC

Name: Allison Berman
Title: Vice President

Date: 9/21/10

BUYER:

Mario Lane

Name:
Title: Investors

Date: 9/20/10

BUYER:

Benita
~~Bonita~~ Grayson

Name:
Title: Investors

Date: 9/20/10

AGREEMENT OF PURCHASE AND SALE

Detailed Scope of Work

Detailed Scope of Work
&
Estimated Cost
For
950 North Lavergne, Chicago

1. **$30,000**
   Create 2 additional apartments (Garden Style) out of the spaces in the basement.

   $15,000 per unit=$30,000

2. **$100,000**
   Convert current "boiler heating system" into 21 individually HVAC tenant controlled units.

3. **$105,000**
   Additional expense for the boiler to HVAC conversion: duct work and hot water tanks

4. **$10,000**
   Update back porches to the strict City of Chicago rules and regulations and to ensure tenants safety.

5. **$31,500**
   Convert current (9) 1 bedroom apartments into 2 bedroom units;

   $3,500 x 9 units=$31,500

6. **$23,500**
   Reserved payments

TOTAL: $300,000

Plat of Survey/ Legal Description

We were not provided with a legal description or a plat of survey. However, we were able to obtain a legal description and a tax map outlining the boundaries of the subject.

Secion-Township: 04-39-13 **SubDiv-Condo:** RESUB/L/25-48B/1L/1-1
Lot #: 1 **Block #:** 1 **Part of Lot:**
Secion-Township: 04-39-13 **SubDiv-Condo:** RESUB/L/25-48B/1L/1-1
Lot #: 2 **Block #:** 1 **Part of Lot:**
Secion-Township: 04-39-13 **SubDiv-Condo:** RESUB/L/25-48B/1L/1-1
Lot #: 3 **Block #:** 1 **Part of Lot:**