E-019-13

VALUATION REPORT

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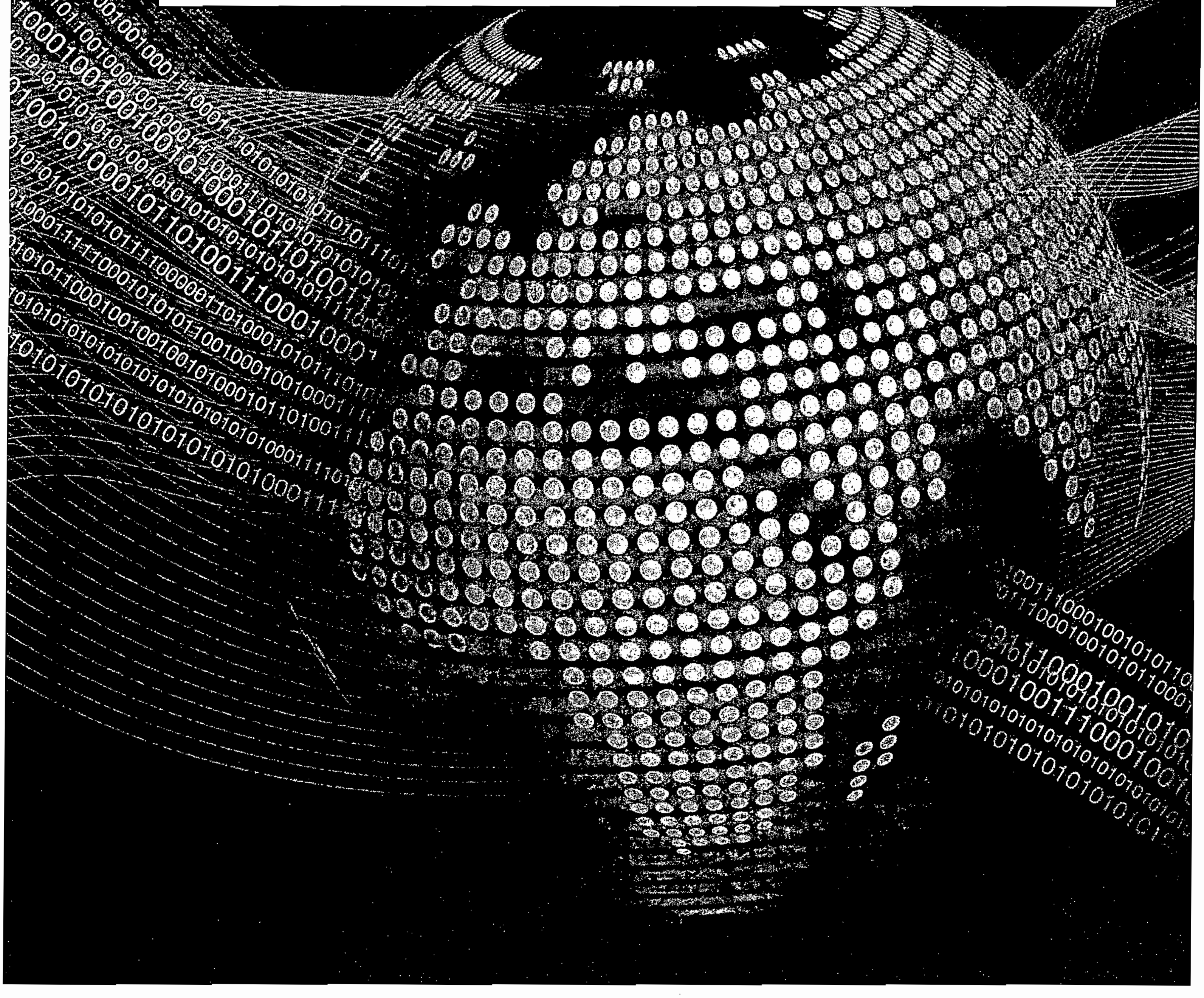
HEALTH FACILITIES & SERVICES REVIEW BOARD

351 DELNOR MEDICAL OFFICE BUILDING
351 Delnor Drive
Geneva, Kane County, IL 60134
CBRE, Inc. File No. 13-164CH-1402

John Yep
Director - Business Development
CADENCE HEALTH
25 N. Winfield Road
Winfield, IL 60190

CBRE



VALUATION & ADVISORY SERVICES

CBRE

311 South Wacker Drive, 4th Floor
Chicago, IL 60606

T (312) 233-8662
F (312) 233-8660

www.cbre.com

May 23, 2013

John Yep
Director - Business Development
CADENCE HEALTH
25 N. Winfield Road
Winfield, IL 60190

RE: Appraisal of 351 Delnor Medical Office Building
351 Delnor Drive
Geneva, Kane County, IL 60134
CBRE, Inc. File No 13-164CH-1402

Dear Mr. Yep:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property. Our analysis is presented in the following Self-Contained Appraisal Report.

The subject is an 80,890-square foot medical office condominium unit located at 351 Delnor Drive in Geneva, Kane County Illinois. The improvements were constructed in 2006 and are situated on a 0.53-acre site adjacent to the main Delnor Community Hospital. The subject's underlying land is subject to a ground lease. Delnor Community Health System leased the ground to HC Geneva Partners I, LLC via a lease dated December 23, 2004 for a 55-year term. The 351 Delnor Drive improvements contain a total of 103,490 net rentable square feet over its four stories plus a basement. The basement was sold off as a condominium unit to Delnor Hospital containing 22,600 square feet leaving the subject with floors one through four and 80,890 net rentable square feet. Currently, the property is 83.7% leased and is considered to be in good overall condition.

The property is currently under contract to be sold to Cadence Health System, the owner of Delnor Community Hospital for a net sales price of $22.5 million with an anticipated closing date of November 2013.

The subject is more fully described, legally and physically, within the enclosed report.

Based on the analysis contained in the following report, the market value of the subject is concluded as follows:

MARKET VALUE CONCLUSION			
Appraisal Premise	**Interest Appraised**	**Date of Value**	**Value Conclusion**
As Is	Leasehold Interest	May 14, 2013	$22,900,000
Compiled by CBRE			

Data, information, and calculations leading to the value conclusion are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. It also conforms to Title XI Regulations and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) updated in 1994 and further updated by the Interagency Appraisal and Evaluation Guidelines promulgated in 2010.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and CBRE will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE, Inc. can be of further service, please contact us.

Respectfully submitted,

CBRE, Inc. - VALUATION & ADVISORY SERVICES

Daniel J. Bajadek

Daniel J. Bajadek, MAI
Director
State Certified General Real Estate Appraiser
State of Illinois License No. 553.000273
Expiration Date: 9/30/2013
Phone | 312-233-8688
Fax | 312-233-8660

Lesley J. Linder

Les Linder, MAI, CCIM
Managing Director
State Certified General Real Estate Appraiser
State of Illinois License No. 553.001947
Expiration Date: 9/30/2013
Phone (312) 233-8665
Fax | 312-233-8660

CERTIFICATION OF THE APPRAISAL

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of IL.
8. 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 Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, Les Linder, MAI, CCIM has completed the continuing education program of the Appraisal Institute.
11. Daniel Bajadek, MAI has and Les Linder, MAI, CCIM has not made a personal inspection of the property that is the subject of this report.
12. No one provided significant real property appraisal assistance to the persons signing this report.
13. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.

14. Daniel Bajadek, MAI and Les Linder, MAI, CCIM have not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

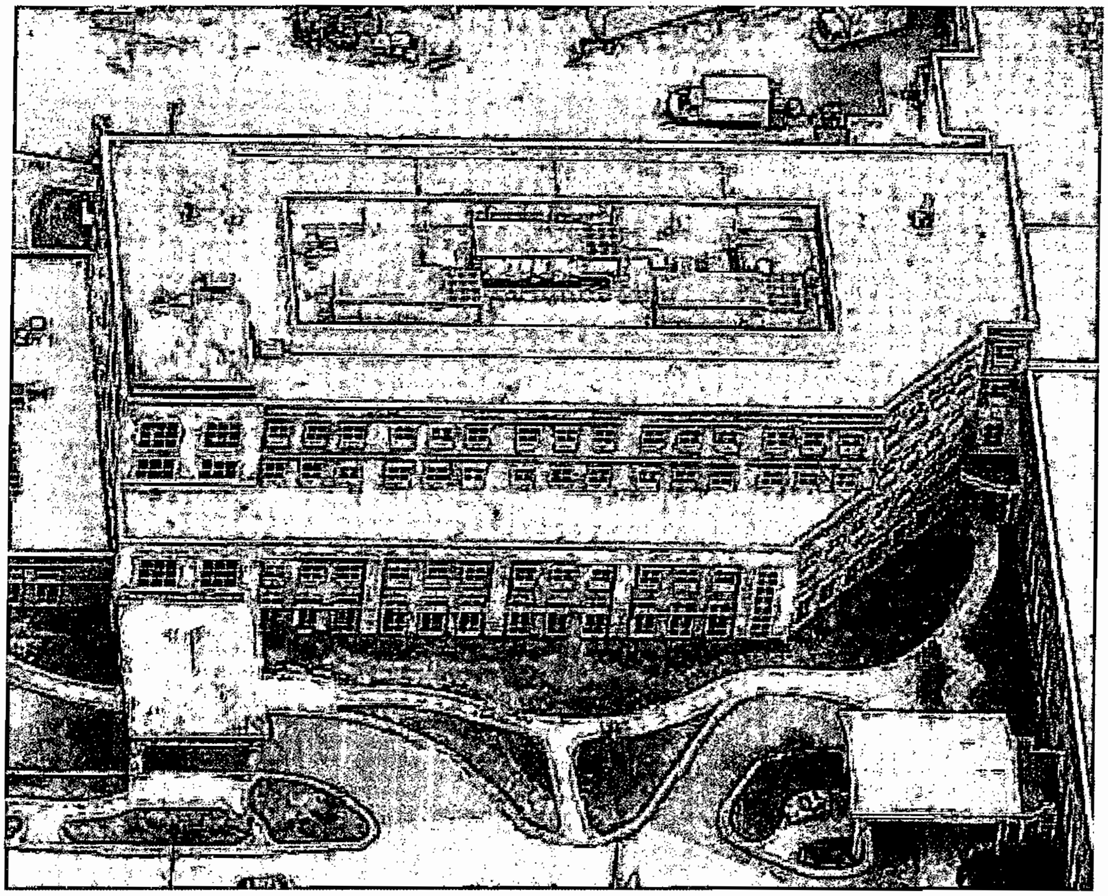
Daniel J. Bajadek

Daniel J. Bajadek, MAI
State of Illinois License No. 553.000273
Expiration Date: 9/30/2013

Lesley J. Linder

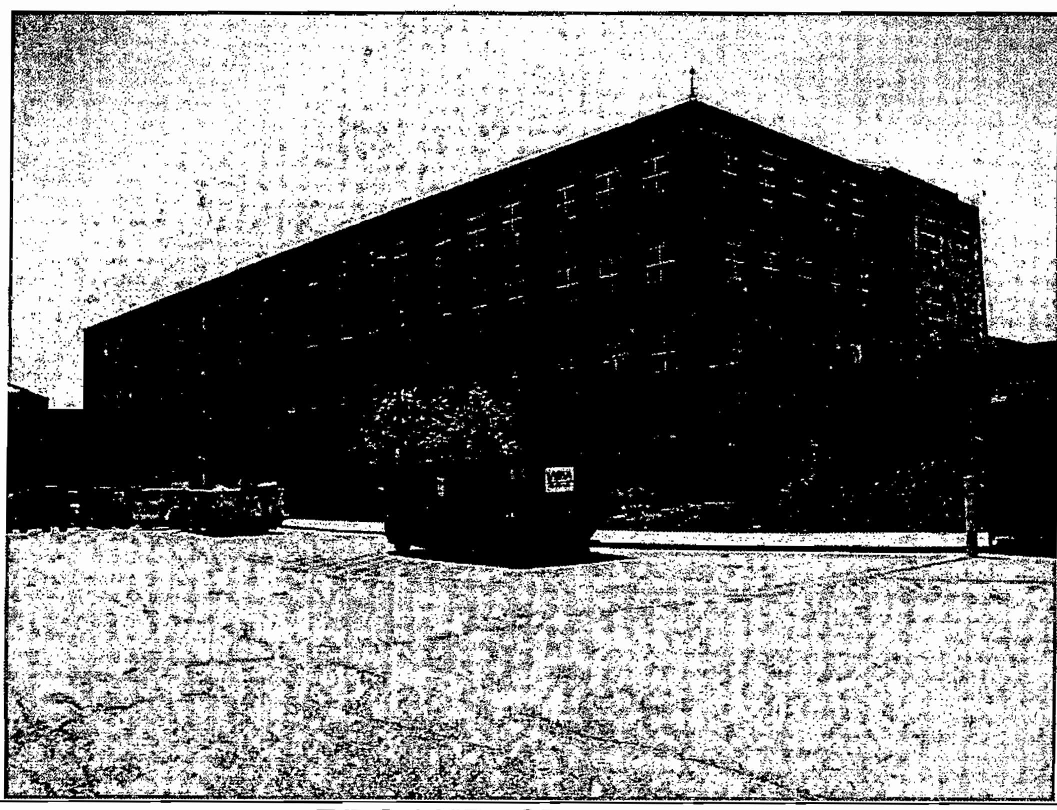
Les Linder, MAI, CCIM
State of Illinois License No. 553.001947
Expiration Date: 9/30/2013

SUBJECT PHOTOGRAPHS



AERIAL VIEW

TYPICAL VIEW OF THE SUBJECT



TYPICAL VIEW OF THE SUBJECT

VIEW OF THE PARKING AREA

VIEW OF OFFICE ENTRANCE

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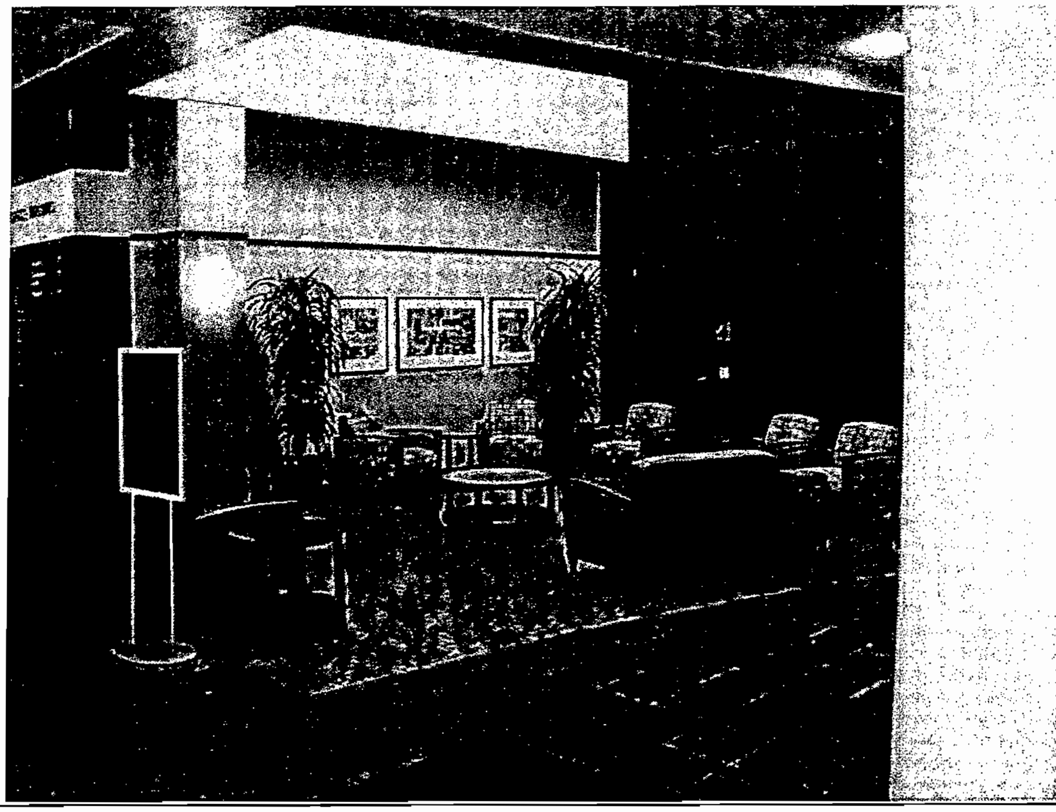
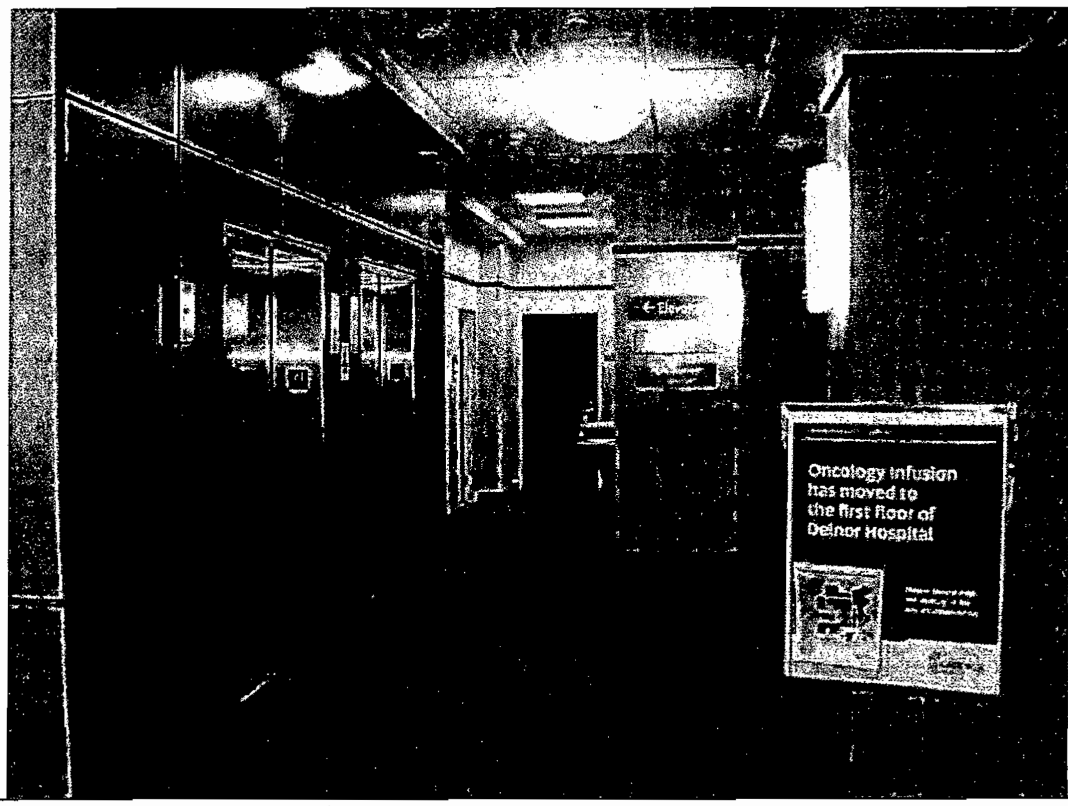
VIEW OF A TYPICAL MEDICAL OFFICE SPACE INTERIOR

VIEW OF TREATMENT AREA



VIEW OF MAIN LOBBY WAITING AREA



VIEW OF THE ELEVATOR BANK

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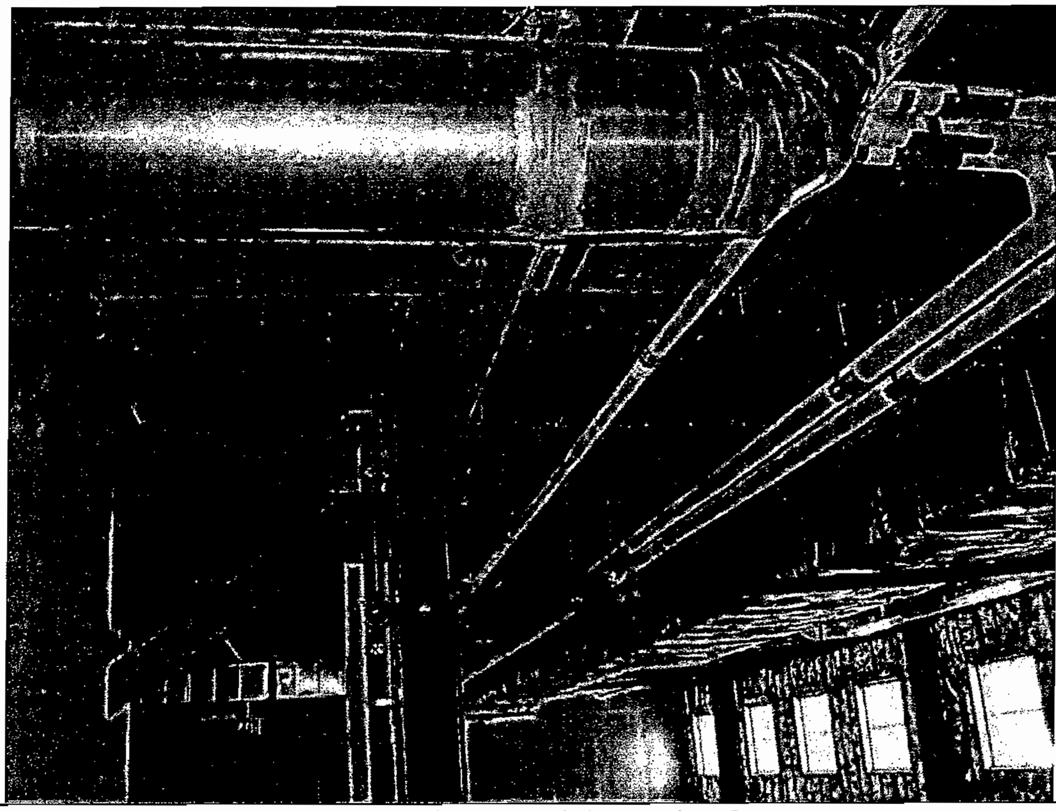
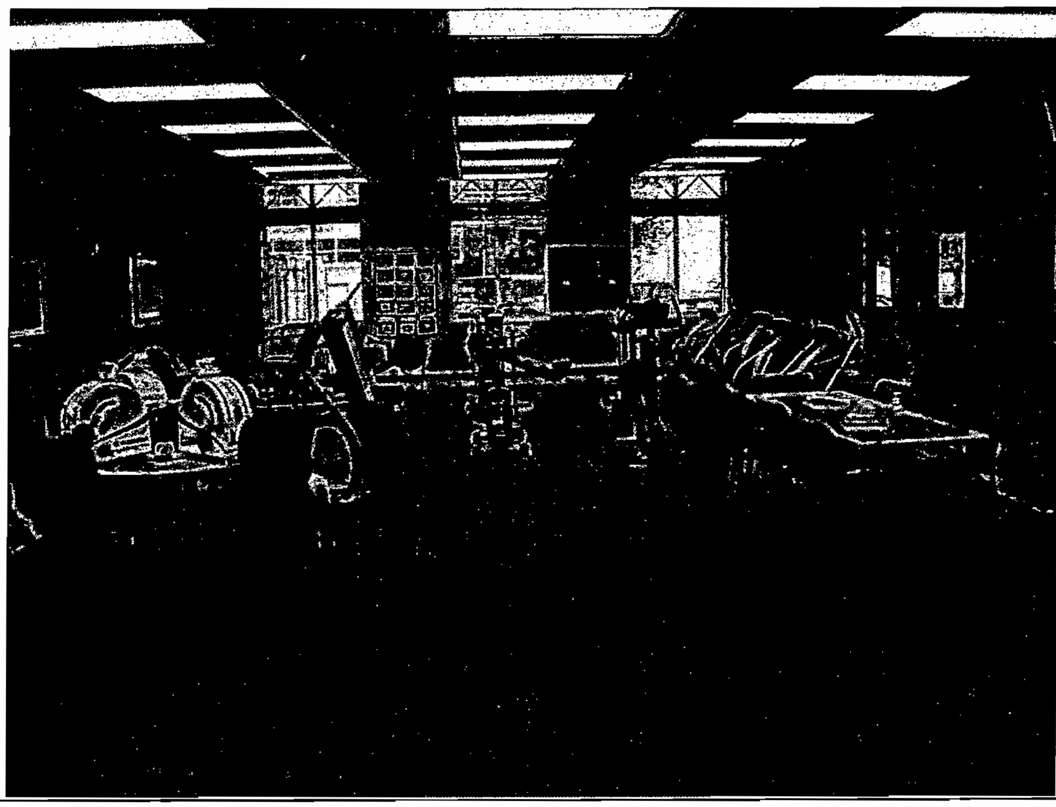


VIEW OF SUBJECT'S SHELL SPACE



VIEW OF THE PHYSICAL THERAPY ROOM

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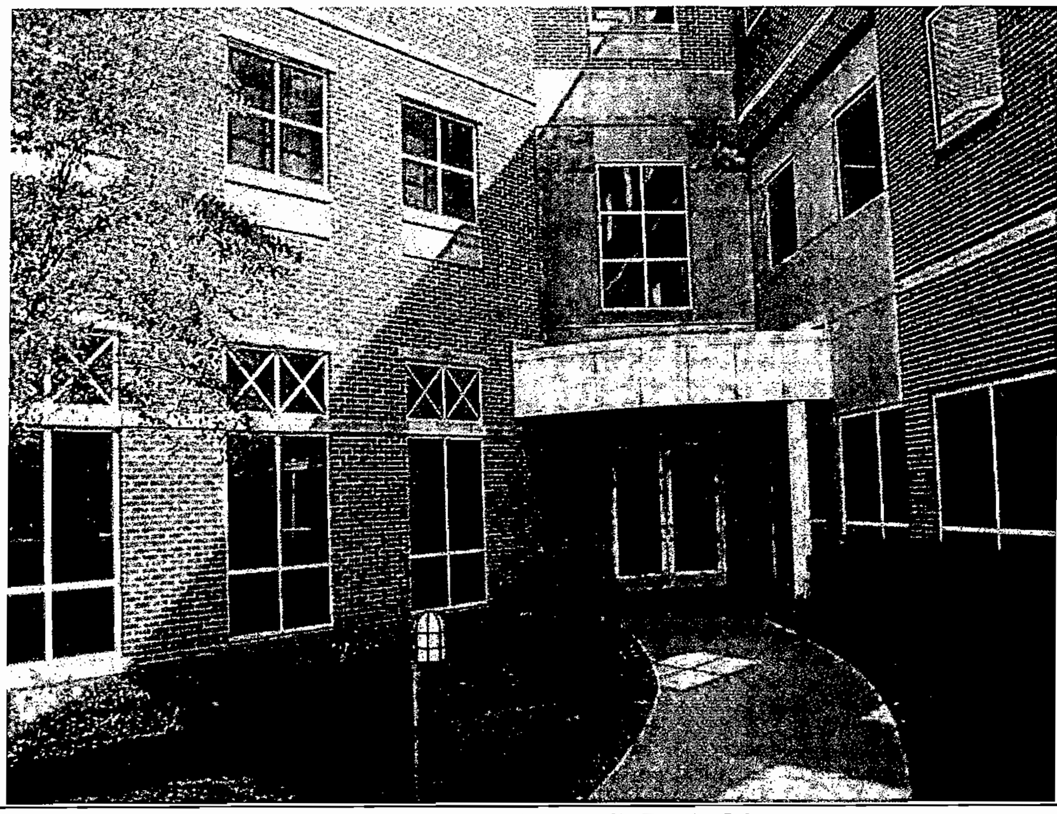

VIEW OF ALTERNATE ENTRANCE

VIEW OF THE HOSPITAL CAMPUS FROM KESLINGER ROAD

SUMMARY OF SALIENT FACTS

Property Name	351 Delnor Medical Office Building	
Location	351 Delnor Drive, Geneva, Kane County, IL 60134	
Assessor's Parcel Number	12-05-476-024	
Highest and Best Use		
As If Vacant	Medical Office	
As Improved	Medical Office	
Property Rights Appraised	Leasehold Interest	
Land Area	0.53 AC	23,221 SF
Improvements		
Property Type	Office	(Medical/Dental)
Number of Buildings	1	
Number of Stories	4	
Gross Building Area	107,718 SF	
Net Rentable Area	80,890 SF	
Year Built	2006	
Condition	Good	
Major Tenants		
Delnor-Community Hospital	29,580 SF	
Estimated Exposure Time	9 Months	
Financial Indicators		
Current Occupancy	83.7%	
Stabilized Occupancy	90.0%	
Stabilized Credit Loss	1.0%	
Estimated Lease-up Period	12 Months	
Overall Capitalization Rate	7.00%	
Discount Rate	8.25%	
Terminal Capitalization Rate	7.25%	

Pro Forma Operating Data	***Total***	***Per SF***
Effective Gross Income	$2,660,637	$32.89
Operating Expenses	$1,006,704	$12.45
Expense Ratio	37.84%	
Net Operating Income	$1,653,933	$20.45

VALUATION		Total	Per SF
Market Value As Is On	**May 14, 2013**		
Cost Approach		N/A	N/A
Sales Comparison Approach		$22,550,000	$278.77
Income Capitalization Approach		$22,900,000	$283.10
Insurable Value		$13,410,000	$165.78

CONCLUDED MARKET VALUE

Appraisal Premise	Interest Appraised	Date of Value	Value
As Is	Leasehold Interest	May 14, 2013	$22,900,000

Compiled by CBRE

STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)

Strengths and weaknesses are internal to the subject; opportunities & threats are external to the subject

Strengths

- The subject is located on the Delnor Community Hospital campus and connected to the main hospital.
- The subject represents a high quality medical office building constructed in 2006.

Weaknesses

- There is currently 13,230 square feet of non-leased space available.
- The property is subject to a 55-year ground lease that began in December 2004.

Opportunities

- Investors comment that there is a general sense of optimism across most markets. The combination of a recovering housing market, Federal Reserve policies, healthy financial markets along with generally strong corporate profits has helped to brighten the outlook for real estate investors moving through 2013.
- Debt markets and the availability of financing for commercial properties continues to improve. 2012 witnessed a 50% uptick in CMBS originations and is projecting an increase of similar proportion in 2013.
- Medical office properties are viewed as more sound investments given the less elastic demand drivers affecting healthcare tenants.

Threats

- The increasing uncertainty and skepticism surrounding the Affordable Care Act has left investors and patients on the sidelines as they wait to see the effects of full implementation in 2014.

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EXTRAORDINARY ASSUMPTIONS

An *extraordinary assumption* is defined as "an assumption directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis." [1]

- None noted

HYPOTHETICAL CONDITIONS

A *hypothetical condition* is defined as "that which is contrary to what exists but is supposed for the purpose of analysis. 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 about the integrity of data used in an analysis." [2]

- None noted

[1] Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010), 73.

[2] *Dictionary of Real Estate Appraisal*, 97.

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INTRODUCTION

PROPERTY IDENTIFICATION

The subject is an 80,890-square foot medical office condominium unit located at 351 Delnor Drive in Geneva, Kane County Illinois. The improvements were constructed in 2006 and are situated on a 0.53-acre site adjacent to the main hospital. The subject's underlying land is subject to a ground lease. Delnor Community Health System leased the ground to HC Geneva Partners I, LLC via a lease dated December 23, 2004 for a 55-year term. The 351 Delnor Drive improvements contain a total of 103,490 net rentable square feet over its four stories plus a basement. The basement was sold off as a condominium unit to Delnor Hospital with 22,600 square feet leaving the subject with floors one through four and 80,890 net rentable square feet. Currently, the property is 83.7% leased and is considered to be in good overall condition. The subject is more fully described, legally and physically, within the enclosed report.

OWNERSHIP AND PROPERTY HISTORY

Title to the property is currently vested in the name of HC Geneva Partners and is part of the 87 acre Delnor Community Hospital Campus. The subject's underlying land is ground leased from Delnor Community Health System to HC Geneva Partners I, LLC via a lease dated December 23, 2004 for a 55 year term. The subject improvement was completed in 2006 with lease commencement for some tenants occurring in February 2006. The 351 Delnor improvements contain a total of 103,490 square feet over its four stories plus basement. The basement containing 22,600 square feet was sold off as a condominium unit to Delnor Hospital leaving the subject consisting of floors one through four with a net rentable area of 80,890 square feet.

The property is currently under contract to be sold to Cadence Health System, the owner of Delnor Community Hospital for a net sales price of $22.5 million with an anticipated closing date of November 2013. The Buyer would pay $23,214,000, however they will receive a credit at closing for $714,000 to fund the tenant improvements for the building's current vacant space. The sale price is considered to be slightly below market value.

To the best of our knowledge, there has been no ownership transfer of the property during the previous three years and the property is not currently being marketed for sale.

PREMISE OF THE APPRAISAL

The following table illustrates the various dates associated with the valuation of the subject, the valuation premise(s) and the rights appraised for each premise/date:

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PREMISE OF THE APPRAISAL		
Item	Date	Interest Appraised
Date of Report:	May 23, 2013	
Date of Inspection:	May 14, 2013	
Dates of Value		
As Is:	May 14, 2013	Leasehold Interest
Compiled by CBRE		

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject property. The current economic definition of market value agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is 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 U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. [3]

INTENDED USE OF REPORT

This appraisal is to be used for Certificate of Need purposes, and no other use is permitted.

INTENDED USER OF REPORT

This appraisal is to be used by Cadence Health, and no other user may rely on our report unless as specifically indicated in the report.

> *Intended Users* - the intended user is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisal, but the appraiser ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions and conclusions

[3] Office of Comptroller of the Currency (OCC), 12 CFR Part 34, Subpart C – Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010), 122-123. This is also compatible with the RTC, FDIC, FRS and NCUA definitions of market value as well as the updated Interagency Appraisal and Evaluation Guidelines promulgated in 2010.

developed in the appraisal in a manner that is clear and understandable to the intended users. Parties who receive or might receive a copy of the appraisal are not necessarily intended users. The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report. [4]

SCOPE OF WORK

The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered and analysis is applied, all based upon the following problem-identifying factors stated elsewhere in this report:

- Client
- Intended use
- Intended user
- Type of opinion
- Effective date of opinion
- Relevant characteristics about the subject
- Assignment conditions

This appraisal of the subject has been presented in the form of a Self-Contained Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. That is, this report incorporates, to the fullest extent possible, practical explanation of the data, reasoning and analysis that were used to develop the opinion of value. This report also includes thorough descriptions of the subject and the market for the property type. CBRE, Inc. completed the following steps for this assignment:

Data Resources Utilized in the Analysis

RESOURCE VERIFICATION	
Site Data	Source/Verification:
Size	Kane County Assessor's Office
Improved Data	Source/Verification:
Net Size/Units	Rent Roll
Area Breakdown/Use	Rent Roll, Site Inspection
No. Bldgs.	Site Inspection
YOC	Kane County Assessor's Office
Economic Data	Source/Verification:
Deferred Maintenance:	None - Site Inspection
Income Data:	Rent Roll
Expense Data:	Operating Statements
Compiled by CBRE	

Extent to Which the Property is Identified

CBRE, Inc. collected the relevant information about the subject from the owner (or representatives), public records and through an inspection of the subject property. The property was legally identified through the following sources:

[4] Appraisal Institute, *The Appraisal of Real Estate*, 13th ed. (Chicago: Appraisal Institute, 2008), 132.

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- postal address
- assessor's records
- legal description
- title report

Extent to Which the Property is Inspected

CBRE, Inc. inspected the interior and exterior of the subject, as well as its surrounding environs on the effective date of appraisal. This inspection sample was considered an adequate representation of the subject property and is the basis for our findings.

Type and Extent of the Data Researched

CBRE, Inc. reviewed the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process. This process included interviews with regional and/or local market participants, available published data, and other various resources. CBRE, Inc. also conducted regional and/or local research with respect to the following:

- applicable tax data
- zoning requirements
- flood zone status
- demographics
- income and expense data
- comparable data

Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. The steps required to complete each approach are discussed in the methodology section.

EXPOSURE/MARKETING TIME

Current appraisal guidelines require an estimate of a reasonable time period in which the subject could be brought to market and sold. This reasonable time frame can either be examined historically or prospectively. In a historical analysis, this is referred to as exposure time. Exposure time always precedes the date of value, with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of value. On a prospective basis, the term marketing time is most often used. The exposure/marketing time is a function of price, time, and use. It is not an isolated estimate of time alone. In consideration of these factors, we have analyzed the following:

- exposure periods for comparable sales used in this appraisal;
- exposure/marketing time information from the CBRE, Inc. *National Investor Survey* and the *PwC Real Estate Investor Survey;* and
- the opinions of market participants.

The following table presents the information derived from these sources.

EXPOSURE/MARKETING TIME INFORMATION		
	Exposure/Mktg. (Months)	
Investment Type	Range	Average
Comparable Sales Data	6.0 - 18.0	12.0
CBRE Suburban Office		
Class A	1.0 - 12.0	5.8
Class B	1.0 - 12.0	6.1
Class C	1.0 - 18.0	6.8
CBRE General Investment		
Class A	4.0 - 12.0	7.3
Class B	6.0 - 12.0	8.0
Class C	6.0 - 18.0	10.0
PwC Medical Office		
National Data	1.0 - 12.0	4.8
Local Market Professionals	6.0 - 18.0	12.0
CBRE Exposure Time Estimate	**9 Months**	

Source: CBRE National Investor Survey & PwC Real Estate Investor Survey

AREA ANALYSIS

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The dynamic nature of economic relationships within a market area has a direct bearing on real estate values and the long-term quality of a real estate investment. In the market, the value of a property is not based on the price paid for it in the past or the cost of its creation, but on what buyers and sellers perceive it will provide in the future. Consequently, the attitude of the market toward a property within a specific neighborhood or market area reflects the probable future trend of that area.

Since real estate is an immobile asset, economic trends affecting its location quality in relation to other competing properties within its market area will also have a direct effect on its value as an investment. To accurately reflect such influences, it is necessary to examine the past and probable future trends, which may affect the economic structure of the market and evaluate their impact on the market potential of the subject. This section of the report is designed to isolate and examine the discernible economic trends in the region, which influence and create value for the subject property.

GEOGRAPHIC LOCATION

The subject property is located in the geographic area generally referred to as the Chicago metropolitan area, which is centrally located in the Midwestern United States. Other major metropolitan areas in the region include Milwaukee, Wisconsin (90-miles north), Indianapolis, Indiana (185-miles southeast) and Detroit, Michigan (279-miles east).

The standards for statistical areas are defined on the federal level by the Office of Management and Budget. Recent changes to these standards by the OMB resulted in new area configurations and new names to identify them. The Chicago metropolitan area, formerly known as the Chicago Metropolitan Statistical Area, is now identified as the Chicago-Naperville-Joliet, IL-IN-WI Metropolitan Statistical Area. The primary area within this new MSA is now referenced as the Chicago-Naperville-Joliet, IL Metropolitan Division. (For ease of reference, this report retains the term "Chicago MSA," but it will refer to the Chicago-Naperville-Joliet, IL-IN-WI Metropolitan Statistical Area. "Chicago MD" is used to refer to the Chicago-Naperville-Joliet, IL Metropolitan Division. Additionally, combined with the neighboring Metropolitan Statistical Areas including the Michigan City-La Porte, IN MSA to the east and Kankakee-Bradley, IL MSA to the south, the Chicago-Naperville-Joliet, IL-IN-WI MSA is a part of the larger Chicago-Naperville-Michigan City, IL-IN-WI Combined Statistical Area (CSA).

CHICAGO-NAPERVILLE-MICHIGAN CITY, IL-IN-WI CSA DEFINITIONS		
Metropolitan Statistical Area (MSA)	Metropolitan Divisions (MD)	Counties
Chicago-Naperville-Joliet, IL-IN-WI MSA	Chicago-Naperville-Joliet, IL MD	Cook, DeKalb, DuPage, Grundy, Kane, Kendall, McHenry, and Will
	Gary, IN MD	Jasper, Lake, Newton, and Porter
	Lake County-Kenosha County, IL-WI MD	Lake (IL) and Kenosha (WI)
Kankakee-Bradley, IL MSA		Kankakee
Michigan City-La Porte, IN MSA		LaPorte

Source: Executive Office of the President of the United States, Office of Management and Budget

The Chicago-Naperville-Joliet, IL Metropolitan Division consists of eight counties in northeastern Illinois. These eight counties are Cook, DeKalb, DuPage, Grundy, Kane, Kendall, McHenry and Will. Also included within the MSA are the counties found in the Gary, IN Metropolitan Division which are Japser, Lake (IN), Newton, and Porter as well as the counties found in the Lake County-Kenosha County, IL-WI which are Lake (IL) and Kenosha. The Michigan City-La Porte, IN MSA and Kankakee-Bradley, IL MSA consist solely of LaPorte and Kankakee Counties respectively.

POPULATION

Current and historical population figures for the fourteen counties comprising the Chicago MSA are summarized in the following table.

CHICAGO AREA POPULATION STATISTICS

County	1990 Census	2000 Census	% Change 1990-2000	2012 Estimate	% Change 2000-2012	2017 Projection	% Change 2012-2017
Cook (IL)	5,105,067	5,376,741	5.3%	5,181,135	-3.6%	5,149,578	-0.6%
DeKalb (IL)	77,932	88,969	14.2%	107,130	20.4%	112,556	5.1%
DuPage (IL)	781,666	904,161	15.7%	919,942	1.7%	929,099	1.0%
Grundy (IL)	32,337	37,535	16.1%	51,645	37.6%	55,906	8.3%
Jasper (IN)	24,960	30,043	20.4%	34,099	13.5%	35,486	4.1%
Kane (IL)	317,471	404,119	27.3%	529,803	31.1%	569,857	7.6%
Kendall (IL)	39,413	54,544	38.4%	123,577	126.6%	147,912	19.7%
Kenosha (WI)	128,181	149,577	16.7%	168,694	12.8%	175,028	3.8%
Lake (IL)	516,418	644,356	24.8%	711,758	10.5%	734,974	3.3%
Lake (IN)	475,594	484,564	1.9%	496,761	2.5%	499,306	0.5%
McHenry (IL)	183,241	260,077	41.9%	315,418	21.3%	333,829	5.8%
Newton (IN)	13,551	14,566	7.5%	14,243	-2.2%	14,254	0.1%
Porter (IN)	128,932	146,798	13.9%	166,918	13.7%	174,087	4.3%
Will (IL)	357,313	502,266	40.6%	700,868	39.5%	764,807	9.1%
TOTAL	8,104,144	9,098,316	12.3%	9,521,991	4.7%	9,696,679	1.8%

Source: CBRE Fast Report

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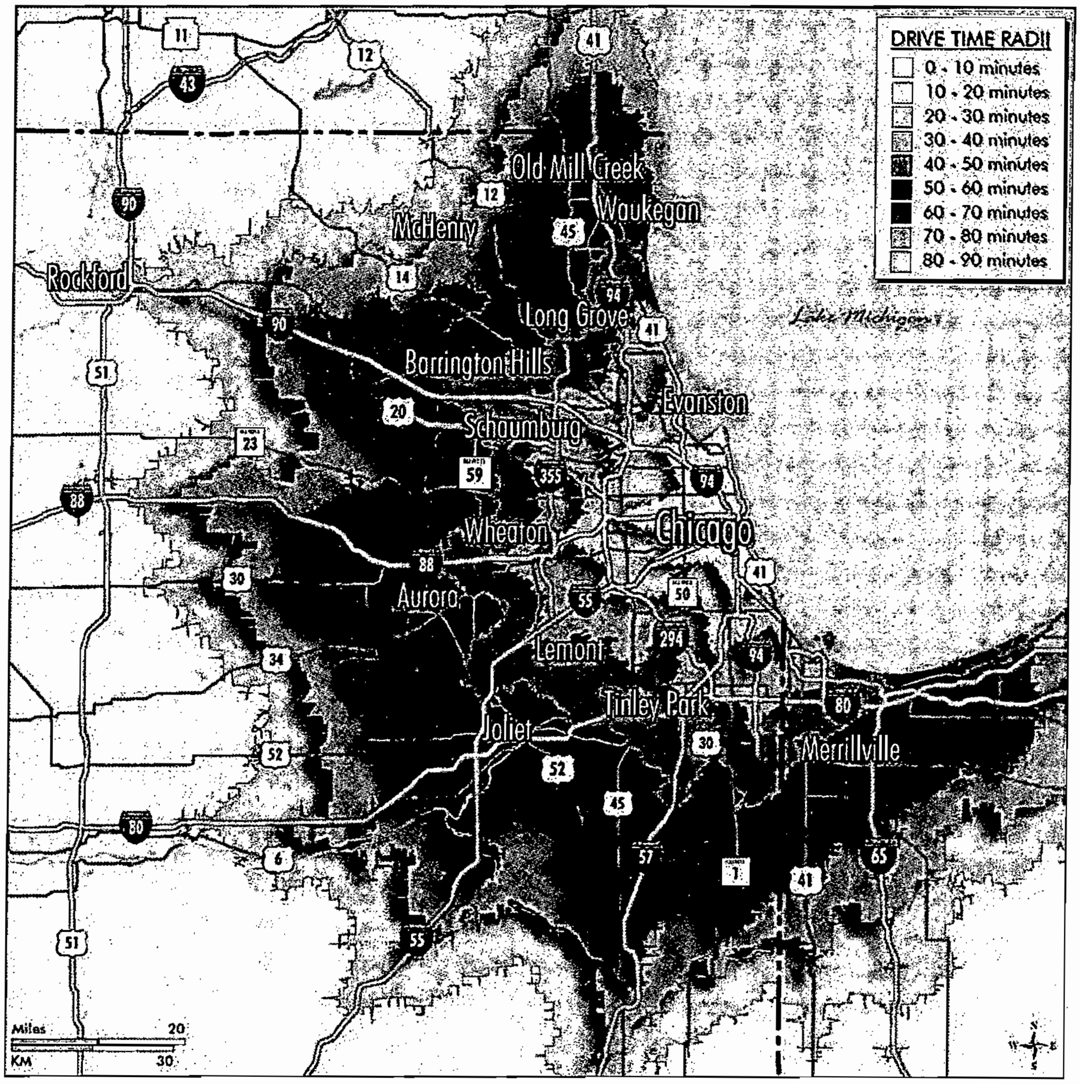
The population of the fourteen-county region increased significantly between 1990 and 2000, highlighted by collar counties including Will and McHenry. Cook County, on the other hand, experienced far less growth than the surrounding counties, at 5.3%. This is indicative of the outward migration pattern within the metropolitan area rather than an outflow of residents to other metropolitan areas. Overall, the MSA population expanded by 12.3% between 1990 and 2000.

Population growth is expected to continue through 2017, albeit at a slower rate. Each of the fourteen counties is expected to expand, with the exception of Cook (with an anticipated population decline of -0.6%). The largest anticipated growth between 2012 and 2017 is forecasted for Grundy, Kendall and Will Counties, at 8.3%, 19.7%, and 9.1%, respectively. Kane and McHenry Counties are projected to grow by more than 7.6% and 5.8% over the coming five years.

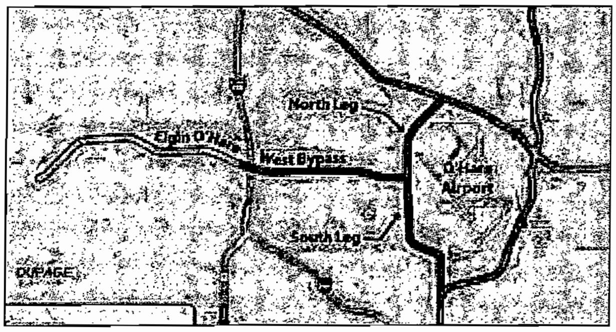
TRANSPORTATION

Chicago is one of the primary transportation hubs in the United States. Its extensive transportation facilities give local firms ready access to national and international markets and suppliers, as well as provide travelers with convenient traveling alternatives.



Highways

Several major interconnected expressways and interstate highways pass through the Chicago area. Interstates 88 and 290 are the main east-west routes, providing access to the CBD to the east and the Quad Cities to the west. Interstate 55 provides access to the southwestern suburban areas and eventually the city of St. Louis. Communities to the north and northwest are accessed via Interstates 90 and 94. North-south travel between the western suburbs is facilitated by Interstates 294 and 355. With ten interstate freeways consisting of some 630 miles, Chicago is one of the best connected cities in the nation and a primary hub of the trucking industry. To the south, Interstate 80 corridor traverses the entire country east to west and is a significant highway for commerce and tourism.



The Elgin-O'Hare Western Access project won federal approval in January 2013 and will begin construction Spring 2013. The $3.4 billion dollar project to widen and extend the Elgin-O'Hare Expressway and create a western access to O'Hare International Airport has been discussed since the late 1960s. The project and surrounding development is anticipated to create 65,000 jobs by 2040 and save drivers $145 million annually in time and fuel costs. The map to the left depicts the project. The darker blue is to be new construction whereas the light blue is to be extended and widened. The project is set to include a new tollroad on the western side of the airport to create a bypass connecting Interstate-90 and Interstate-294.

Airports

From an international perspective Chicago is globally accessible via air traffic. The two primary airports serving the area are O'Hare International Airport and Chicago Midway International Airport.

ANNUAL OPERATIONS OF CHICAGO AIRPORTS

	O'Hare			Midway			Total		
	Flights	Passenger Volume	Cargo Tonnage	Flights	Passenger Volume	Cargo Tonnage	Flights	Passenger Volume	Cargo Tonnage
2000	908,989	72,144,244	1,640,524	298,115	15,672,688	23,260	1,207,104	87,816,932	1,663,785
2001	911,917	67,448,064	1,413,834	278,677	15,628,886	17,162	1,190,594	83,076,950	1,430,997
2002	922,817	66,565,952	1,436,386	304,304	16,959,229	83,473	1,227,121	83,525,181	1,519,859
2003	928,691	69,508,672	1,601,736	328,025	18,644,372	25,847	1,256,716	88,153,044	1,627,583
2004	992,427	75,534,692	1,689,304	339,508	19,719,667	29,058	1,331,935	95,254,359	1,718,362
2005	972,248	76,581,146	1,701,446	289,579	17,862,838	19,460	1,261,827	94,443,984	1,720,906
2006	958,643	76,282,212	1,718,011	298,548	18,868,388	15,337	1,257,191	95,150,600	1,733,348
2007	926,973	76,182,025	1,690,742	304,657	19,378,855	14,727	1,231,630	95,560,880	1,705,468
2008	881,566	70,819,015	1,480,847	266,341	17,345,635	14,254	1,147,907	88,164,650	1,495,102
2009	827,899	64,397,782	1,198,426	244,810	17,089,365	25,010	1,072,709	81,487,147	1,223,437
2010	882,617	67,026,191	1,577,048	245,533	17,673,017	28,228	1,128,150	84,699,208	1,605,275
2011	878,798	66,790,996	1,505,218	255,227	18,883,170	26,091	1,134,025	85,674,166	1,531,309
2012	740,057	56,656,270	1,197,750	211,128	16,431,959	23,415	951,185	73,088,229	1,221,165

Source: The Chicago Airport System Oct. 2012

O'Hare International Airport is the third busiest airport in the world serving approximately 66.8 million domestic and international passengers via 878,798 flights annually in 2011. As of October 2012, 56.7 million passengers were served via 740,057 flights. In addition, O'Hare handles nearly 1.5 million tons of cargo per year. O'Hare served as the world's busiest airport until 2004 when flight limits were placed by Congress which expired October 31st, 2008. O'Hare provides seven runways facilitating a present capacity of 2,900 flights per day and is undergoing a modernization plan for expansion which will also add two additional runways, one of which has been completed. These runways are part of a $6.6 billion capital investment program and will increase O'Hare's daily flight capacity by 40% to 3,800 flights per day while decreasing delays by an estimated 79%. This modernization plan has been projected to create some 195,000 additional jobs and some $18 billion dollars in annual economic activity to the region. In addition to being accessible via Interstate 90, linkage to the CBD is provided from O'Hare via the city's elevated light rail transit system colloquially known as the `L' and transit time is approximately 45 minutes.

CBRE

Midway Airport, located in Chicago's southwest side, serves as a secondary airport and is a popular alternative to O'Hare. Midway contains five runways and accommodated more than 18.9 million passengers in 2011 on some 255,227 flights. Cargo is also flown out of Midway and as of October 2012 over 23 thousand tons were shipped from this airport, with capacity to ship over 80,000 tons as displayed in 2002. The airport is the second busiest in the state behind O'Hare and ahead of Chicago Rockford International Airport and nearby Gary/Chicago International Airport in Indiana. Linkage to the CBD from Midway is provided by Interstate Highway 55 as well as Chicago's `L' system. Transit time from Midway to the CBD via the `L' is approximately 30 minutes.

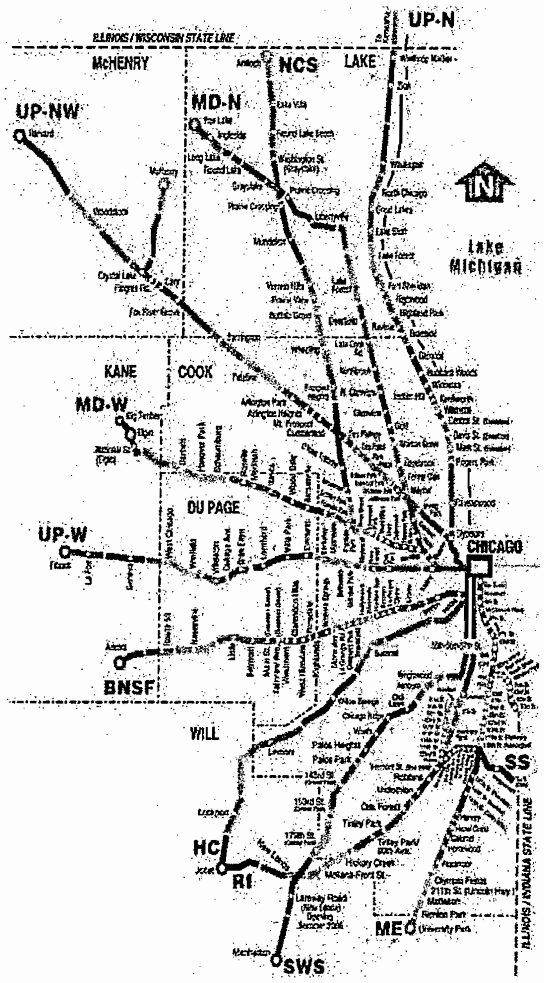
In addition to O'Hare and Midway, a number of smaller airports are located in the suburban areas. The state is currently exploring the possibility of expanding the commercial services of one of these secondary airports, in order to facilitate a third major airport for the MSA. The most likely candidates at present are the aforementioned Gary/Chicago International Airport located southeast of Chicago in Gary, Indiana, within the Chicago CSA, and the Chicago Rockford International Airport in Rockford, Illinois located nine miles west of the Chicago CSA.

Additionally a third, currently undeveloped, site proposed for the expansion is located in the southwest suburb of Peotone, Illinois. This proposed airport is currently known as Abraham Lincoln National Airport and is planned to be constructed as a two runway airfield with room to eventually expand to four.

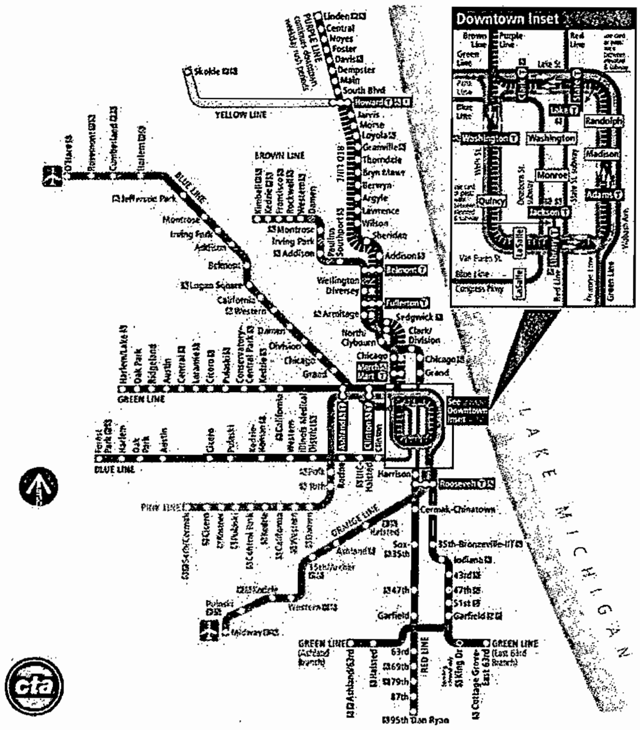
Gary/Chicago International Airport serves both Gary as well as the surrounding metropolitan division. The airport is currently served by no passenger service airlines. Gary, encompassed by Lake County, Indiana is strategically situated along Interstate 80, which runs east from Chicago, connecting Gary's manufacturing sectors with both the Indianapolis and Mishawaka metropolitan areas. Interstates 90, 94, and 65 also all run through Gary providing access to Indianapolis, Chicago, South Bend, and Detroit. Gary/Chicago International is also serviced by the Northern Indiana Commuter Transportation District's South Shore Line which provides access to South Bend to the east and the Chicago CBD to the west.

Rail

Chicago's Central Business District contains four train stations providing rail access for suburban commuters, freight, and nationwide travel. Rail access to and from suburban communities is provided by the Northeast Illinois Regional Commuter Railroad Corporation better known as Metra. Metra provides twelve rail lines which reach as far north as Kenosha, Wisconsin and as far east as northwest Indiana and South Bend. As the largest commuter rail system in the United States, Metra covers nearly 500 miles of tracks servicing over 230 individual stations throughout the Chicagoland area. Metra provided service to some 81.4 million passengers during 2010. The twelve lines connect into one of four different downtown stations: Union Pacific North, West and Northwest arrive in the Ogilvie Transportation Center; Milwaukee District North and West, North Central Service, Southwest Service, Burlington Northern and Heritage Corridor converge in Union Station (along with being the nexus of Amtrak); the Rock Island Line arrives in the LaSalle Street Station; and the Metra Electric arrives in Millennium Station.



CBRE



Within the city of Chicago itself, light rail is provided via the Chicago Transit Authority's elevated train system, which as mentioned previously is better known as the "El." These elevated trains provide inexpensive rapid transit service to nearly 500,000 passengers each day to all corners of the city, as well as some 40 nearby suburbs and both major airports. These eight rail lines are supplemented by a fleet of nearly 2,000 buses which service approximately 1 million passengers at 12,000 bus stops daily, making the CTA the second largest transit system in the nation. As a result of these multiple extensive mass transit systems, as well as a grid system street layout, Chicago has been continually rated by various institutions as one of the top ten most walkable cities in the nation.

Chicago has the busiest rail hub in North America. It is the only metro area where six Class-One railroads converge and are able to interchange traffic. Fifty percent of all U.S. rail freight goes through Chicago's rail yards. Chicago is the world's third largest intermodal facilitator with 12.3 million containers annually. Only Hong Kong and Singapore handle greater volume. For reference, the ports of Los Angeles and Long Beach combine to handle 9.6 million containers each year. Over the next 10 years, intermodal container traffic is expected to grow 15 percent annually.

Rivers and Waterways

With the Port of Chicago handling a major share of domestic and international shipping, the city is the key player for mid-continental shipping. The Port remains the primary link between the inland river system, the Great Lakes, and the global marketplace, moving over 26.6 million tons of natural resources and other goods produced throughout the Midwest and the world annually. Deep-draft commercial ships connect to the Atlantic Ocean via the St. Lawrence Seaway while barge traffic can reach the Gulf of Mexico through the Illinois and Mississippi Rivers.

RECENT PERFORMANCE

Moody's Economy.com provides the following Chicago, IL [Metropolitan Division] metro area economic summary as of Feb-13. The full Moody's Economy.com report is presented in the Addenda.

CHICAGO, IL [METROPOLITAN DIVISION] - ECONOMIC ANALYSIS

Indicators	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Gross Metro Product (C$B)	379.2	388.9	392.1	385.2	368.7	378.9	383.8	382.7	382.9	400.0	420.5	436.6
% Change	*1.4*	*2.5*	*0.8*	*-1.8*	*-4.3*	*2.8*	*1.3*	*-0.3*	*0.0*	*4.5*	*5.1*	*3.8*
Total Employment (000)	3,791.0	3,844.4	3,872.4	3,845.1	3,644.0	3,607.6	3,647.1	3,682.0	3,698.7	3,761.6	3,846.3	3,928.7
% Change	*1.0*	*1.4*	*0.7*	*-0.7*	*-5.2*	*-1.0*	*1.1*	*1.0*	*0.5*	*1.7*	*2.3*	*2.1*
Unemployment Rate	6.0	4.5	4.9	6.2	10.1	10.4	10.0	8.8	9.0	7.9	7.1	6.7
Personal Income Growth	4.8	7.3	5.7	1.9	-6.2	3.3	4.0	3.4	2.5	6.2	6.4	6.0
Population (000)	7,740.0	7,749.5	7,779.4	7,817.0	7,856.1	7,892.0	7,916.7	7,939.2	7,967.5	8,004.2	8,038.0	8,070.9
Single-Family Permits	29,299.0	22,698.0	13,382.0	5,585.0	2,752.0	2,747.0	2,895.0	3,917.6	3,481.5	4,819.7	6,584.2	8,058.3
Multifamily Permits	14,677.0	17,121.0	14,696.0	7,953.0	1,565.0	2,407.0	2,904.0	3,486.2	5,333.5	6,567.4	6,862.1	7,500.7
Existing-Home Price ($Ths)	270.7	283.7	286.0	253.3	203.4	195.9	175.5	179.4	182.5	193.2	209.0	221.8
Mortgage Originations ($Mil)	98,733.6	89,374.4	79,327.9	56,367.8	65,653.9	54,153.3	47,643.0	63,347.2	41,110.4	26,214.5	26,595.9	29,700.5
Net Migration (000)	-58.1	-51.5	-30.9	-24.7	-22.0	-20.0	-26.5	-27.5	-24.2	-18.2	-23.6	-24.6
Personal Bankruptcies	60,910.0	16,741.0	23,632.0	34,252.0	47,229.0	55,692.0	50,013.0	43,713.5	37,369.0	36,714.9	37,533.8	38,188.5

Source: Moody's Economy.com

Chicago's economy has strengthened, but challenges remain. For the first time since summer, more than half of CHI's private industries are stable or expanding. Broad gains in private services have bolstered job growth, which is as good as or better than it is nationally. Yet the metro division continues to fare worse than average in manufacturing and housing. Factory output was slower to rebound late in 2012, and a large foreclosure overhang continues to deter homebuilding; housing starts and construction payrolls have yet to turn up.

Services

Services entered the new year with positive momentum, but it would be premature to adjust the forecast. For one, federal tax increases will be a significant drag on retail and leisure/hospitality this year. More of CHI's residents were impacted by upper-income tax changes, and the expiration of the payroll tax cut poses a greater threat because local household balance sheets have improved by less than average, limiting the flexibility to absorb the hit. Delinquency rates are above average on most loan types, including autos and consumer finance, and at least 400,000 homeowners still have underwater mortgages. Meanwhile, opportunities for less-skilled workers in office-using industries are under pressure from fewer temporary positions in manufacturing, and though conditions have turned more favorable for healthcare and tech- and science-related services, banks are not yet out of the woods. Hiring in education will also be limited by cuts in federal aid.

CBRE

Commercial Real Estate

Although tourism will not contribute as much to job growth this year as last, it will be a major driver of investment. Seven hotels amounting to more than 2,300 rooms are under construction downtown and additional projects are planned. The anticipated slowing in tourist traffic should not deter developers, since business travelers and meeting and trade show visitors account for about 85% of customers. The pipeline of new hotels will fuel faster growth in leisure/hospitality employment in 2014. Meanwhile, a $500 million plan to renovate Wrigley Field has been pitched and the Navy Pier is due for a $155 million makeover. Finally, though the office market has been slower to improve, there are encouraging signs. Downtown office sales show more appetite for risk. Also, for better-located buildings, especially in the River North submarket where the Merchandise Mart is located, rents are starting to creep back up and occupancy levels have increased.

House Prices

House prices are no longer expected to fall this year, but with more distress supply being unleashed onto the market, prices will not rise enough to deliver a substantial boost to household net worth and consumer confidence. Household formation is recovering and renting now costs more than owning in most parts of the metro division, with housing affordability above the national average for the first time since the early 1980s. Moreover, a shrinking supply of nondistressed properties is causing prices to be bid up and discounts on distressed properties are coming down as investor demand improves. Nonetheless, distressed properties still sell at a significant discount, and with foreclosure inventories among the highest in the nation at 36 per 1,000 households, price gains will be minimal.

EMPLOYMENT

The Chicago metropolitan area has a large and well-diversified economic structure, which has allowed it to remain among the strongest economic centers in the nation. Due to its economic diversification, the Chicago metropolitan area tends to experience fewer seasonal and cyclical peaks and valleys than do many single-industry areas. The table below shows employment levels of major industry groups in the fourteen-county Chicago Metropolitan Statistical Area as of various dates over the past ten years.

CBRE

CHICAGO PMSA NON-AGRICULTURAL EMPLOYMENT BY INDUSTRY						
	2002		2007		Dec - 2012*	
Industry Group	Employment	%	Employment	%	Employment	%
Mining and Logging	2,300	0.1%	2,300	0.1%	1,700	0.0%
Construction	216,000	4.8%	215,000	4.7%	134,300	3.1%
Manufacturing	548,600	12.3%	483,400	10.6%	422,900	9.7%
Trade, Transportation and Utilites	921,300	20.7%	930,700	20.4%	889,800	20.4%
Information	108,300	2.4%	91,000	2.0%	77,600	1.8%
Financial Activities	322,300	7.2%	328,300	7.2%	285,900	6.6%
Professional and Business Services	677,600	15.2%	743,200	16.3%	742,000	17.0%
Educational and Health Services	528,200	11.9%	591,000	13.0%	667,300	15.3%
Leisure and Hospitality	370,100	8.3%	407,100	8.9%	404,800	9.3%
Other Services	191,000	4.3%	198,800	4.4%	191,000	4.4%
Government	568,200	12.8%	566,400	12.4%	546,700	12.5%
Total Non-Farm	4,453,900	100.0%	4,557,200	100.0%	4,364,000	100.0%
*Preliminary Figures						
Source: Bureau of Labor Statistics, Illinois Department of Employment Security						

As shown above, the local economy has contracted since 2002. The number of non-farm jobs in the Chicago area decreased from 4,453,900 in 2002 to 4,364,000 by December 2012, a -2.02% reduction.

The Trade, Transportation and Utilities industry is the largest in terms of employment, followed by Professional & Business Services, Educational and Health Services, and Government. While manufacturing was at one time the dominant employment category in the region, it has shown a slow, steady decline over the past ten years. This is consistent with the trend throughout the nation.

As a percentage of total employment, Educational and Health Services have shown the largest growth at a 3.4% increase from their base in 2002. The Manufacturing sector had the largest decrease at a negative -2.6%, from 12.3% of the employment base as of 2002 to its current level of 9.7% as of December 2012.

Illinois, and primarily the Chicago area, is home to 40 Fortune 500 companies with employment at these major firms contributing to the stability of the local economy. The presence of such firms is also indicative of the strength of the local support network and generally positive business climate in the area. In 2001, Boeing Company relocated its headquarters from Seattle, Washington to Chicago.

Major private employers in the area include Wal-Mart Stores, Advocate Health Care System, University of Chicago, Walgreen Co., AT&T, Inc., and UAL Corp. A more comprehensive list of major employers is presented in the following table:

CHICAGO AREA LARGEST EMPLOYERS

Rank	Company	Employees
1	U.S. Government	55,183
2	Chicago Public Schools	39,667
3	City of Chicago	31,307
4	Cook County	21,785
5	Advocate Health Care	18,485
6	State of Illinois	15,800
7	AT&T Inc.	15,000
8	Presence Health	14,806
9	Walgreen Co.	14,688
10	University of Chicago	14,584
11	JP Morgan Chase & Co	14,223
12	United Continental Holdings	13,000
13	Abbott Laboratories	13,000
14	Wal-mart Stores Inc.	12,950
15	American Airlines	9,907
16	University of Illinois at Chicago	9,782
17	Chicago Transit Authority	9,127
18	Northwestern University	8,740
19	Archdiocese of Chicago	8,197
20	Jewel-Osco	8,000
21	Illinois Tool Works Inc	7,650
22	Allstate Corp.	7,000
23	Rush University Medical Center	6,878
24	Bank of America N.A.	6,832
25	Aon Corp.	6,515

Source: Crain's Chicago Business 2012

This diversified labor pool of skilled workers helps to maintain a relatively strong level of employment in the Chicago area. As in most other major metropolitan areas, Chicago's central county, Cook County, has historically reported higher levels of unemployment than the outlying suburban areas.

Motorola, Inc. has split into two independent companies, Motorola Mobility Holdings, Inc. and Motorola Solutions, Inc. Motorola Solutions has maintained operations at the Schaumburg headquarters. The Schaumburg campus is comprised of twelve buildings situated on 267.58 acres of land. These facilities were erected in 1976 and employ over 5,000 people.

In August 2011, Google acquired Motorola Mobility for $12.5 billion. The acquisition gives Google a large patent portfolio and handset-manufacturing component which now helps the company in its competition with Apple, Inc. The acquisition also helps Google enter into the cable TV box industry.

The state of Illinois announced it will provide $100 million in tax credits to Motorola Mobility as part of a deal that will keep the company in Illinois. This deal retains 3,000 jobs in the state and Motorola Mobility intends to spend more than $500 million in research and development related to these jobs through 2014.

In July 2012, Google announced it will be moving the Motorola Mobility headquarters from its Libertyville campus to the Merchandise Mart in downtown Chicago. The move will bring 3,000 employees to Chicago by mid-2013. Google, Inc. leased 600,000 square feet of the Mart's 4.2 million square feet.

In addition to Google, Inc., GE Capital represents another significant contributor to the labor force adding jobs to the Chicago area. In May of 2011, GE Capital, the financial services arm of General Electric, announced plans to expand operations in Chicago; a move that will create over 1,000 jobs over the next three years.

In August 2012, United Continental Holdings Inc. committed to Chicago's Willis Tower through 2028 as the company's headquarters. United already occupies twelve floors of the Willis Tower, this move will add four more making a total of 830,000 square feet. United will occupy around 25% of the building's space and ultimately have 4,000 employees based in the headquarters.

Sara Lee Corp. announced the company will return its headquarters to Chicago, five years after leaving Chicago for Downers Grove, IL. The new headquarters will occupy most of the 270,000 square foot office building located at 400 South Jefferson Street, in the West Loop. The building is situated near the Circle Interchange (junction between the Dan Ryan, Eisenhower and Kennedy expressways (Interstates 90/94 and 290)) as well as the commuter rail stations. The move brings 500 jobs to Chicago.

Ford moved the production of its popular Explorer model to its Chicago manufacturing facilities located at 130th Street and Torrence Avenue. (The plant also produces the Ford Taurus and Lincoln MKS Sedans). Starting with 2011 model of the Ford Explorer the vehicle platform has been completely redesigned and Ford has spent $180 million to retrofit the plant for its production; which comes in addition to the $400 million the company spent to renovate the plant five years ago. In addition to physical improvements to the plant itself, Ford added 1,200 auto workers, effectively increasing its Chicago area workforce by approximately 50.

The following table provides a comparison of unemployment rates since 1997.

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AVERAGE ANNUAL UNEMPLOYMENT RATES

Year	Cook County (IL)	DeKalb County (IL)	DuPage County (IL)	Grundy County (IL)	Kane County (IL)	Kendall County (IL)	Lake County (IL)	McHenry County (IL)	Will County (IL)	Jasper County (IN)	Lake County (IN)	Newton County (IN)	Porter County (IN)	Kenosha County (WI)	Chicago MSA	State of Illinois	U.S.
1997	5.3%	3.9%	3.1%	7.1%	4.5%	3.3%	3.4%	3.8%	4.7%	4.3%	4.3%	4.1%	2.8%	3.4%	4.7%	4.8%	4.7%
1998	5.0%	3.6%	2.8%	6.7%	4.1%	3.0%	3.5%	3.6%	4.3%	3.7%	3.9%	3.3%	2.6%	3.2%	4.4%	4.5%	4.4%
1999	5.0%	3.7%	2.9%	6.9%	4.1%	3.0%	3.2%	3.5%	4.3%	3.8%	4.0%	3.5%	2.9%	3.3%	4.4%	4.5%	4.4%
2000	4.8%	3.6%	3.3%	5.2%	4.3%	3.3%	3.7%	3.6%	4.1%	3.3%	3.6%	2.8%	2.7%	4.0%	4.3%	4.5%	4.3%
2001	6.1%	4.6%	4.4%	6.0%	5.3%	4.1%	4.4%	4.6%	4.9%	4.7%	4.8%	4.2%	3.8%	5.1%	5.5%	5.4%	5.5%
2002	7.4%	5.5%	5.5%	7.3%	6.5%	5.3%	5.4%	5.7%	6.1%	5.7%	6.4%	5.5%	5.0%	6.0%	6.7%	6.5%	6.7%
2003	7.4%	5.8%	5.6%	7.9%	6.7%	5.4%	5.7%	5.9%	6.3%	5.7%	6.1%	5.4%	5.1%	6.2%	6.8%	6.7%	6.8%
2004	6.8%	5.4%	5.0%	7.8%	6.0%	4.8%	5.3%	5.2%	5.9%	5.7%	6.3%	5.1%	4.8%	5.9%	6.2%	6.2%	6.2%
2005	6.5%	5.3%	4.7%	7.3%	5.7%	4.7%	4.5%	5.1%	5.5%	5.6%	6.1%	5.3%	4.7%	5.7%	5.9%	5.7%	5.9%
2006	4.7%	3.9%	3.4%	5.1%	4.3%	4.0%	4.2%	3.7%	4.3%	5.1%	5.8%	4.9%	4.4%	5.4%	4.4%	4.5%	4.6%
2007	5.1%	4.6%	3.8%	5.7%	4.8%	4.5%	5.0%	4.3%	4.7%	4.8%	5.2%	5.2%	3.9%	5.2%	4.9%	5.0%	5.0%
2008	7.1%	7.4%	5.4%	9.4%	7.5%	7.5%	8.3%	6.9%	7.2%	8.7%	8.6%	8.8%	7.4%	6.7%	7.1%	7.4%	7.2%
2009	10.8%	10.5%	8.6%	13.7%	11.2%	11.1%	11.6%	10.4%	11.0%	10.6%	10.2%	11.6%	8.9%	10.3%	10.6%	10.8%	10.0%
2010	10.5%	9.7%	8.3%	12.4%	10.3%	9.8%	10.5%	9.6%	10.4%	10.3%	11.0%	11.0%	8.9%	10.8%	10.2%	10.3%	9.4%
2011	9.6%	8.6%	7.3%	11.2%	10.0%	8.8%	9.6%	8.9%	9.4%	8.3%	9.7%	10.4%	7.6%	7.8%	9.3%	9.3%	8.5%
Dec-12*	8.9%	7.7%	6.9%	9.8%	9.0%	7.5%	8.7%	8.2%	8.7%	9.4%	10.2%	9.4%	8.5%	7.8%	8.6%	8.6%	7.8%

**Denotes Preliminary Figure*

Note: The 1997 through 2000 Chicago MSA figures include the six county SMSA as well as DeKalb, Kendall, and Grundy Counties.

Source: Illinois Department of Employment Security, Bureau of Labor Statistics

Unemployment rates in the Chicago MSA began to rise as the economy began to slow in 2007. The unemployment rate within the MSA has risen from 4.9% in 2007, to the current figure of 8.6% as of December 2012.

In addition to being the center of commerce in the Midwest, Chicago is a world leader in the trading of commodities, stock options and currency and interest rate futures. The city has four major exchanges: the CME Group, the Chicago Board Options Exchange, the Mid-America Commodity Exchange and the Chicago Stock Exchange. Also adding strength to the financial market is the Federal Reserve Bank and the region's 130 domestic and 70 foreign banks. Chicago's financial services and products are exported nationally and internationally. Therefore, the area's financial infrastructure is not wholly dependent upon activity in Chicago, which reinforces an already stable economy.

TRADE AND COMMERCE

Chicago is also home to four major exchanges (Chicago Mercantile Exchange, Chicago Board Options Exchange, Mid-America Commodity Exchange and Midwest Stock Exchange) representing over 80% of the world's trade in commodities. The Chicago Board of Trade and Mercantile Exchange merged companies in July 2007, creating the largest derivatives market ever.

The Chicago Board of Trade is a leading futures/options exchange with more than 3,600 members trading over 50 different products. The Chicago Mercantile Exchange is the largest futures exchange in the United States, and operates the largest futures clearing house in the world, while the CBOE is the world's largest options market. The Chicago Stock Exchange provides for the trading of over 3,500 NYSE, AMEX, NASDAQ and CHX-exclusive issues.

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TOURISM

The bifurcated performance of consumer industries is set to continue as restaurants and hoteliers benefit from increased tourism while retailers grapple with muted spending growth. While tourism is at some risk from a weaker global economy, a high dependence on business travel mitigates some of the threat. Hotel room rates in the first half of the year were up 7% from the same period in 2011, and the occupancy rate was the highest since 2007. Room bookings related to conventions will remain strong, as a new labor pact between two unions and the agencies that run McCormick Place and Navy Pier will lower costs for trade shows and conventions and enhance the metro division's desirability.

RETAIL

Greater wealth destruction will make it tougher for consumption to gain traction. With home equity per household down 77% from its peak, many homeowners are under water. Delinquency rates on home equity loans are near their cyclical highs, whereas nationally they are down about 2 percentage points. Households will channel more income toward saving and debt reduction, and banks will be slower to increase lending.

HOUSING

The unleashing of a sizable backlog of foreclosures will cause house prices to fall through year's end. Foreclosure inventories have fallen over the past year, but at 29 per 1,000 households they are still about 2½ times the national average. Because Illinois' foreclosure process is excruciatingly long, the share of distress inventory awaiting auction is much higher than average. Over one-half is in pre-foreclosure, compared with less than one-third nationally. The settlement between the state attorneys general and large mortgage lenders will result in faster liquidations. While this will put housing on the path to recovery, prices will suffer as distress sales increase.

EDUCATION

Chicago is home to fifteen major public and private universities including the highly regarded Northwestern University and University of Chicago. Other major educational institutions include University of Illinois at Chicago, which has the largest local enrollment, as well as Loyola University and DePaul University. These institutions offer a variety of undergraduate and graduate fields of study. The total enrollment of these Chicago area universities is approximately 151,000 students. Prominent MBA programs in the Chicago area include Northwestern University's Kellogg School of Management, University of Chicago's Graduate School of Business and DePaul University's Kellstadt Graduate School of Business.

While in the surrounding areas of Chicago there are a number of private liberal arts colleges and universities including North Central College, Wheaton College, Elmhurst College, North Park

University, Benedictine University and Lake Forest College. Additionally, many of the major universities have established satellite campuses in the suburban areas. DePaul University has suburban campuses located in Naperville, Oak Forest, O'Hare and Rolling Meadows. Northern Illinois University has suburban campuses in Hoffman Estates and Naperville.

The Chicago area also has an extensive community college system comprised of twelve two-year colleges with a total enrollment of 145,000 students. Courses range from vocational training to classes in liberal arts, science, business and pre-professional studies. There are also seven City Colleges of Chicago with an enrollment of over 65,000 students.

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HEALTH CARE

Chicago hospitals are credited with being among the leading health care facilities in the country as well as some of the nation's best teaching and children's hospitals. Within the Chicago metropolitan area, there are 121 hospitals with over 24,700 beds. The Chicago healthcare market has been changing drastically in the past few years due to hospital system acquisitions, mergers, and partnerships. In order to satisfy newly generated demand caused by an expanding population, Chicago's primary hospital systems are expanding considerably; over $1 billion in new facilities have opened since 2000 and an additional $2.5 billion in projects are currently underway.

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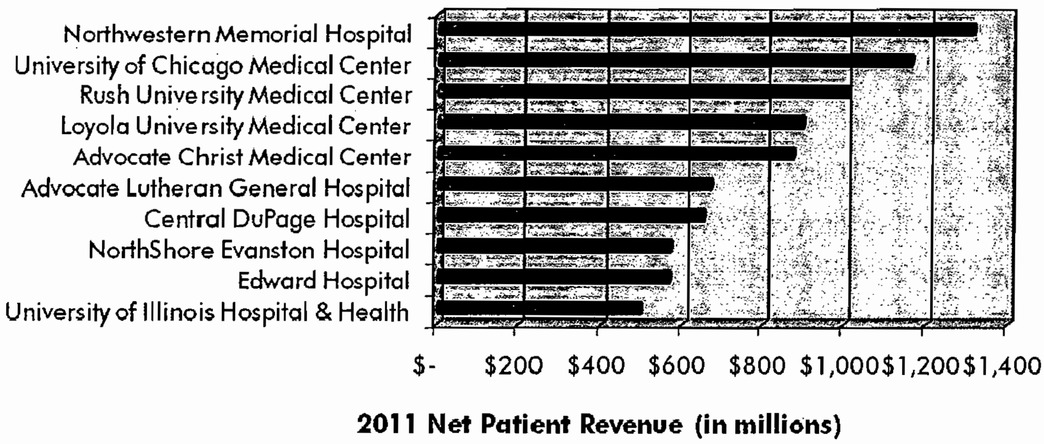
CHICAGO'S LARGEST HOSPITALS



The two largest hospitals in the Chicago metropolitan area are Northwestern Memorial Hospital and University of Chicago Medical Center. In addition to being the two largest in terms of net revenue, these two hospitals rank nationally as premiere health care institutions in the nation. The Rehabilitation Institute of Chicago has been ranked number one, nationally, in the rehabilitation category by US News and World Report.

Northwestern Memorial Hospital is comprised of 745 beds and is the area's largest hospital in terms of net patient revenue. The hospital is ranked nationally within thirteen specialties by *US News & World Reports* including endocrinology, geriatric care, gynecology, heart & heart surgery, neurology & neurosurgery, and rheumatology. Northwestern Memorial is part of the larger McGraw Medical Center which is a consortium of urban, suburban, specialized, and general hospitals and Northwestern University. In addition to Northwestern Memorial, member hospitals include the Northwestern University Feinberg School of Medicine, Evanston Northwestern Healthcare, Ann & Robert H. Lurie Children's Hospital of Chicago, Rehabilitation Institute of Chicago, and the Jesse Brown VA Medical Center. The Northwestern University Feinberg School of Medicine is ranked as the 20th best medical school in the nation, while Lurie Children's Hospital is ranked as the 18th best children's hospital in terms of general pediatrics.

The University of Chicago Medical Center is a 529-bed hospital facility and has ranked 17th overall in the nation by *US News & World Reports*. The U of C Medical Center was also credited as being ranked nationally within eleven adult specialties including cancer, endocrinology, gastrointestinal disorders, heart & heart surgery, neurology & neurosurgery, and neonatal care. Additionally, the U of C Medical Center is ranked nationally in nine pediatric specialties. The University of Chicago Pritzker School of Medicine was also ranked as the 16th best medical school in the nation. According to *US News & World Reports*, this hospital was among 140 facilities—fewer than 3 percent of the 4,825 analyzed for the latest Best Hospitals rankings—to be ranked in even one of the 16 specialties.

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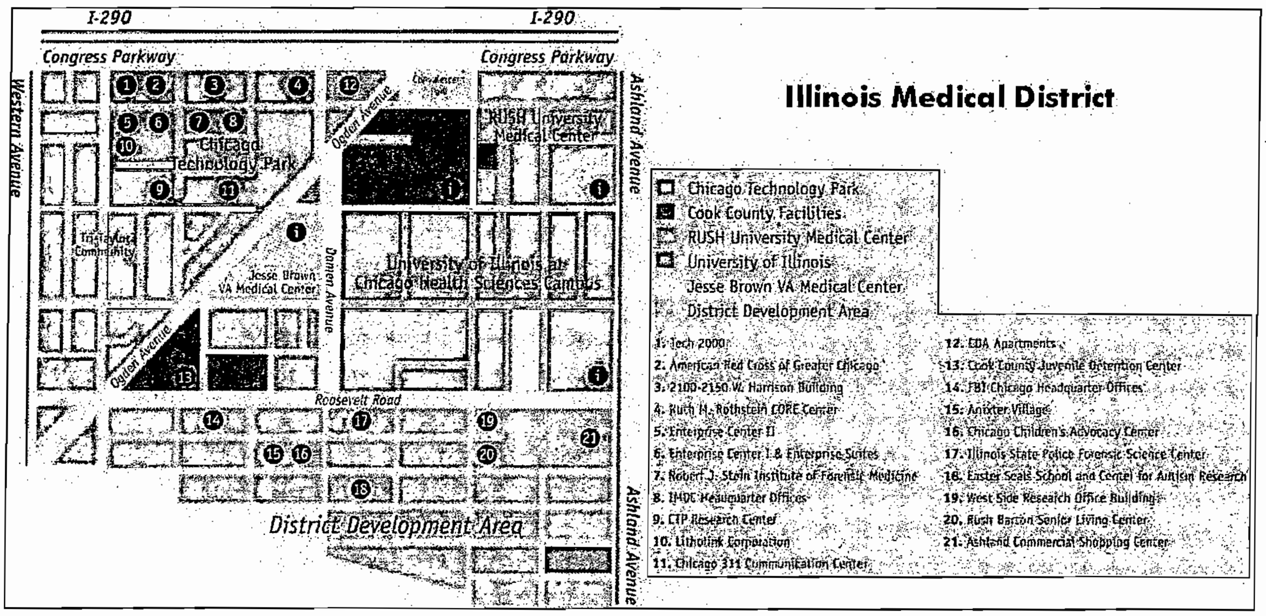


Located on Chicago's Near West Side, the Illinois Medical District (IMD) is the nation's largest urban medical district. Founded in 1941, the IMD is comprised of 560 acres, houses 2,200 hospital beds, has 20,000 employees, and receives some 75,000 visitors daily. Annually the IMD generates approximately $220 million in research, $3.3 billion in economic activity, 50,000 direct and indirect jobs, $80 million in state taxes, $34 million in local taxes, and $2 billion in direct and indirect employment compensation. The district also houses the Chicago Technology Park and provides incubation for approximately 30 emerging technology-based companies. Member institutions of the IMD include Chicago Department of Public Health, Chicago Lighthouse for People Who Are Blind or Visually Impaired, Hektoen Institute, Illinois State Police Forensic Science Center at Chicago, Jesse Brown VA Medical Center, John H. Stroger, Jr. Hospital of Cook County, Rush University Medical Center, Ruth M. Rothstein CORE Center, University of Illinois Medical Center at Chicago, and the West Side Center for Disease Control.

CULTURAL AND RECREATIONAL

As one of the nation's largest cities, Chicago offers a wide variety of cultural and recreational opportunities. Located along the shores of Lake Michigan near downtown Chicago are a variety of famous museums, parks and travel destinations. With an estimated 8,305,000 annual visitors, Navy Pier is the largest attraction in the Chicago area. Additional tourist attractions in the Chicago MSA include the Lincoln Park Zoo, Chicago Trolley Company, Six Flags Great America, Millennium Park, Brookfield Zoo, Willis Tower Skydeck and Hancock Observatory. The John G. Shedd Aquarium, Art Institute of Chicago, Museum of Science and Industry, and Field Museum are the largest cultural destinations within the MSA. Stage theaters, opera companies and symphony orchestras are also well represented in the city.

For sports enthusiasts, Chicago offers major professional sports teams within each league who play in stadiums such as Wrigley Field and the recently renovated Soldier Field, as well as more recently constructed stadiums such as the United Center, Toyota Park (Bridgeview, Illinois), Sears Center (Hoffman Estates, Illinois) and U.S. Cellular Field (formerly known as Comiskey Park).

The City of Chicago is home to over 200 theater companies, including the legendary Second City (Members include: John Belushi, Steve Carell, Bill Murray, Stephen Colbert, Dan Akroyd, Mike Myers, Chris Farley, Gilda Radner, Joan Rivers, Martin Short, John Candy), Steppenwolf (Members include: Gary Sinise, Joan Allen, John Malkovich), Chicago Shakespeare Theater and Broadway in Chicago (which attracts an annual audience of nearly 2 million people). It is the only city with 4 Tony Award-winning regional theater companies. Furthermore, the city is home to the Gene Siskel Film Center, the Chicago Symphony, Lyric Opera and the Joffrey Ballet rounding out the full arts stage experience.

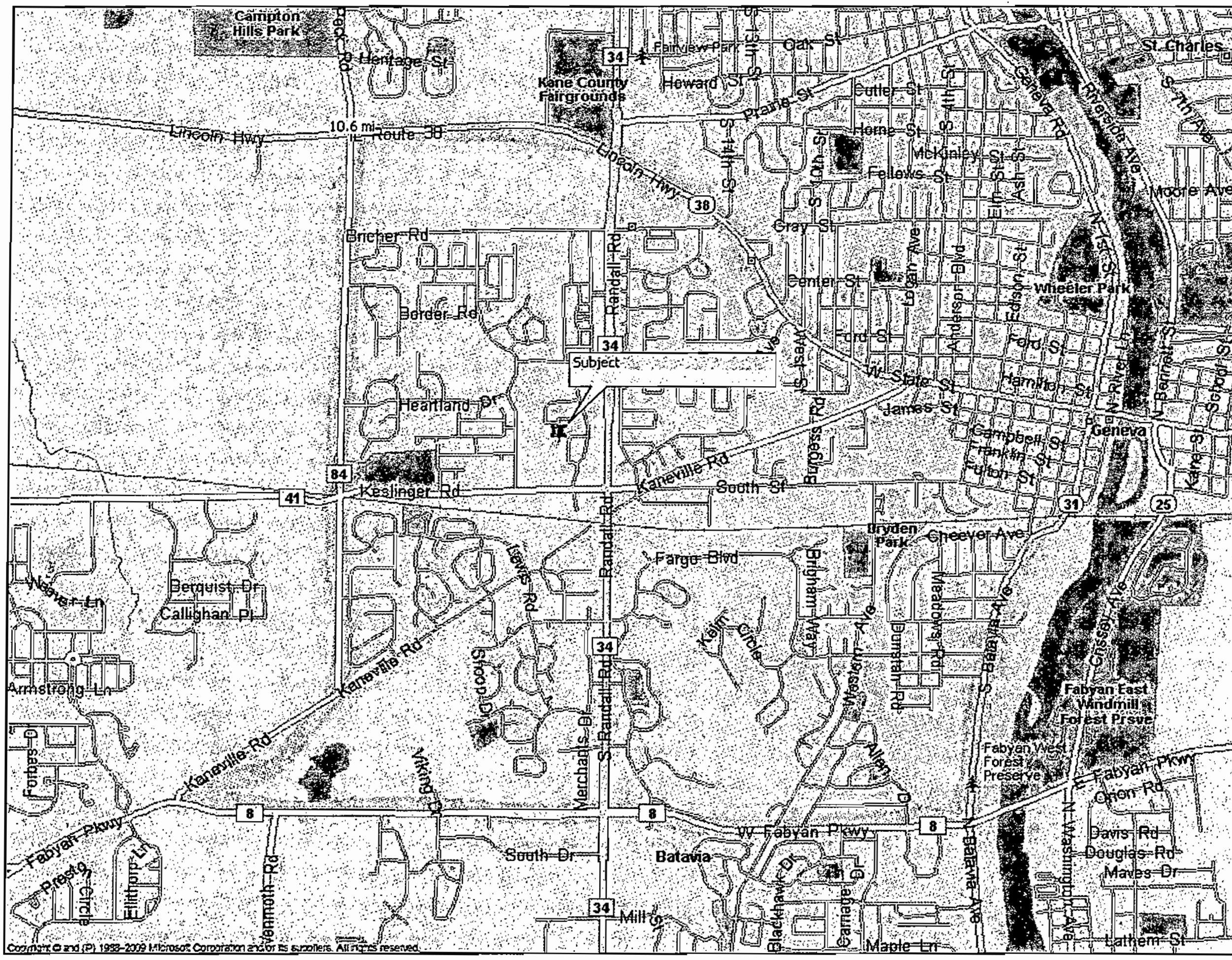
Large annual festivals in the Chicago area include the Taste of Chicago and Chicago Air and Water Show, with 3.35 and 3.10 million visitors, respectively. Additional festivals of note include the Chicago Blues Festival, Lollapolooza, Country Music Festival, Gospel Music Festival, Chicago Jazz Festival, Celtic Music Festival, Viva Latin Music Festival and Outdoor Film Festival.

CONCLUSION

In summary, the interaction of the environmental, social, and economic forces has contributed to the diversified economic base of Chicago. Job growth is considered the primary force that drives housing demand, retail sales and commercial construction. The recovery of the metro Chicago economy is expected to continue in the coming quarters though it will lag behind the national pace of expansion. The area will continue to capitalize on its core strengths: its business and professional services, transportation-distribution and tourism/convention industries. Generally, the area is expected to maintain a relatively stable growth pattern in the foreseeable future.

Chicago's recovery appears more durable, but slower healing in government and housing will keep job growth from taking off. Employment will not surpass its prerecession level until late 2015, more than a year after that of the nation. Longer term, a large talent pool, central location, vast transportation network, and superior access to capital will work in Chicago's favor, but middling population trends will constrain expansion.

NEIGHBORHOOD ANALYSIS



LOCATION

The neighborhood is located in the city of Geneva and is considered a suburban location. The city of Geneva is located in east-central Kane County, about 40 miles west of the Chicago central business district.

BOUNDARIES

The neighborhood boundaries are detailed as follows:

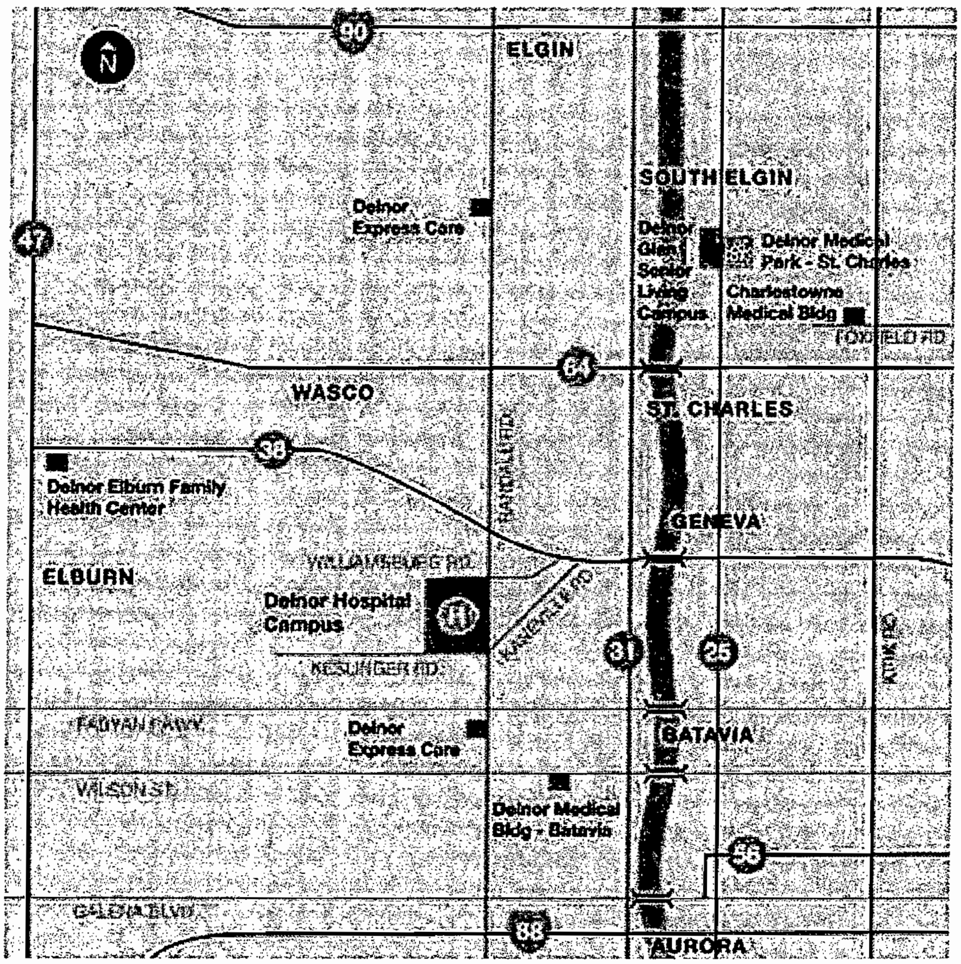
North:	Lincoln Highway
South:	Fabyan Parkway
East:	Batavia Avenue
West:	County Road 84

LAND USE

Land uses within the subject neighborhood consist of a mixture of retail/commercial and residential development. Retail/commercial land uses span both the east and west side of Randall Road. The majority of these retail properties are community shopping centers and free-standing retail. Randall Road is the major retail thoroughfare in the neighborhood with large big box tenants to the south and north of the subject. One of the major retail developments in the area is Geneva Commons Shopping Center, located just north of the subject. This lifestyle center was developed in 2002 and contains 437,650 square feet of gross leasable area within ten buildings. The center's largest tenants include Dick's Sporting Goods, Crate & Barrel, Barnes & Noble, Pottery Barn, Anthropologie and H&M.

Residential land uses within the subject's neighborhood are considered relatively new as roughly 46.4% of the housing stock within a three mile radius was built from 1990 to the present. Within the subject's immediate neighborhood (1 mile radius), 65.7% of the houses have been built since 1990. The median housing value within a one, three and five mile radius of the subject is $289,628, $267,202, and $272,247, respectively.

In terms of medical office development, there is a concentration of product near the Delnor Community Hospital, south two miles in Batavia, and northeast St. Charles. The following map illustrates the location of the subject and related Delnor off campus medical facilities in the area.



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GROWTH PATTERNS

In terms of commercial development, growth patterns within the area have occurred primarily along commercial thoroughfares such as Randall Road, primarily south of the subject property. Major retailers such as Home Depot have opened stores along Randall Road. Most residential development in the area has occurred east of Randall Road. Much of the upscale development has occurred around Eagle Brook Country Club, which is immediately southeast of the subject.

ACCESS

Primary access to the subject neighborhood is provided by Interstate-88 (East/West Tollway). Interstate-88 is a six-lane, variable right-of-way expressway which travels in an east-west direction. This expressway spans across most of the western suburbs within the Chicago MSA, originating in the village of Elmhurst at the eastern tip, traveling westward through Illinois and into Iowa. To the east, Interstate-88 merges into Interstate-290 (Eisenhower Expressway), providing direct access to the Chicago central business district, approximately 40 miles east of Geneva. Through Interstate-290, most of the major expressways and highways within the Chicago MSA are made accessible. Within the subject's immediate area, access is provided by the major commercial thoroughfares of Randall Road, Fabyan Parkway, State Street, Orchard Road and Lincoln Highway.

DEMOGRAPHICS

Selected neighborhood demographics in 1-, 3-, and 5-mile radii from the subject are shown in the following map and table:

SELECTED NEIGHBORHOOD DEMOGRAPHICS			
351 Delnor Drive Geneva, IL	1 Mile Radius	3 Mile Radius	5 Mile Radius
Population			
2018 Population	8,380	59,325	106,377
2013 Population	8,056	57,542	103,702
2010 Population	7,830	56,234	101,711
2000 Population	5,575	44,592	85,485
Annual Growth 2013 - 2018	0.79%	0.61%	0.51%
Annual Growth 2000 - 2013	0.22%	0.18%	0.15%
Annual Growth 1990 - 2000	3.46%	2.35%	1.75%
Households			
2018 Households	2,903	21,871	38,109
2013 Households	2,797	21,202	37,140
2010 Households	2,726	20,704	36,421
2000 Households	1,777	16,508	30,058
Annual Growth 2013 - 2018	0.75%	0.62%	0.52%
Annual Growth 2000 - 2013	0.20%	0.18%	0.15%
Annual Growth 1990 - 2000	4.37%	2.29%	1.94%
Income			
2013 Median HH Inc	$102,076	$84,377	$88,442
2013 Estimated Average Household Income	$126,298	$108,935	$115,450
2013 Estimated Per Capita Income	$43,854	$40,137	$41,347
Age 25+ College Graduates - 2010	2,948	18,609	33,268
Age 25+ Percent College Graduates - 2013	59.0%	51.2%	51.0%

Source: Claritas

CONCLUSION

The neighborhood has experienced moderate growth over the past two decades. Growth between 1990 and 2000 was particularly strong at 3.46% within a 1-mile radius. Growth stagnated from 2000-2013 but the forecast calls for a slight uptick in momentum moving through 2018. The demographic profile of the neighborhood is largely made up of middle-income with a focus on jobs relating to and other related industries.

Overall the neighborhood exhibits a diverse base of amenities well suited to support ongoing performance and profitability, specifically for similar improvements. Commercial development within the MSA and specifically the city of Geneva and surrounding municipalities has generally halted since 2007-2008 coinciding with the rapidly deteriorating conditions during that period. The outlook, however, is positive for the neighborhood as the fundamentals remain in place for growth in the commercial property and market in particular.

With respect to the subject, we feel that the location within the neighborhood positions the property in close proximity to a diverse, well educated population base with the ability to support business development across many related industries. The subject appears to conform well to surrounding neighborhood infrastructure and is commensurate with other competitive properties in the neighborhood. Moving forward, we have no reason to believe the neighborhood will not continue to provide the necessary support services for the ongoing performance of the subject.

CBRE

MARKET ANALYSIS

According to the Institute of Real Estate Management (in Income/Expense Analysis: Office Buildings), the following office property definitions may be applicable towards the subject:

> *Medical:* Building with at least 75% of its space dedicated to doctors and/or medical related offices. Includes owner-occupied and single tenants buildings if the owner/tenant is medical related.

The following market analysis utilizes data and analysis from CBRE, CBRE Econometric Advisors as well as Standard & Poor's Market Research, Marcus & Millichap medical office research, Healthcare Trust of America publications along with local market experts within the medical office property type.

HEALTHCARE FACILITIES OVERVIEW

The US healthcare facility industry includes several sectors that serve different areas of society's healthcare needs. Included in this group are acute care hospitals, rehabilitation hospitals (both stand-alone units and those attached to a larger facility), psychiatric hospitals, nursing homes, assisted-living facilities, and home healthcare services.

According to the American Hospital Association (AHA), a national hospital and healthcare organization, there were 5,754 total registered hospitals in operation in the United States at the end of 2010. About 20% of these facilities were investor-owned, while 80% operated under tax-exempt status (a category that includes both government- and community-owned facilities). Other kinds of healthcare facilities include psychiatric hospitals, rehabilitation facilities (both standalone units and those attached to a larger facility), freestanding ambulatory surgery centers, clinics, nursing homes, and home healthcare agencies. Although the federal government does not directly regulate the US hospital industry, it contributes a large portion of industry revenues. It also controls the rates at which it reimburses providers, whose pricing power is limited. This position gives the government enormous influence on quality standards and even treatment options. For instance, it can encourage providers to perform outpatient procedures by increasing reimbursement rates for such, while lowering rates for inpatient care.

Acute care hospitals

Acute care community hospitals comprise the largest sector of the industry. There were 4,985 such facilities nationwide in 2010, according to the 2012 edition of AHA Hospital Statistics, which is based on 2010 data and published by the American Hospital Association (AHA), a national hospital organization. This total was down slightly from 5,008 in 2009. The industry remains dominated by nonprofit entities, which make up approximately 58% of the total. For-profit hospitals accounted for 20.3%; facilities owned by state and local governments made up 21.4%. Acute care hospitals generated $731 billion in total net inpatient and outpatient revenues in 2010, up from $691 billion in

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2009, propelled by an aging domestic population, ongoing advances in healthcare technologies and a generally favorable pricing environment from managed care, offset by the aforementioned volume weakness and increases in bad debt.

Rehabilitation hospitals

These hospitals provide programs to rehabilitate patients experiencing disabilities from a wide variety of causes, including stroke, head injuries, orthopedic problems, neuromuscular disease, and sports-related injuries. Services include physical therapy, sports medicine, neuro-rehabilitation, occupational therapy, respiratory therapy, speech/language therapy, and rehabilitation nursing. In 2010, 195 rehabilitation hospitals operated in the US, according to the AHA, down from 197 in 2009.

Specialty hospitals

Specialty hospitals include heart, orthopedic, cancer, and surgical hospitals, as well as ambulatory surgical centers (ASCs) and other narrowly focused providers. These facilities present traditional acute care providers with an additional competitive challenge, as more procedures no longer require an overnight hospital stay. According to A Data Book: Health Care Spending and the Medicare Program, issued in June 2012 by the nonpartisan Medicare Payment Advisory Commission (MedPAC), which advises Congress on Medicare issues, there were 5,344 Medicare-certified ambulatory surgical centers in 2011, up 1.8% over 5,252 in 2010.

Psychiatric hospitals

Psychiatric hospitals numbered 439 nationwide in 2010, down modestly compared with 444 in 2009, according to the AHA. They typically provide structured, intensive treatment programs for alcohol- and drug-dependency problems and mental health disorders in children, adolescents, and adults. A treatment program usually integrates physicians and other patient-care professionals with structured activities, providing patients with testing, adjunctive therapies (occupational, recreational, and the like), group therapy, individual therapy, and educational programs. According to the National Association of Psychiatric Health Systems, an advocacy group, average length of stay at psychiatric hospitals has remained fairly stable between 9.3 and 10.0 days since 2000.

Nursing homes

Nursing homes, or skilled nursing facilities (SNFs), provide residents with routine long-term care, including daily dietary, social, and recreational services, and a full range of pharmaceutical services and medical supplies. Many nursing home chains have developed expertise in skilled rehabilitation therapies: occupational, physical, speech, and respiratory. Given cost pressures, many SNFs have converted segments of their facilities to provide rehabilitation, subacute care, or other higher-margin business lines. Subacute care is generally for patients who have been discharged from an acute care hospital, but who are too sick to return home and need continued complex and intensive medical services.

According to the Kaiser Family Foundation (KFF), the number of certified nursing homes operating in the US totaled 15,622 in 2010 (latest available), marginally below the 15,658 in 2009. The number of nursing home beds was 1.66 million in 2010, continuing a downward trend from 1.72 million in 2004.

Assisted-living facilities

These hotel-like facilities serve elderly individuals who need assistance with the tasks or activities of daily living, but do not require 24-hour skilled nursing care. Several facilities also offer separate areas for residents with developmental disabilities, mental illness, and/or Alzheimer's disease/dementia, as these individuals do not require round-the-clock skilled nursing care. The number of assisted living facilities increased to 15,781 in 2010, from 15,070 in 2009, according to Managed Care Digest Series/Public Payer Digest 2011–2012. The industry remains extremely fragmented.

The objective of assisted living facilities is to maintain or enhance residents' ability to live as independently as possible in a homelike environment that offers on-site medical services. S&P Capital IQ (S&P) believes long-term fundamentals and demographics support growth of the assisted living sector. According to the National Investment Center for the Seniors Housing & Care Industry, a senior housing trade group, for the second quarter of 2012, occupancy rates at continuing care retirement communities was 88.6%, 0.9 percentage point higher than the prior-year second quarter. However, assisted living facilities saw increases, to 88.7% from 88.4% over the same period, and independent living facilities increased to 88.5% from 88.3%. We think these increases, in part, reflect stabilization in housing and equity market conditions since the US economy began emerging from recession in 2009.

Surgical Centers

Surgical procedures within the United States have increased steadily over the past 20 years due to the improved technology of medical equipment and the increase of knowledge in consumer health. The advancement of medical procedures coupled with state of the art equipment has made surgery more attractive to patients as safety has dramatically increased. There were approximately 20 million surgical procedures within the U.S. in 1981 and this number had grown to approximately 45 million in 2002. In effect, the amount of surgical procedures within the United States has increased by a compounded annual rate of 3.8% since 1981.

The number of outpatient procedures performed in traditional hospitals has declined from 89% in 1981 to 53% today. Currently, approximately 47% of all outpatient procedures take place in alternative surgical centers. According to the General Accounting Office, approximately 70% of these facilities are owned at least in part by the practicing physician, which has warranted a closer look by the government to ensure patients are safe from the doctor's potential conflict of interest.

NATIONAL HEALTHCARE OVERVIEW

The US recession and its subsequent modest recovery have pressured volume growth, particularly in elective procedures, with flat-to-negative same-store adjusted admissions and low-single-digit growth in revenue per adjusted admission. In addition, historically high levels of unemployment have hurt surgery volumes, as doctors performed an increasing number of procedures in outpatient office settings and as specialty hospitals have gained popularity. Deteriorating collections from uninsured patients, accompanied by higher levels of charity care and self-pay discounts, have also pressured profits.

The following chart summarizes the projected individual enrollment in various insurance types nationally through 2021:

HEALTH INSURANCE ENROLLMENT PROJECTIONS
(In millions)

	2011	2012	2013	**2014**	2015	2016	2017	2018	2019	2020	2021
Medicare	47.6	49.5	51.2	**52.8**	54.4	55.9	57.5	59.1	60.8	62.6	64.3
Medicaid	55.4	56.2	56.4	**76.0**	78.3	81.3	82.2	83.1	83.7	84.3	85.0
CHIP	5.7	5.9	6.1	**6.3**	6.5	5.9	3.3	2.3	2.1	2.0	1.9
Employer-sponsored private insurance	165.7	165.6	165.5	**166.6**	169.0	168.3	167.9	168.0	169.3	170.3	171.1
Other private health insurance†	21.3	21.6	21.8	**9.7**	9.4	8.9	8.6	8.3	8.1	8.1	8.2
Exchanges	0.0	0.0	0.0	**12.3**	14.4	19.0	22.0	23.5	23.6	23.5	23.4
Uninsured	47.4	47.8	48.6	**27.8**	25.6	23.8	24.0	24.0	23.9	23.6	23.1
Insured share of US population	84.8	84.8	84.6	**91.3**	92.1	92.7	92.7	92.7	92.8	93.0	93.2

†Through 2013, other private health insurance includes those with Medicare supplemental coverage and individually-purchased plans; after 2013, other private health insurance includes only those with Medicare supplemental coverage.
Source: Centers for Medicare & Medicaid Services.

Medicare and Medicaid programs, which are among the largest dollar items in the federal budget, are poised to see further cuts, after a US congressional super committee failed in its task to reduce the federal deficit in November 2011. According to the law under which the super committee was formed, failure to reach an agreement would trigger $1.2 trillion in across-the-board spending cuts, including a 2% reduction in Medicare rates to hospitals and other providers over a decade, starting from 2013.

Impact of healthcare reform on healthcare facilities

In September 2012, the AHA, citing a study by market research and advisory firm Tripp Umbach, claimed that Medicare cuts could cause an alarming loss of up to 766,000 jobs in the industry by 2021. The study stated that up to 65% of these losses could take place as early as 2013. Of particular concern were the impacts on smaller and rural hospitals, where government-sponsored patients account for a higher percentage of facility revenues In our view, universal healthcare legislation is generally considered favorable for healthcare facilities companies over the long term, due to its potential to reduce the costs associated with bad debts and uncompensated care. However, S&P believes that caution is warranted: historically, projections of savings tend to be higher than what is actually achieved. We also note that a sizable population (more than 20 million) will remain uninsured. In addition, the new rules and regulations regarding coverage will not occur all at once, but will be phased in over a multi-year period, leading to a disbursed reduction in the uninsured.

Although concessions and reimbursement cuts will be needed to fund reform in the near term, any extension of health insurance coverage to the currently uninsured is unlikely to provide any meaningful benefits before 2014 at the earliest, in our view. We also expect some margin degradation as these new coverage rules take effect, because we see a large ramp-up in administrative costs to ensure that facilities have the proper administrative facilities and capacity in place to handle the newly insured in a timely and compliant fashion.

The following table summarizes the timeline of changes to legislation which took affect with the 2010 Affordable Care Act.

AFFORDABLE CARE ACT IMPLEMENTATION TIMETABLE
2010
Reduced annual market basket reimbursement rate for inpatient hospitl.
Reduced Medicare market basket for home health agencies in FY 2011- 201.
Implemented incentive payments for hospitals under Stimulus bill for adoption of healthcare IT.
Children under 26 years of age able to be covered under parental insurance.
2011
Prohibits payments for hospital acquired conditions as of July 1.
2012
Incentives for physicians to form Accountable Care Organizations, and share in combined saving
Up to 1% penalty for hospitals with worst re-admission rates for heart failure, heart attack and pneumonia as of October .
Value-based purchasing program (productivity adjustments) under Medicare, offering incentives to hospitals to improve quality through lowered-admissions as of October 1.
2013
National pilot program to encourage hospitals, doctors and other providers to improve care through bundling", no later than January 1
2014
Increase Medicaid and SCHIP eligibility and access as of January .
Penalties for hospitals that do not meet requirements for EHR use under Stimuls Bill
Establishment of health insurance exchanges as of January 1.
Penalties for worst hospital re-admission rates up to 3%, for expanded indications list.
2015
Physician pay tied to value, not volume, as of January .

Sources: S&P Capital IQ; Congressional Budget Office; Henry J.Kaiser Foundation.

MEDICARE

Title XVIII of the Social Security Act, formally called Health Insurance for the Aged and Disabled, is commonly referred to as Medicare. As part of the Social Security Amendments of 1965, Medicare legislation established a program of health insurance to complement the retirement, survivor, and disability insurance benefits provided under other titles of the Social Security Act.

Medicare remains the largest public payer of healthcare. According to the CMS, Medicare health expenditures (including benefit payments and administrative expenses), will total $591 billion in 2012, up 5.9% from $558 billion in 2011. Medicare Trustees, in their 2012 annual report, stated that future expenditures are projected to increase at an average annual rate of 6.2% during 2012–21. Medicare is a federally funded program that provides certain hospital and medical insurance benefits to persons aged 65 and over, some disabled persons, and persons with end-stage renal disease. The program consists of three parts: hospital insurance (HI), also known as Part A; supplemental medical insurance (SMI), or Part B; and the prescription drug benefit, or Part D. In total, there were 48.3 million enrollees in Medicare in 2011, which is expected to reach 50.3 million in 2012 and 52.1 million in 2013.

Part A

This usually is provided automatically to persons 65 years of age or over and to most persons who are disabled for at least 24 months and are entitled to Social Security or Railroad Retirement benefits. Part A covers inpatient care in skilled nursing facilities, critical access hospitals, and hospitals. Hospice and home health care are also covered by Part A. The fiscal 2013 budget for the US Department of Health and Human Services (HHS) called for $205 billion in expenditures for Part A.

Part B

This is medical insurance to pay for medically necessary services and supplies provided by Medicare. Most people pay a premium to receive this coverage. Part B covers outpatient care, doctor's services, physical or occupational therapists, and additional home health care. Nearly all persons enrolled in Part A also enroll in Part B, which primarily covers physician-based medical services. Part B costs have been rising rapidly, averaging 7.3% annual growth between 2005 and 2011, according to the 2012 Medicare Trustees Report. The HHS's fiscal 2013 budget called for $168 billion in expenditures for Part B.

Part C

This program—also referred to as Medicare Advantage—is offered by private companies approved by Medicare. These plans are required to provide all Medicare-covered benefits, but are permitted to vary the benefit design as long as the core benefit package is comparable. The most common benefit of such plans is reduced cost sharing for benefits through lower insurance premiums. In 2012,

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approximately 13.5 million, or 26.7% of Medicare enrollees will be enrolled in a Medicare Advantage plan. HHS's fiscal 2013 budget called for $134 billion in expenditures for Part C.

Part D

This program—part of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA)—offers prescription drug coverage to beneficiaries. Part D benefits began on January 1, 2006, and are available to anybody entitled to Medicare Part A or enrolled in Medicare Part B. Beneficiaries choose among several private plans or Medicare-approved managed care organization (MCO) or health maintenance organization (HMO) plans; the beneficiaries are charged an extra premium each month to join one of these plans. Part D is expected to experience a 10.5% annual increase in expenditures through 2021, according to the 2012 Medicare Trustee Report. HHS's fiscal 2013 budget called for $80 billion in expenditures for Part D.

HOW MEDICARE IS FUNDED

Medicare Part A is financed through mandatory payroll deductions. These deductions include Federal Insurance Contributions Act (FICA) taxes of 1.45% of taxable earnings paid by employees (and another 1.45% paid by employers), and a 2.90% tax from self-employed persons who pay into the hospital insurance trust fund. Part A also carries a patient deductible before benefits are covered. Part B funds come from payment of premiums, which are usually deducted from monthly Social Security benefit checks of those who are voluntarily enrolled, and through significant contributions from the general revenues of the US Treasury. Part D is funded by a combination of federal general revenues and beneficiaries' contributions. Assistance is provided to qualifying low-income individuals. Part D also is being financed from the increase in monthly premiums for Part B beneficiaries.

Medicare funding levels for physicians are tied to the sustainable growth rate (SGR) formula devised in 1997 by Congress to tie Medicare reimbursement levels to the overall economy. However, Medicare as consistently paid physicians more than it intended, accruing a $300 billion liability. Over the years, legislation to adjust rates to undo that liability has been set aside 15 times since 2001, which has only exacerbated the problem. Most recently, a 27% rate cut for physicians, which was scheduled to occur on March 1, 2012, has been deferred until the end of 2012. In April 2012, Medicare trustees warned that the Medicare program would face a shortage of fund to pay full benefits from 2024 onwards.

MEDICAID

A program designed to provide medical assistance to eligible needy persons, Title XIX of the Social Security Act—otherwise known as Medicaid—became law in 1965. Medicaid is jointly funded by the federal and state governments, but is administered by individual states operating within federal guidelines. The federal government pays a share of the medical assistance expenditures under each state's Medicaid program. That share, known as the Federal Medical Assistance Percentage (FMAP), is determined annually by a formula that compares a state's average per capita income level with the national income average.

States with a higher per capita income level are reimbursed for a smaller share of their costs. By law, the FMAP cannot be lower than 50% or higher than 83%. In 2011, Medicaid had 55.4 million beneficiaries (defined as persons on behalf of whom at least one payment was made during the fiscal year), compared to 53.6 million in 2010, according to the CMS. In February 2012, President Obama proposed Medicaid expenditures of $283 billion compared to $258 billion in fiscal 2012. To reduce the federal deficit, as a part of the agreement under the debt ceiling deal, the federal government may look for new rounds of cuts in the Medicaid budget starting in 2014.

Each state designates a single agency that is responsible for its Medicaid program operations. The federal government sets broad national guidelines, under which individual states establish their own eligibility standards; determine the type, amount, duration, and scope of services; set the rate of payment for such services; and administer their own programs. Because of this structure, Medicaid programs vary considerably from state to state, as well as within each state over time. Most state Medicaid payments are made under a prospective payment system or under programs that negotiate payment levels with individual hospitals. In general, Medicaid reimbursement is substantially less than a hospital's cost of service, so this business segment creates a drag on a facility's overall profit margins.

Owing to both federal and state budget deficits, the federal government and most (if not all) states constantly consider ways to reduce the level of Medicaid funding—for example, by cutting payments to providers—while still maintaining the list of Medicaid benefits that are covered. Therefore, Medicaid revenues for those participating in the program are likely to fall in coming years.

REGULATORY LANDSCAPE

State and federal governments and related agencies are involved in overseeing numerous operational areas of healthcare facilities—especially those receiving Medicare and Medicaid funds. Foremost among them are building safety, personnel training, and management practices; patient diagnosis and treatment; need for new facilities; and fraud and abuse.

Licensure, Certification, and Accreditation

Facilities are subject to review by governmental and other authorities to ensure continued compliance with the various standards necessary for licensing and accreditation. In order for a facility to participate in the Medicare and Medicaid programs, it must be certified by Medicare or be accredited by the Joint. Commission on Accreditation of Healthcare Organizations (JCAHO), an independent peer-review organization (PRO) that evaluates and accredits US healthcare providers and programs. The construction of a healthcare facility is subject to federal, state, and local regulations relating to the adequacy of medical care, equipment, personnel, operating policies and procedures, fire protection, and rate setting. Compliance with building codes and environmental protection laws is also enforced.

Utilization review

To ensure efficient utilization of facilities and services, federal regulations require that facilities providing services to Medicare and Medicaid patients be reviewed by a federally funded peer-review organization. These organizations review the appropriateness of patient admissions and charges, the quality of care provided, the validity of DRG classifications, and the appropriateness of cases of extraordinary length of stay or cost. PROs have the authority to deny payment for services provided. They also may assess fines and recommend to HHS that any provider in substantial noncompliance with these standards be excluded from participating in the programs.

Certificates of need

In most states, the construction of new facilities, the acquisition of existing facilities, and the addition of new beds or services may be subject to review by state regulatory agencies under a program commonly referred to as certificate of need (CON). Such laws generally require that, before beds or services are added or certain other capital expenditures are made, a state agency must certify the need for these additions or outlays and approve them. In many instances, strict CON requirements provide substantial barriers to entry into a market and can effectively eliminate many of the competitive pressures facing an existing healthcare facility operator.

THE EFFECTS OF MANAGED CARE

All areas of the healthcare industry have felt the impact of managed care, but perhaps no single sector has been more affected than the hospital group. As pressures from government and large corporate payers to reduce the cost of healthcare have intensified, the hospital industry has consolidated radically in recent years, with many nonprofit chains or individual nonprofit hospitals being acquired and/or entering into joint venture arrangements with the for-profit chains. By forming alliances, hospitals leverage their buying power in order to lower supply and other operating costs. The associated margin improvements, along with a more diverse array of service offerings, let them compete effectively for managed care business. Industry consolidation has also strengthened the bargaining power of the hospitals. In many areas, particularly in small towns and rural areas, merged hospital companies become the "only game in town," leaving managed care organizations with almost no choice but to pay the price increases that these hospitals request. Such increases, however, are partly influenced by Medicare and Medicaid payment rates, and possibly held in check by public relations concerns.

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CHANGING INDUSTRY DYNAMICS

Over the long term, we see a shift in demographics towards an older population driving higher levels of utilization and overall healthcare services. According to the US Census Bureau, the average lifespan increased to 78 years in 2010, while the median age increased from 35.3 years in 2000 to 37.2 years in 2010. Further, the proportion of the US population older than age 65 is projected to grow from 12.6% in 2007 to 14.5% in 2015 and to 18.2% in 2025. On the other hand, rising costs and potential changes to reimbursement rates could pressure providers, despite the rising demand.

Annual healthcare spending has been on the rise in the United States since tracking began in 1960. According to the latest data from 2010, Americans spent nearly $2.6 trillion, or 17.9% of total GDP, on healthcare expenditures, an increase of 3.5% from the previous year. Of this total, the total amount of spending by government healthcare programs Medicare, Medicaid and the Children's Health Insurance Program (CHIP) reached more than $937 million in 2010, or 6.5% of GDP. The U.S. Centers for Medicare & Medicaid Services projects that total healthcare expenditures will reach more than $4.6 trillion by 2020. The annual rate of growth in total healthcare expenditures should increase from 3.5% in 2010 to a peak of 8.3% in 2014, before moderating to an average annual increase of 6.2% from 2016 to 2020. Spending on hospital care and physician services comprised about half of total healthcare expenditures (including insurance premiums) in 2010.

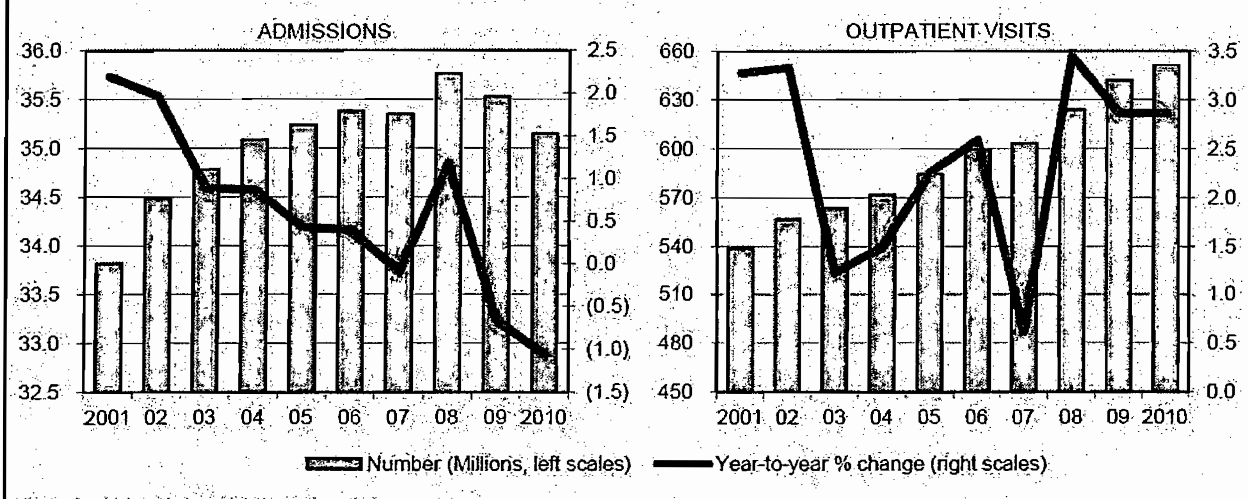
US MEDICAL OFFICE INDUSTRY OVERVIEW

The U.S. privately owned medical office market was comprised of approximately 478 million square feet in 2011, with an estimated 74.2 million or 15.5% of this total owned by publicly traded healthcare REITs. According to the last comprehensive survey of buildings from the U.S. Energy Information Administration, the total square footage of all outpatient facilities was 1.3 billion in 2003. Medical office buildings are typically classified as either on-campus, for facilities located on or connected to a hospital campus, and off-campus, for facilities outside of the hospital campus. Physicians are increasingly attracted to medical office space on or very near hospital campuses in order to leverage hospital services and increase traffic to their practice. Additionally, some physicians are affiliated with hospital systems and require proximity to its campus. A limited amount of medical office supply in these areas drives strength in related medical office market fundamentals and significant investment opportunities Demand for healthcare in the United States has been steadily increasing, driven by a growing population, increased healthcare spending by aging baby and echo boomers, and an overarching trend of increased healthcare utilization, evidenced by a rising number of annual physicians' office visits per person. As a result of higher demand for healthcare, employment in the industry has been increasing at a rapid pace for at least two decades, in turn driving demand for high-quality medical office space. Long-term demographic trends should continue to drive increasing demand for healthcare services and medical office space, causing future improvement in medical office market fundamentals.

Growing Medical Office Building Demand

Healthcare utilization is on the rise, with increased medical office visits driving hiring in the healthcare sector. In turn, this increased hiring is driving expansion of medical office facilities. The continued evolution of the United States' healthcare industry has resulted in shifting public perception of personal health management, driving changes in the way healthcare is utilized. The increased dissemination of health research through media outlets, marketing of healthcare products such as brand name prescription drugs, and availability of advanced screening techniques and medical procedures have contributed to a more active and engaged community of healthcare users. Demand for preventive, integrative, and specialized healthcare services increased sharply as a result, fueling the need for customized space for each specialty. Driven by this increased demand, the rate of employment growth in physicians' offices and outpatient care facilities outpaced employment growth in hospitals during the past decade, further supporting the trend of increased utilization of healthcare services outside of the hospital. The nature of these services, coupled with changing consumer preferences, led to the increased utilization of medical office space, a trend we expect to continue through the long term. According to the Bureau of Labor Statistics, employment in physicians' offices is expected to increase by a cumulative 36.4% from 2010 to 2020, as compared with a projected 25.9% increase in all healthcare professions and a forecasted increase of 14.3% in total employment during this time. Employment in the healthcare industry has steadily increased for at least 20 years despite three recessions. These new hires eventually fill medical office space.

HOSPITAL ADMISSIONS VS. OUTPATIENT VISITS



Source: American Hospital Association.

The total number of physicians' office visits increased from 682 million in 1994 to 956 million in 2008, according to the latest available data. During the same period, the average number of office visits per person increased from 2.6 to 3.2 per year. Between 1994 and 2008, the number of visits to physicians' offices increased by 40.3%, compared to an increase in the number of emergency room visits of 32.5%. Increased utilization of preventative care and specialized medicine contributed to this

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trend. As the baby boomers age, we expect the total number of physicians' office visits and per capita visits to continue to trend upward, driving demand for medical services. In turn, this will lead to increased healthcare employment and greater need for medical office space.

Medical Office Tenants

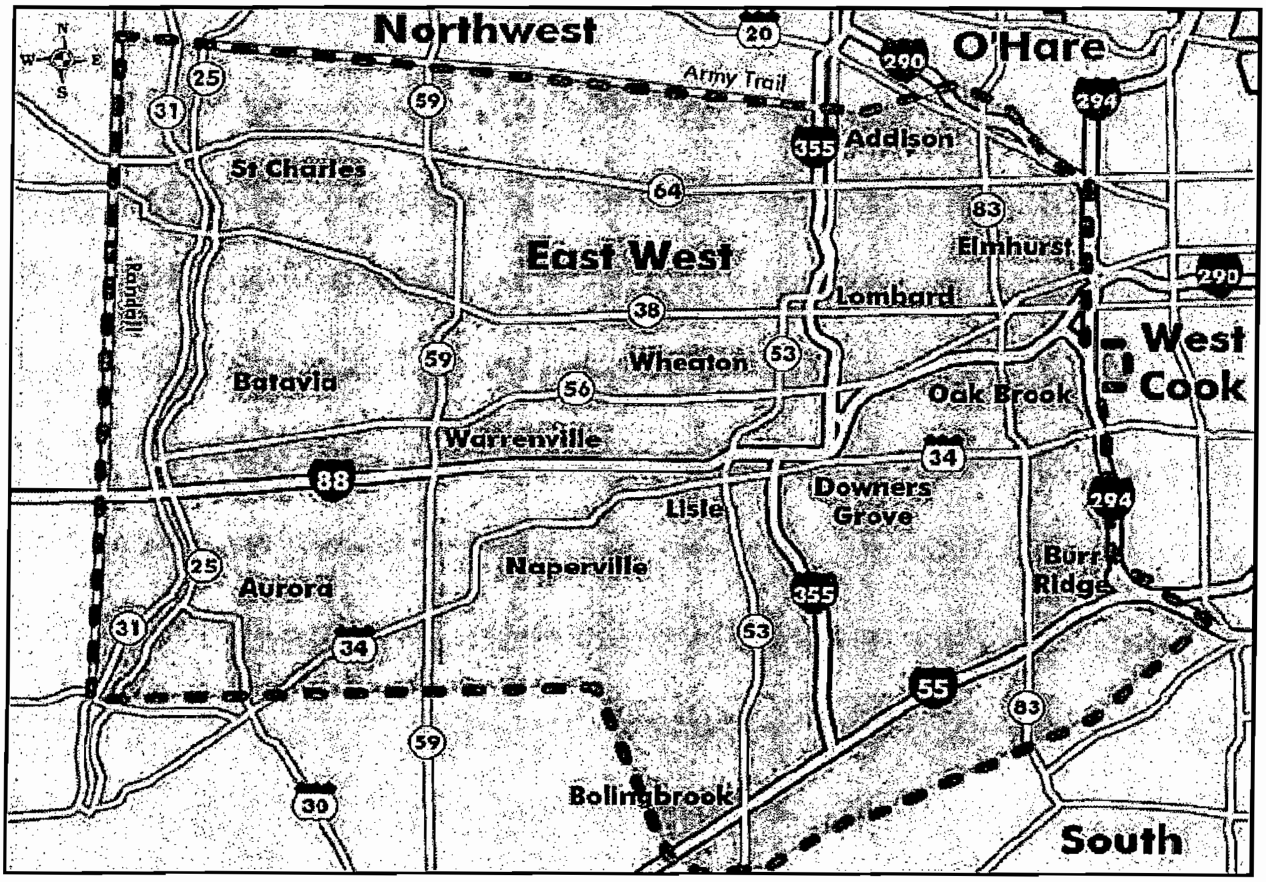
According to "Heartland Real Estate Business", the typical medical office tenant stays longer than the typical general office tenant. This is due to most medical office tenants investing large sums of their own money in improvements to the office and as result feel compelled to stay. Specialty physicians are typically the best tenants because they are the least affected by healthcare third party payer issues. Ideally, a good mix of specialists is preferred to minimize the owner's risk. Surgical Centers are also considered good tenants with expensive equipment and government-approved facilities. Typically these tenants are owned by a group, however can be easily broken up. Personal guaranties from physician partners are preferable. The final group of tenants is primary care physicians. This group is not as attractive as they have been losing money for years. Exposure to a large group of primary care physicians is considered risky.

Medical Office Rents

As noted earlier, several factors differentiate and influence the rental rate of medical office tenants in comparison to traditional office tenants, making the analysis of market rental rates difficult. One factor is the motivation of maintaining physician referrals by healthcare systems; however this can lead to violation of federal laws. Also, the interior build out and finish of medical office buildings is typically more detailed and costly than traditional office use as the needs of medical office tenants include space to accommodate medical equipment and sanitary practices. Along with the higher costs of the interior finish is also the higher maintenance expenses carried with the space. Also, expansion is more prevalent as medical practices grow and patients increase. Lastly, rental increases are becoming more difficult to establish as physicians see a decrease in profit due to the actions of HMO's and government programs attempting to reduce reimbursement levels.

EAST-WEST TOLLWAY SUBMARKET -1Q2013

The subject is located in the submarket known as the East-West Tollway Office Submarket.



The East-West Corridor submarket is approximately ten miles from O'Hare International Airport. The East-West Corridor comprises 37.5% of the overall suburban market with 41.52 million square feet of office space in 476 buildings and an additional 10 million square feet of owner-occupied office space. This submarket is further divided into two submarkets: east of I-355 and west of I-355. The west includes the cities of Lisle, Naperville, Aurora, and Warrenville. The east includes the cities of Oak Brook, Oakbrook Terrace, Downers Grove, Westchester, Westmont, Lombard, and Hinsdale.

The major transportation arteries of I-88 (Reagan Memorial Highway), I-294 and I-355 provide easy access to O'Hare International Airport, the north and northwest submarket and downtown Chicago. The East-West Tollway is known for its high concentration of corporate headquarters including Navistar, Nicor, OfficeMax, and McDonald's. These headquarters, along with the highly skilled labor pool and executive housing makes the East-West Corridor a desirable location to live and work.

The following table compares the historical vacancy rates of the Suburban market with those of the East-West Tollway submarket.

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CHICAGO SUBURBAN OFFICE VACANCY DETAIL

FIRST QUARTER 2013

Year	Inventory	Suburban Total	East/West Tollway
1997	80,258,191	9.0%	9.0%
1998	83,192,946	8.6%	9.3%
1999	87,889,984	10.5%	12.6%
2000	91,648,373	10.1%	12.2%
2001	96,177,902	14.5%	14.8%
2002	97,418,462	17.0%	17.5%
2003	98,991,040	19.2%	19.2%
2004	98,628,587	17.9%	18.6%
2005	98,672,317	17.8%	18.7%
2006	98,859,646	15.7%	15.5%
2007	105,381,502	15.0%	15.0%
2008	106,709,931	17.5%	17.4%
2009	106,814,492	20.5%	20.2%
2010	108,465,239	21.8%	21.3%
2011.2	108,465,239	21.7%	20.9%
2011.4	109,265,239	21.9%	19.7%
2012.1	110,671,274	21.7%	19.7%
2012.2	110,671,274	21.3%	18.9%
2012.3	110,671,274	21.1%	18.7%
2012.4	110,671,274	20.9%	18.4%
2013.1	110,226,089	20.8%	18.7%
Rolling 10-yr. Avg.		19.0%	18.6%
Δ BPS prior Qtr.		10	(30)

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Over the past four years, the vacancy rate of the East-West Tollway submarket has largely moved in tandem with that of the overall suburban area. As of the first quarter 2013, the current vacancy of 18.7% is the lowest, just ahead of North Suburban (18.9%), among the six suburban submarkets and increased slightly from the 4Q2012 rate of 18.4%. Much of the improvement with vacancy in the East/West Submarket has come in the past year as many large leases were signed within the submarket as it begins to become a preference for companies in the suburban Chicago office marketplace. In the last decade, vacancy rates were generally at their lowest point pre-2000s.

The following chart summarizes fourth quarter vacancy by class within the East-West Tollway submarket.

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Table 1: East-West Tollway Statistics

Submarket	Rentable Building Area SF	Direct Vacant SF	Direct Vacancy Rate (%)	Sublease Vacancy Rate (%)	2013 YTD Net Absorption	Gross Asking Rates PSF
East-West Tollway	**40,889,732**	**7,640,861**	**18.7%**	**0.6%**	**14,526**	**$21.14**
Class A	12,853,765	1,729,406	13.5%	1.2%	64,051	$26.35
Class B	18,970,464	3,980,067	21.0%	0.5%	(91,110)	$20.65
Class C	9,065,503	1,931,388	21.3%	0.1%	41,585	$16.08
Eastern E-W	**25,186,449**	**4,826,051**	**19.2%**	**0.9%**	**1,159**	**$21.37**
Class A	8,919,001	1,314,401	14.7%	1.6%	67,756	$26.65
Class B	10,244,778	2,212,000	21.6%	0.8%	(71,404)	$20.23
Class C	6,022,670	1,299,650	21.6%	0.1%	4,807	$16.07
Western E-W	**15,703,283**	**2,814,810**	**17.9%**	**0.2%**	**13,367**	**$20.77**
Class A	3,934,764	415,005	10.5%	0.2%	(3,705)	$25.30
Class B	8,725,686	1,768,067	20.3%	0.2%	(19,706)	$21.12
Class C	3,042,833	631,738	20.8%	0.0%	36,778	$16.09
Suburban	**110,226,089**	**22,980,650**	**20.8%**	**0.7%**	**104,991**	**$20.97**
Class A	42,043,901	6,731,522	16.0%	1.0%	111,901	$25.34
Class B	43,462,090	9,899,780	22.8%	0.6%	(19,333)	$20.55
Class C	24,720,098	6,349,348	25.7%	0.5%	12,423	$16.29

The East-West Tollway submarket is composed of 31.4% Class A properties, 46.4% Class B properties and 22.2% Class C properties. As shown above, as of first quarter 2013 the current vacancy rates for Class A, B and C properties are 13.5%, 21.0% and 21.3%, respectively.

In addition to the amount of space available from landlords directly, the East-West Tollway submarket is beset with 254,854 square feet of sublease space. Including this additional square footage, the vacancy rate rises to 19.3%. Sub-lessors are generally more concerned about minimizing business losses, while building owners focus on gaining returns on their investments. Keeping in mind their different objectives, sub-lessors are more likely to be "soft" negotiators, which should allow them to garner the lion's share of prospective tenants. The competitiveness among all providers of existing

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office space has created a market more favorable to tenants, in which quality space for shorter lease terms is easier to occupy at more attractive rental rates.

Absorption trends within the suburban market and the East-West Tollway submarket is shown below.

CHICAGO SUBURBAN OFFICE MARKET

NET ABSORPTION

Year	East-West Tollway	Suburban	MSA Unemployment
1996	718,530	1,545,870	5.20%
1997	537,000	2,716,000	4.70%
1998	1,387,000	2,691,000	4.40%
1999	865,663	2,244,481	4.40%
2000	1,713,309	3,734,398	4.30%
2001	261,043	31,950	5.50%
2002	(553,643)	(1,510,366)	6.70%
2003	(345,207)	(545,588)	6.80%
2004	139,051	1,065,895	6.20%
2005	(128,328)	207,736	5.90%
2006	2,161,409	1,761,698	4.50%
2007	333,211	736,471	4.90%
2008	(154,853)	(1,427,040)	6.20%
2009 2Q	(421,268)	(1,079,764)	9.70%
2009 4Q	(69,570)	(357,908)	9.90%
2009		(2,639,468)	10.30%
2010 2Q	(164,010)	(98,736)	10.30%
2010 4Q	30,598	113,303	9.00%
2010		(904,124)	9.00%
2011 2Q	124,701	155,093	9.00%
2011 4Q	221,367	103,351	8.90%
2011		(342,709)	8.90%
2012 1Q	29,872	87,480	9.00%
2012 2Q	312,968	390,745	8.50%
2012 3Q	79,006	478,220	8.80%
2012 4Q	122,675	282,540	8.30%
2012	544,519	965,278	8.90%
2013 1Q	29,870	87,475	9.50%
2013 YTD	29,870	87,475	

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The East-West Tollway submarket continued the trend of improvement it saw in 2011 with positive absorption numbers to end 2012. First quarter 2013 Chicago MSA unemployment is down 80 basis points from its peak in 2Q2010. The suburban market continues to recover slowly as evidenced by the relatively minimal changes to absorption and vacancy levels when compared to the CBD, however the East-West Submarket is seeing the largest improvements in fundamentals from this time one year ago, an encouraging sign.

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A source of encouragement can be derived from the list of recently-signed lease within the East-West Tollway submarket. The following chart summarizes the largest lease transactions occurring in the East-West Tollway submarket during the first quarter of 2013.

Table 2: Top Lease Transactions

Tenant	Size (SF)	Address
Patterson Dental	53,220	28100 Torch Pky
Unilever/Conopco Inc	48,704	2200 Cabot Dr
Molina Healthcare	37,127	1520 Kensington Road
JMS Food Service	32,270	1011 Warrenville Rd
Brookfield Global Relocation Services	29,861	150 Harvester Dr

Competitive Set

In order to better understand recent trends within a more confined area around the subject's location, we have utilized data provided by CoStar, Inc. to analyze the competitive set for the subject. We have surveyed all Class A office and medical improvements within a 5-mile radius of the subject property between 40,000 and 200,000 square feet. The following map illustrates where the subject is located in relation to its competitors:

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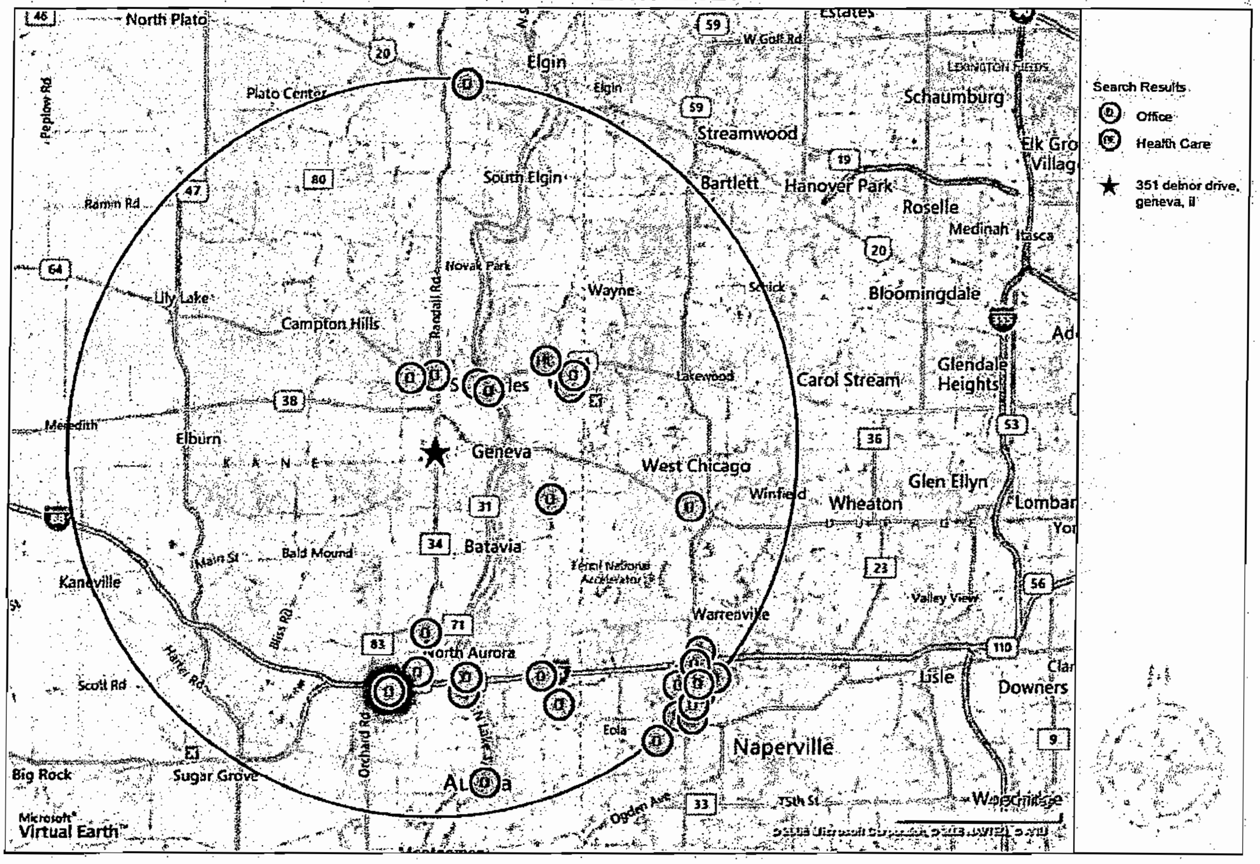
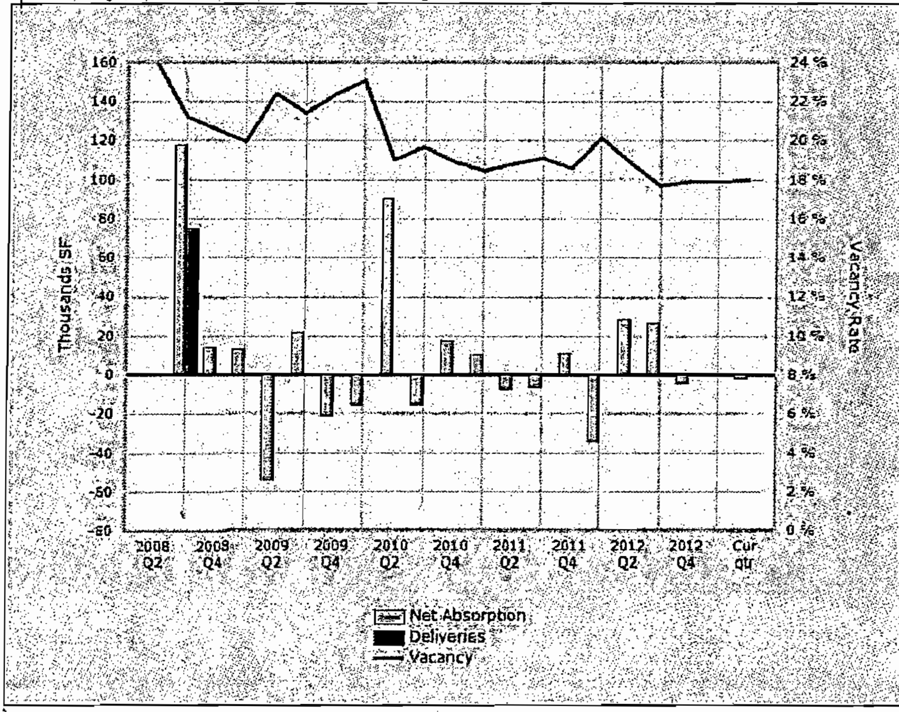
COMPETITIVE SET



The current indicated vacancy rate of the competitive set is 18.0%. This vacancy level is slightly lower than the East-West submarket level of 18.7%. The competitive set represents 53 properties encompassing 2,090,388 square feet of space. Given the locational attributes of medical office properties this more confined competitive set is a more accurate representation of the subject's competitive properties.

The chart and graph below illustrates the indicated absorption, deliveries, direct and sublet rental rates along with the vacancy level of the competitive buildings within the neighborhood. Currently the competitive set indicated an average NNN rental rate of $16.53 ranging from a low of $12.00 to a high of $25.24 per square foot.

Absorp, Deliveries & Vacancy



occupancy		
Existing Bldgs:	31	
# Spaces:	71	
Existing RBA:	2,233,782	
Vacant:	<401,540>	18%
Occupied:	1,832,242	82%
Leased:	1,844,387	83%
availability		
Vacant Avail:	396,490	18%
Total Avail:	419,295	19%
Direct Avail:	400,529	18%
Sublet Avail:	18,766	1%
Average Time:	49.5 Months	
leasing activity		
Leasing YTD:	76,256	3%
Net Absorp YTD:	(1,808)	(0%)
Direct Gross Rent		
Office range:	$12.00-$25.24/yr	
Office Avg:	$16.53/yr	

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Competitive Properties

Comparable properties have been surveyed in order to identify the occupancy trends within the immediate submarket. The comparable data is summarized in the following table:

SUMMARY OF COMPARABLE OFFICE RENTALS

Comp. No.	Name	Location	Occupancy
1	Magna Medical Campus	7456 South State Road, Bedford Park, IL	68%
2	Medical Office Building Two	120 Spalding Drive, Naperville, IL	100%
3	Advocate Good Samaritan MOB 2	3825 Highland Ave, Downers Grove, IL	99%
4	Adventist Bolingbrook Med Ctr	396 Remington Blvd, Bolingbrook, IL	65%
5	Rush Copley Medical Center - POB II	2040 Ogden Avenue, Aurora, IL	82%
6	Rush Copley Medical Center - POB I	2020 Ogden Avenue, Aurora, IL	100%
Subject	351 Delnor Medical Office Building	351 Delnor Drive, Geneva, IL	84%

Compiled by CBRE

The comparable properties surveyed reported a weighted average occupancy rate of 87.1%, and all are currently in average to good condition.

SUBJECT ANALYSIS

Tenant Analysis

Delnor Community Hospital-29,580 SF

Delnor Hospital in Geneva provides comprehensive medical care for the community and is a leader in clinical quality, patient-centered care, and patient, physician and employee satisfaction. The 159-bed, acute care hospital is a recipient of the HealthGrades 2010/2011 Outstanding Patient Experience Award and is among just 6% of hospitals in the nation to earn Magnet Designation, the American Nurses Association's highest honor for nursing excellence. As a Level II Trauma Center and Emergency Department Approved for Pediatrics, Delnor's Emergency Department (ED) has the expertise and resources to treat people of all ages with severe or life-threatening illnesses and injuries. Connected directly to the ED is Delnor's dedicated Cardiac Catheterization Laboratory, which uses the latest technology to help physicians evaluate and treat cardiovascular blockages fast and accurately.

The Delnor Medical Staff features more than 400 physicians in 80 specialties and sub-specialties. Delnor Hospital and its highly qualified team of medical professionals consistently earn recognitions and receive awards that reflect the hospital's dedication to excellent healthcare and service, and being the best they can be for those they serve.

Absorption

There is currently approximately 13,230 square feet of vacant space at the subject. The lease-up of the subject's vacant space was based on discussions with leasing brokers active in the market. The general consensus of the leasing brokers is that the property would best appeal to smaller physician groups, other medical service providers, or Delnor Hospital. Based on discussions with leasing brokers and property owners in the immediate vicinity, leasing activity is anticipated to continue the trend of gradual improvement through 2013 with more robust gains in the 2014-2015 timeframe. Given the amount of vacant space at the subject property we believe the lease up time will be 12 months for the property to reach stabilized occupancy. The following assumptions are assumed for the absorbed space:

- Market rent for the office space is estimated at $25.00 per square foot for the office space.
- Office tenant improvements are estimated at $60 per square foot for first generation new tenants.
- Lease terms are estimated at 10 years.

These assumptions will be discussed in greater detail within the Income Approach.

Occupancy

The subject's occupancy is detailed in the following chart.

OCCUPANCY	
Year	% PGI
2011	84%
2012	84%
2013 Budget	84%
CBRE Estimate	**90%**
Compiled by CBRE	

CBRE

Based on the foregoing analysis, CBRE, Inc.'s conclusion of stabilized occupancy for the subject is illustrated in the following table. This estimate considers both the physical and economic factors of the market.

OCCUPANCY CONCLUSIONS	
Chicago MSA	82.9%
Chicago Suburban	79.2%
East-West Tollway Submarket	81.3%
Western East-West Tollway	82.1%
Competitive Set	82.0%
Rent Comparables	87.1%
Subject's Current Occupancy	83.7%
Subject's Stabilized Occupancy	90.0%
Lease-up Period	12 Months

Compiled by CBRE

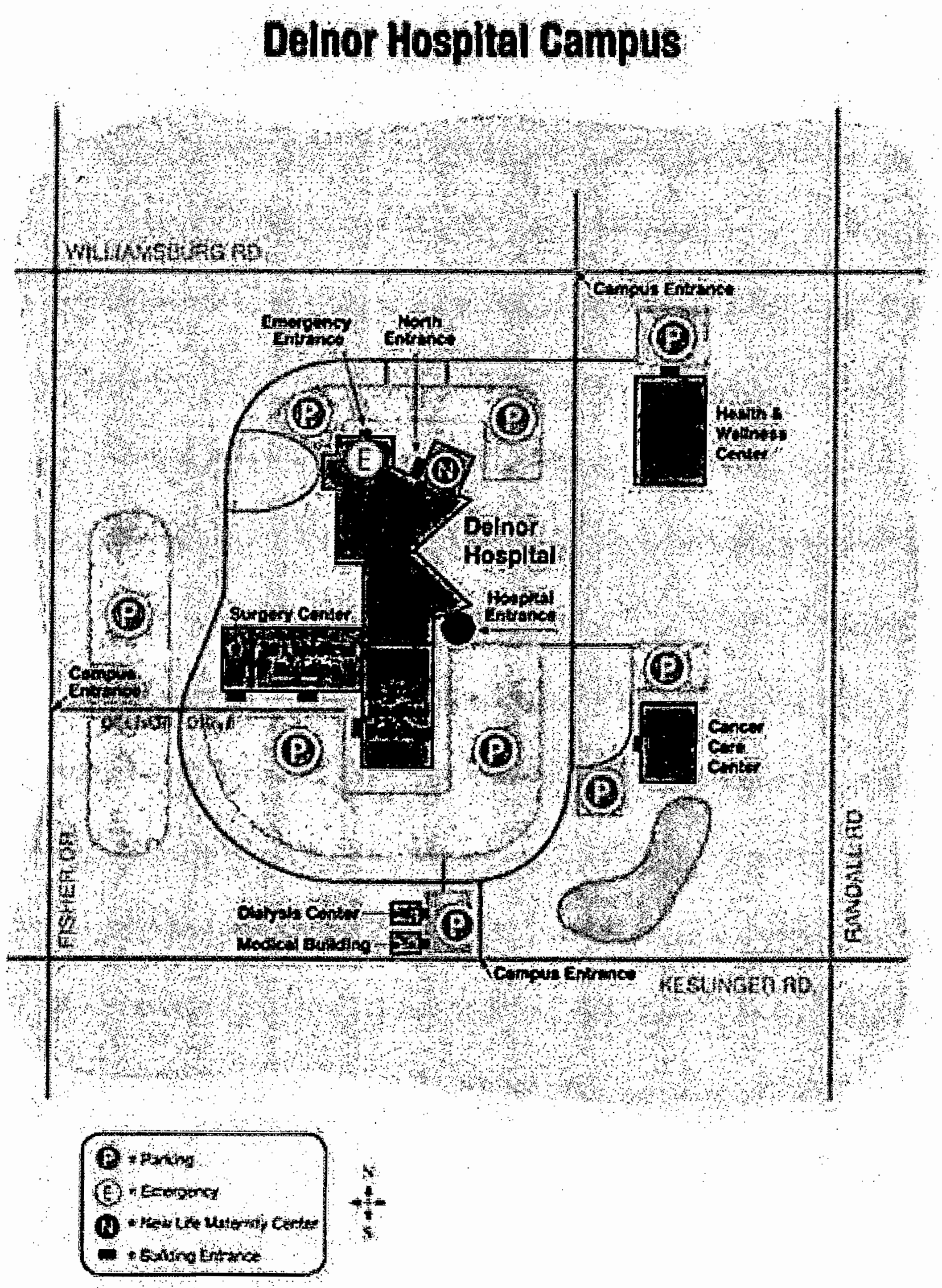
Although our concluded stabilized occupancy is in-line with the rent comparables and is considered reasonable considering it is newer construction and is directly connected to Hospital.

CONCLUSION

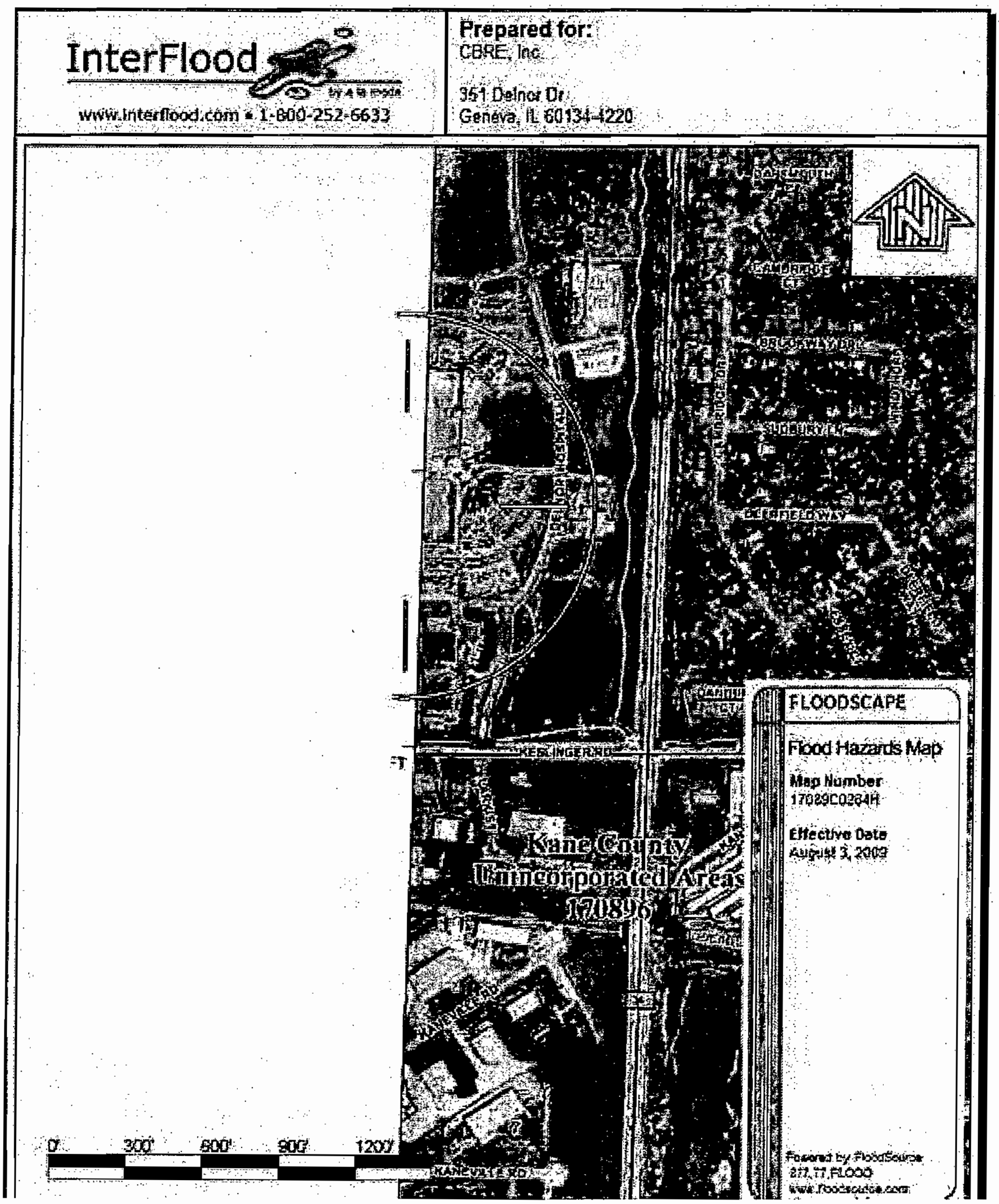
With respect to the subject in particular, we believe the subject is well located for a medical office project. It is attached to Delnor Community Hospital, in close proximity to employment centers, major area roadways and surrounding support services vital to the medical office or healthcare services market. Additionally, the existing developments in the immediate competitive set are experiencing average occupancy levels above the greater Chicago market. Based upon our analysis, the subject should enjoy good market acceptance moving into the near and mid-term.

CBRE

HOSPITAL CAMPUS MAP



FLOOD PLAIN MAP



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SITE ANALYSIS

The following chart summarizes the salient characteristics of the subject site. Note that the subject site is leased from Delnor Hospital under the terms of a 55-year ground lease that began December 23, 2004.

SITE SUMMARY		
Physical Description		
Gross Site Area	0.53 Acres	23,221 Sq. Ft.
Net Site Area	0.53 Acres	23,221 Sq. Ft.
Primary Road Frontage	Delnor Drive	
Ingress and Egress from the following:	Williamsburg Drive	
	Fisher Drive	
	Keslinger Road	
Excess Land Area	None	
Surplus Land Area	None	
Zoning District	OR-Office Research, Planned Unit Development, Ordinance Code 2003-33 Delnor Comm. Hospital & Restatements	
Flood Map Panel No. & Date	17089C0264H	3-Aug-09
Flood Zone	Zone X	

Source: Various sources compiled by CBRE

INGRESS/EGRESS

Ingress and egress is available to the site via curb cuts along the southern right-of-way of Williamsburg Road, eastern right-of-way of Fisher Drive, and northern right-of-way of Keslinger Road.

The site area is essentially the footprint of the improvements and a border – there are easements in place for access and use of the adjacent parking areas.

Please refer to the prior site/plat exhibit for the layout of the streets that provide access to the subject.

ENVIRONMENTAL ISSUES

CBRE, Inc. is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this appraisal, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

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ADJACENT PROPERTIES

The adjacent land uses are summarized as follows:

North:	Main Hospital Building
South:	Parking followed by small dialysis center and medical office building located along Keslinger Road
East:	Main Hospital Building & 302 Delnor MOB
West:	Parking

The adjacent properties are all located on the hospital campus. The adjacent land used outside of the hospital campus is summarized as follows:

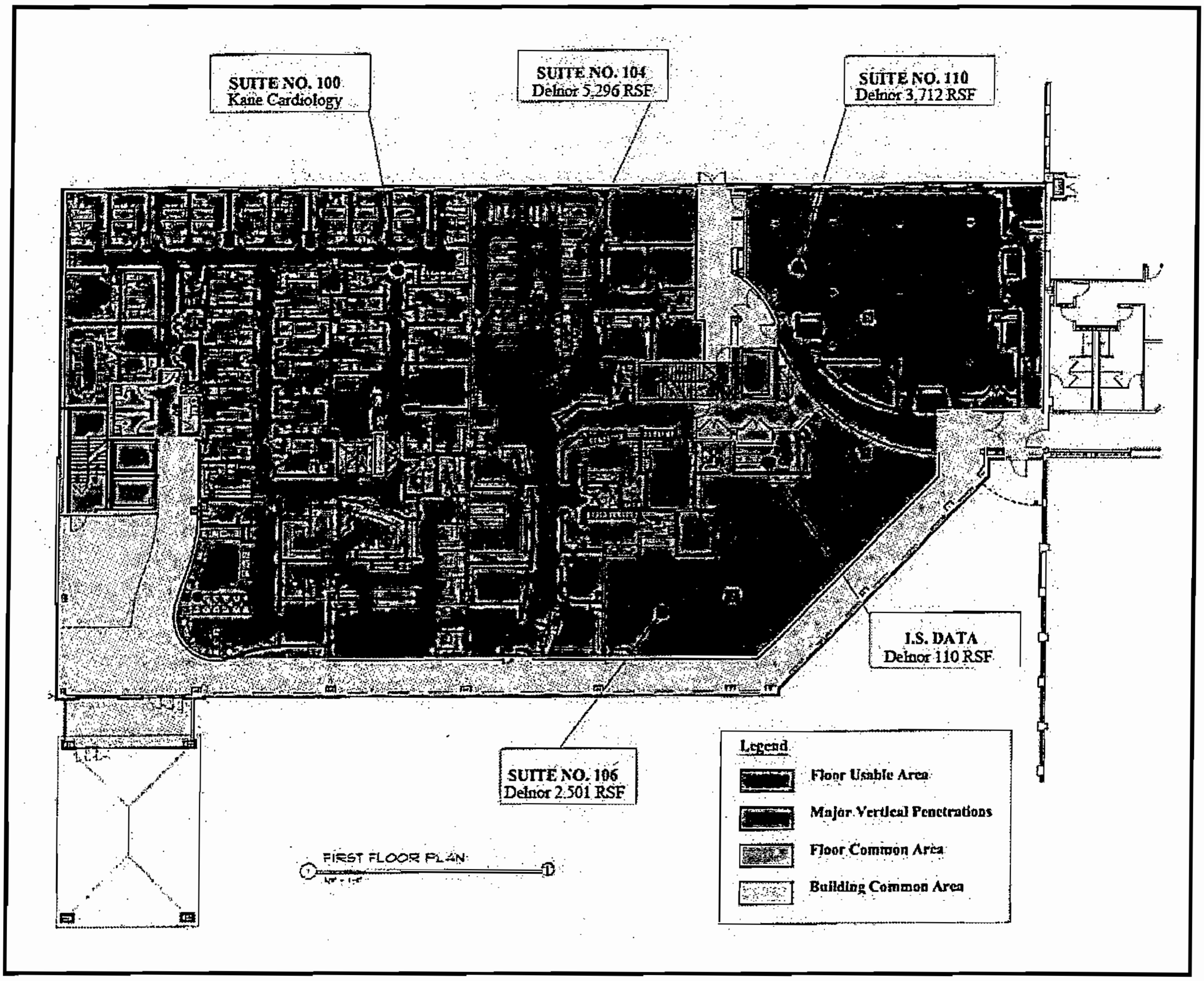
North:	Geneva Commons Retail
South:	Small Office & Industrial
East:	Randall Road followed by Single Family Residential
West:	Single Family Residential

CONCLUSION

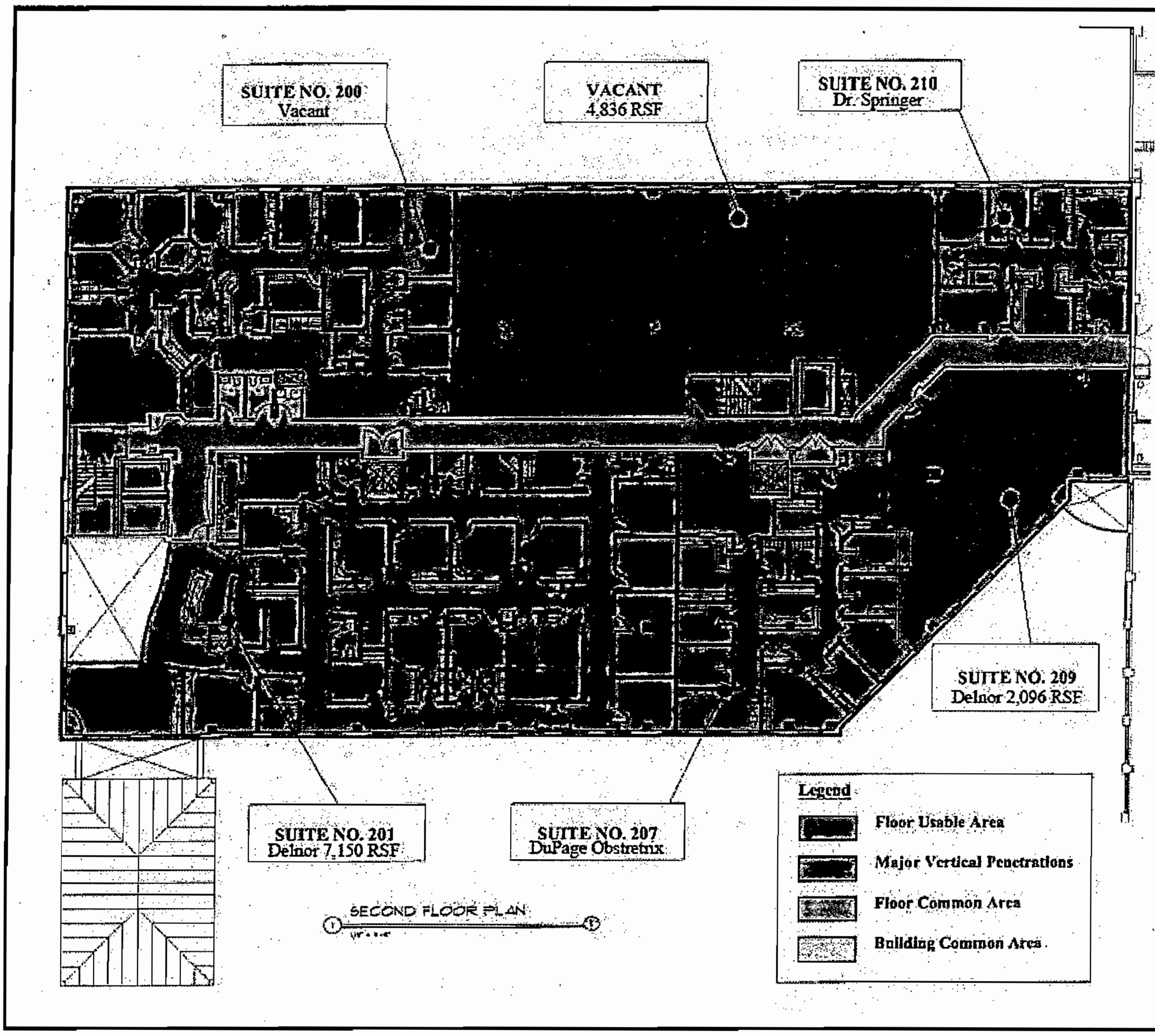
The site is well located to support the growing population of the Geneva area and afforded good access and visibility from roadway frontage directly on the Delnor Hospital campus. The subject site also benefits from the high traffic counts along Randall Road. There are no known detrimental uses in the immediate vicinity. Overall, there are no known physical factors which are considered to prevent the site from development to its highest and best use, as if vacant, or adverse to the existing use of the site.

CBRE

IMPROVEMENTS LAYOUT – 1ST FLOOR

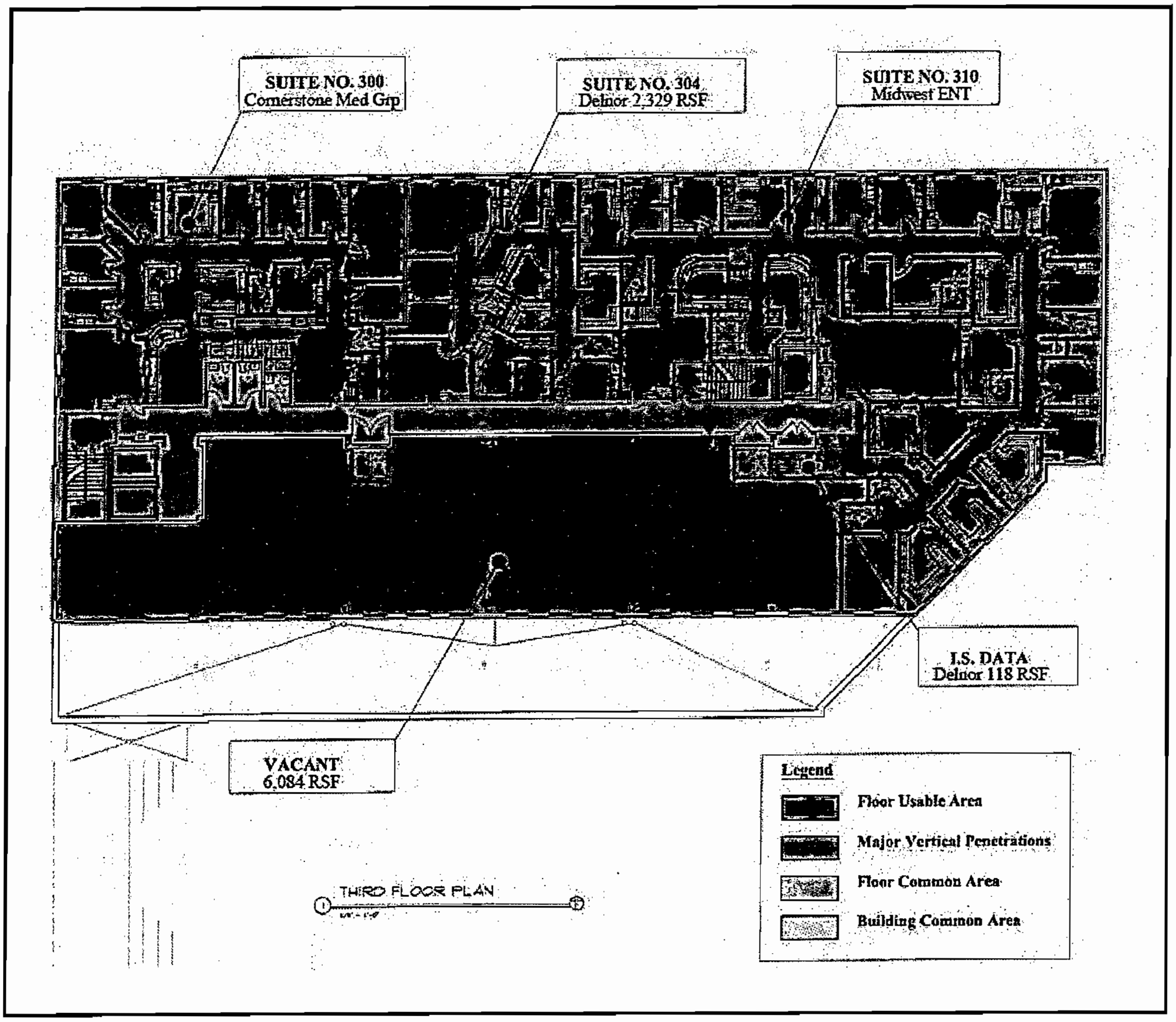


IMPROVEMENTS LAYOUT – 2ND FLOOR



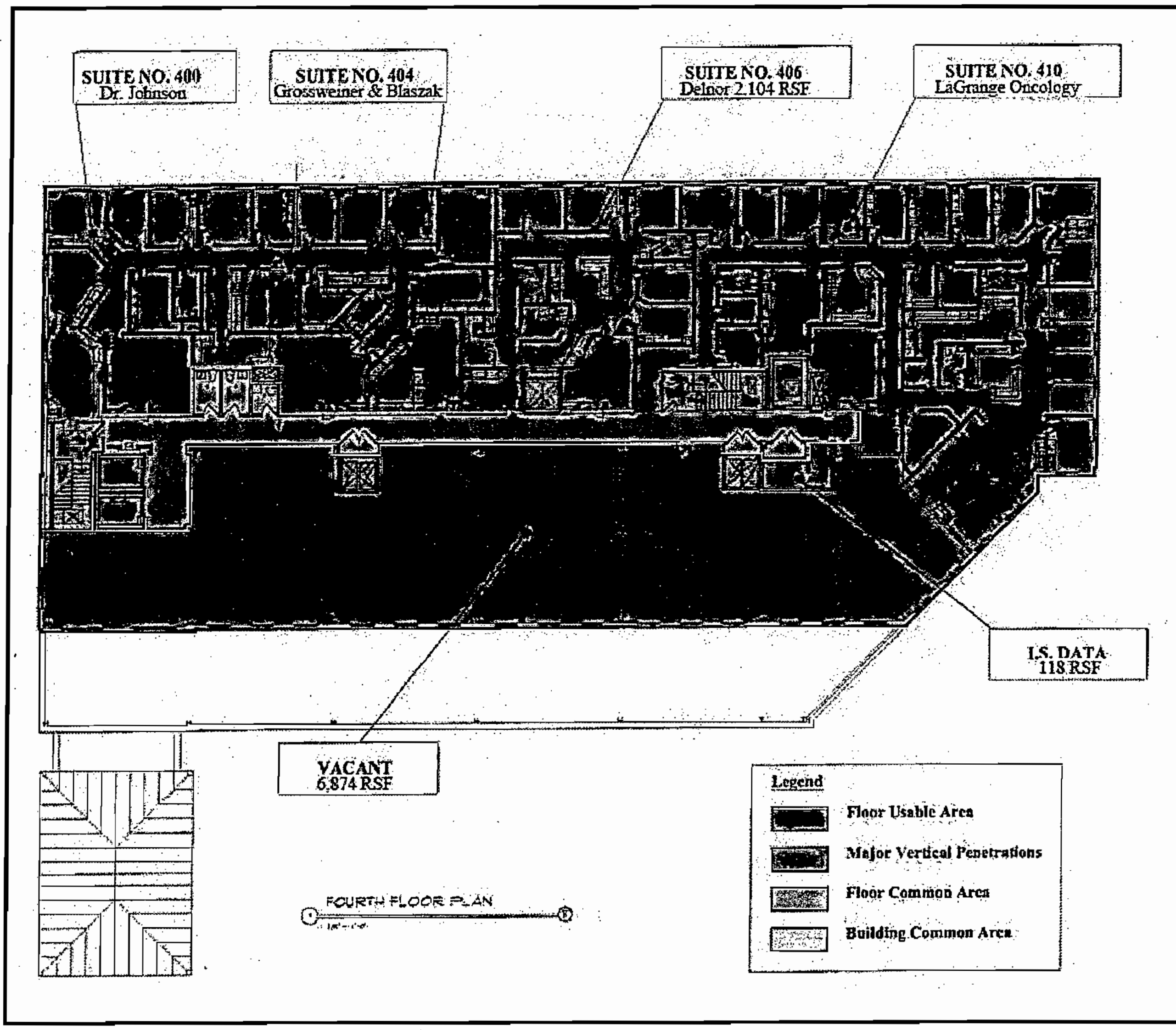
CBRE

IMPROVEMENTS LAYOUT – 3RD FLOOR



CBRE

IMPROVEMENTS LAYOUT – 4TH FLOOR



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IMPROVEMENTS ANALYSIS

The following chart shows a summary of the improvements.

IMPROVEMENTS SUMMARY		
Property Type	Office	(Medical/Dental)
Number of Buildings	1	
Number of Stories	4	
Year Built	2006	
Net Rentable Area	80,890 SF	
Area Breakdown by Market Rent Categories		
Medical Office	80,890 SF	
Major Tenants		
Delnor-Community Hospital	29,580 SF	
Source: Various sources compiled by CBRE		

The 351 Delnor improvements contain a total of 103,490 net rentable square feet over its four stories plus basement. The basement was sold off as a condominium unit to Delnor Hospital with 22,600 square feet leaving the subject with floors one through four and 80,890 net rentable square feet. Currently, the property is 83.7% leased and is considered to be in good overall condition.

The subject was constructed in 2006. There is currently 13,230 square feet of non-leased space available.

BUILDING AREA

Please refer to the Resource Verification table in the Scope of Work for the source of the building area size. The following is a description of the subject improvements and basic construction features derived from CBRE, Inc.'s inspection.

YEAR BUILT

The subject was built in 2006.

CONSTRUCTION CLASS

Building construction class is as follows:

> A - Fireproofed structural steel frames with reinforced concrete or masonry floors and roofs

The construction components are assumed to be in working condition and adequate for the building.

The overall quality of the facility is considered to be average for the neighborhood and age. However, CBRE, Inc. is not qualified to determine structural integrity and it is recommended that the

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client/reader retain the services of a qualified, independent engineer or contractor to determine the structural integrity of the improvements prior to making a business decision.

FOUNDATION/FLOOR STRUCTURE

The foundation is assumed to be of adequate load-bearing capacity to support the improvements. The floor structure is summarized as follows:

Ground Floor:	Concrete slab on compacted fill
Other Floors:	Metal deck with light-weight concrete cover

EXTERIOR WALLS

The exterior wall structure is a combination of concrete blocks, tilt-up concrete panels, and brick.

ROOF COVER

The building has a combination of a pitched metal roof and flat built-up composition roof.

INTERIOR FINISHES - OFFICE AREAS

The typical interior office finish of the property is summarized as follows:

Floor Coverings:	Commercial grade short loop carpeting over concrete, granite tile, vinyl flooring, and wood acrylic.
Walls:	Wallpapered and painted sheetrock.
Ceilings:	Combination painted sheetrock and suspended acoustical tile.
Lighting:	Standard commercial fluorescent fixtures.
Summary:	The interior office areas are typical building standard office finish, and are commensurate with competitors in the area. The occupied space office finish is in good condition, while vacant spaces will likely require some tenant retrofit prior to occupancy.

INTERIOR FINISHES – COMMON AREAS

The interior common area finish of the property is summarized as follows:

Floor Coverings:	Polished granite in the ground floor lobby and commercial grade short loop carpeting over concrete in the upper level

	corridors.
Walls:	Painted sheetrock.
Ceilings:	Combination painted sheetrock and suspended acoustical tile.
Lighting:	Standard commercial fluorescent and recessed incandescent fixtures.
Summary:	The interior common areas are attractive and appear to be in average condition. The subject's common areas are commensurate with competitors in the area.

ELEVATOR/STAIR SYSTEM

Two sets of interior stairwells located at eastern and western ends of the building provide access to the basement and upper stories. The building also includes three elevators dedicated to passenger service.

HVAC

The HVAC system is assumed to be in good working order and adequate for the building.

ELECTRICAL

The electrical system is assumed to be in good working order and adequate for the building.

PLUMBING

The plumbing system is assumed to be in good working order and adequate for the building.

PUBLIC RESTROOMS

The public restrooms appear to be standard builder's grade with sinks, individual stalls and a basic finish-out with ceramic tile floors, painted drywall, drop acoustical tile ceiling and overhead fluorescent lighting. They are regarded adequate for the property and are assumed built to local code.

FIRE PROTECTION

The subject is 100% sprinklered via an automated fire suppression system. It is assumed the improvements have adequate fire alarm systems, fire exits, fire extinguishers, fire escapes and/or other fire protection measures to meet local fire marshal requirements. CBRE, Inc. is not qualified to determine adequate levels of safety & fire protection, whereby it is recommended that the client/reader review available permits, etc. prior to making a business decision.

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PARKING AND DRIVES

The subject has the right of use of the hospital campus drives and parking spaces via the ground lease. The hospital campus features an adequate number of surface parking spaces, including reserved handicapped spaces. All parking spaces and vehicle drives are asphalt paved and considered to be in average condition.

LANDSCAPING

Landscaping is considered to be in average condition and well maintained.

FUNCTIONAL UTILITY

The overall layout of the property is considered functional in utility. The typical floor plate is 26,900 square feet, which is commensurate with the market and is typically adequate to meet existing and prospective tenant space requirements.

ADA COMPLIANCE

All common areas of the property appear to have handicap accessibility. The client/reader's attention is directed to the specific limiting conditions regarding ADA compliance.

FURNITURE, FIXTURES AND EQUIPMENT

Any personal property items contained in the property are not considered to contribute significantly to the overall value of the real estate.

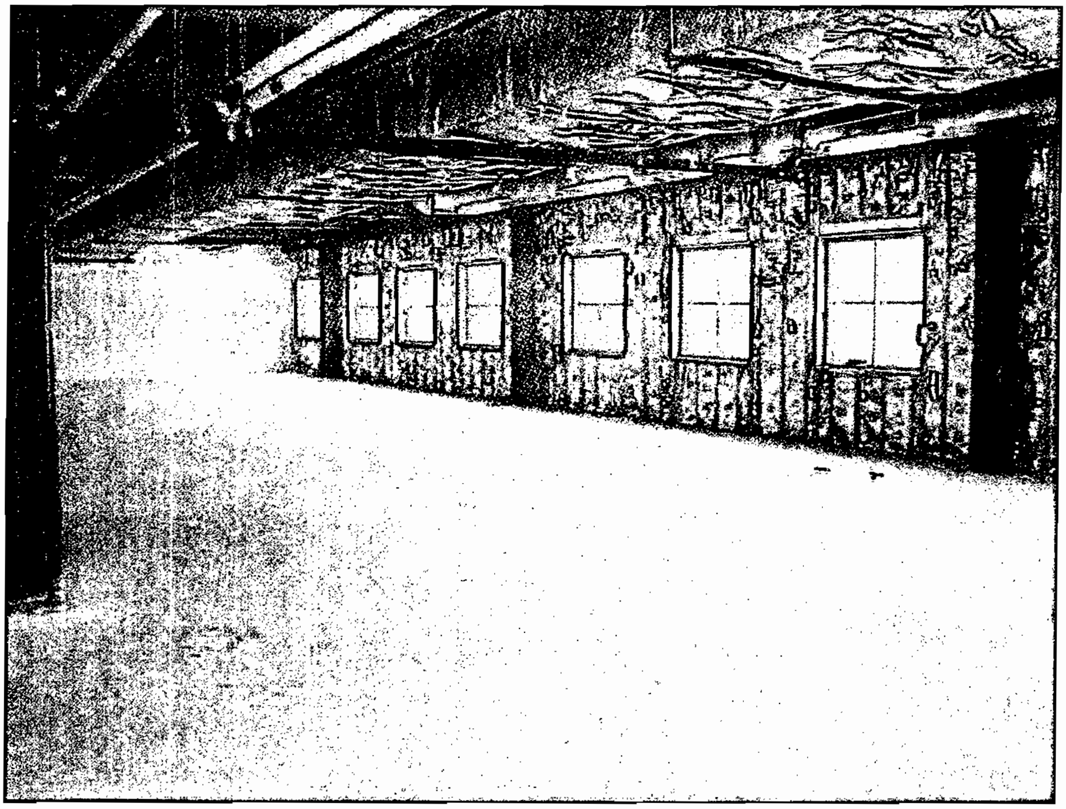
ENVIRONMENTAL ISSUES

CBRE, Inc. is not qualified to detect the existence of any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation, or other potentially hazardous construction materials on or in the improvements. The existence of such substances may affect the value of the property. For the purpose of this assignment, we have specifically assumed that any hazardous materials that would cause a loss in value do not affect the subject.

ANALYSIS OF SHELL SPACE

The subject has 13,320 square feet of vacant shell space. This space will require, floor coverings, interior partitions and wall coverings, ceiling grid, electrical wiring and lighting, and HVAC ductwork prior to occupancy. According to the Delnor lease that was provided, tenant improvement costs to be paid by the landlord are $62.00 per square foot.

A photo of shell space is displayed below.



DEFERRED MAINTENANCE

Our observation of the property indicated no significant items of deferred maintenance. Additionally, no items of deferred maintenance were made apparent to us during the course of the appraisal.

ECONOMIC AGE AND LIFE

CBRE, Inc.'s estimate of the subject improvements effective age and remaining economic life is depicted in the following chart:

ECONOMIC AGE AND LIFE	
Actual Age	7 Years
Effective Age	5 Years
MVS Expected Life	50 Years
Remaining Economic Life	45 Years
Accrued Physical Incurable Depreciation	10.0%
Compiled by CBRE	

The overall life expectancy is based upon our on-site observations and a comparative analysis of typical life expectancies reported for buildings of similar construction as published by Marshall and Swift, LLC, in the Marshall Valuation Service cost guide. While CBRE, Inc. did not observe anything to suggest a different economic life, a capital improvement program could extend the life expectancy.

CONCLUSION

The improvements are considered to be in good overall condition and are considered to be typical for the age and location in regard to improvement design and layout, as well as interior and exterior amenities. Overall, there are no known factors that could be considered to adversely impact the marketability of the improvements.

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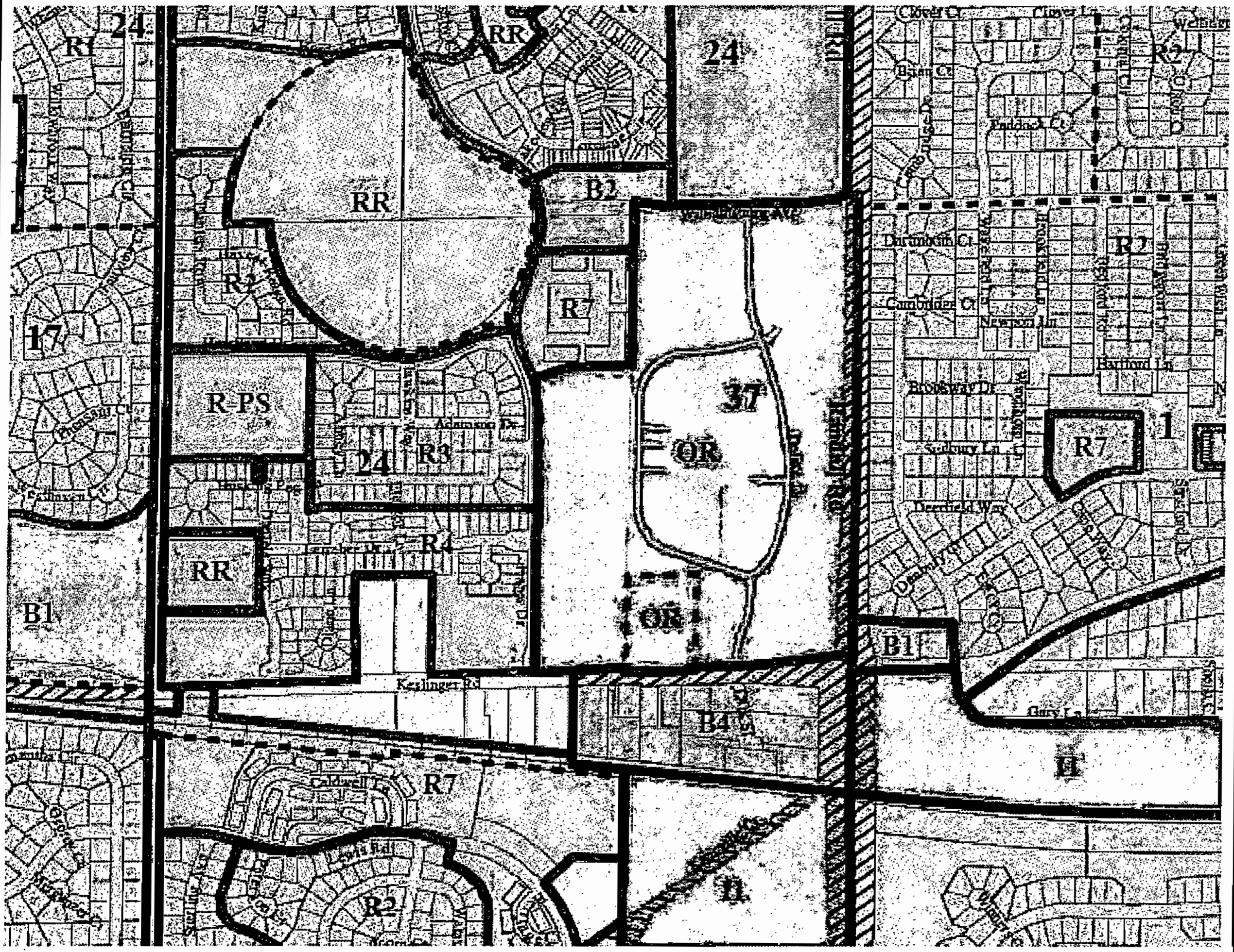
ZONING MAP



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ZONING

The following chart summarizes the subject's zoning requirements.

ZONING SUMMARY	
Current Zoning	OR-Office Research, Planned Unit Development, Ordinance Code 2003-33 Delnor Comm. Hospital & Restatements
Legally Conforming	Yes
Description	Office Research and Industrial Planned Unit Development: To promote the establishment of research and industrial parks, to permit groups of industrial buildings with integrated design and a coordinated physical plan, to encourage recreational facilities within industrial areas and to buffer adjacent residential areas with landscaped green spaces. To this extent office research and industrial planned unit developments will seek "campus like" settings for employment and manufacturing and uses which meet basic recreation and service needs.
Zoning Change	Not likely

Source: City of Geneva Planning & Zoning Dept.

ANALYSIS AND CONCLUSION

The improvements represent a legally-conforming use and, if damaged, may be restored without special permit application. Additional information may be obtained from the appropriate governmental authority.

TAX AND ASSESSMENT DATA

The subject property is located in Kane County and assessed by the Geneva Township Assessor. Real property within the county is assessed by one of several county township assessors' offices, which are supervised by Kane County and the State of Illinois Supervisor of Assessments. Real property is valued annually and assessed at 33.33% of the Assessor's estimated market value. Real estate taxes are paid one year in arrears, and in two installments.

The following summarizes the local assessor's estimate of the subject's market value, assessed value, and taxes, and does not include any furniture, fixtures or equipment.

AD VALOREM TAX INFORMATION

Assessor's Market Value	2010 Pay 2011	2011 Pay 2012	2012 Pay 2013	Pro Forma
12-05-476-024	$17,603,274	$15,306,939	$9,582,579	
Subtotal	$17,603,274	$15,306,939	$9,582,579	
Assessed Value @	33%	33%	33%	
	$5,867,758	$5,102,313	$3,194,193	
General Tax Rate (per $100 A.V.)	7.091959	8.390711	8.928344	
Total Taxes	**$416,139**	**$428,120**	**$285,189**	**$293,744**
Per SF	**$5.14**	**$5.29**	**$3.53**	**$3.63**

Source: Assessor's Office

According to the Kane County Treasurer's office, there are no delinquent property taxes encumbering the subject. For purposes of this analysis the taxes were allocated to the individual buildings on a pro rata basis.

A sale of a property does not necessarily trigger a reassessment and assessments are not typically at market levels. However, the assessor may consider a sale when determining the assessed value although the assessment levels of comparable properties typically sets the assessment range. In the case a sale does trigger a reassessment, upon tax appeal the assessment is usually dropped if it is above comparable properties in the taxing district.

The Kane County Assessor will consider all three approaches to value: cost, income and market plus the property's occupancy level. They normally do not chase sales, but should apply uniform valuation factors on all properties that are similar to the subject property in age, size, condition, and location.

Based on the foregoing, the total taxes for the subject have been estimated as $293,744 for the base year of our analysis. This is commensurate with the current and historical amounts and is considered a realistic scenario.

For purposes of this analysis, CBRE, Inc. assumes that all taxes are current.

TAX COMPARABLES

As a crosscheck to the subject's applicable real estate taxes, CBRE, Inc. has reviewed the real estate tax information according to Kane County for comparable properties in the market area. The following table summarizes the comparables employed for this analysis:

AD VALOREM TAX COMPARABLES

Comparable Rental	Chicago MSA MOB	Chicago MSA MOB	Chicago MSA MOB	Subject
Year Built	2003	1998	2006	2006
NRA (SF)	29,295	53,212	34,113	80,890
Tax Year	2011	2011	2011	2013
Total Taxes	$87,595	$179,857	$130,550	$285,189
Per SF (NRA)	$2.99	$3.38	$3.83	$3.53

Source: Assessor's Office

CONCLUSION

Based on the foregoing information, the subject's estimated pro forma taxes are considered reasonable and well supported by both its historical trend and by the comparable properties shown.

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HIGHEST AND BEST USE

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- legally permissible;
- physically possible;
- financially feasible; and
- maximally productive.

The highest and best use analysis of the subject is discussed on the following pages.

AS VACANT

Legally Permissible

The legally permissible uses were discussed in the Site Analysis and Zoning Sections.

Physically Possible

The subject is adequately served by utilities, and has an adequate shape and size, sufficient access, etc., to be a separately developable site. There are no known physical reasons why the subject site would not support any legally probable development (i.e. it appears adequate for development).

Existing structures on similar sites provides additional evidence for the physical possibility of development.

Financially Feasible

New office projects have not been developed in this market due to economic conditions. Specifically, there are proposed developments which are no longer moving forward due to inadequate construction financing and market conditions (increasing vacancy, declining effective rental rates, higher cap rates, etc.). Overall, there is significant risk in the office market and most investors would not move forward with new construction at this time.

Maximally Productive

The final test of highest and best use of the site as if vacant is that the use be maximally productive, yielding the highest return to the land. In the case of the subject as if vacant, the analysis has indicated that a new office project would be most appropriate.

CONCLUSION: HIGHEST AND BEST USE AS VACANT

As noted, new development is not financially feasible at this time. Therefore, the highest and best use of the site, as vacant, would be to hold for future office development when economic conditions improve.

AS IMPROVED

Legally Permissible

The site has been improved with an office development that is a legal, conforming use.

Physically Possible

The layout and positioning of the improvements are considered functional for office use. While it would be physically possible for a wide variety of uses, based on the legal restrictions and the design of the improvements, the continued use of the property for office users would be the most functional use.

Financially Feasible

The financial feasibility of an office property is based on the amount of rent which can be generated, less operating expenses required to generate that income; if a residual amount exists, then the land is being put to a productive use. Based upon the income capitalization approach conclusion, the subject is producing a positive net cash flow and continued utilization of the improvements for office purposes is considered financially feasible.

Maximally Productive

The maximally profitable use of the subject as improved should conform to neighborhood trends and be consistent with existing land uses. Although several uses may generate sufficient revenue to satisfy the required rate of return on investment and provide a return on the land, the single use that produces the highest price or value is typically the highest and best use. As shown in the applicable valuation sections, buildings that are similar to the subject have been acquired or continue to be used by office owners/tenants. None of the comparable buildings have been acquired for conversion to an alternative use. These comparables would indicate that the maximally productive use of the property is consistent with the existing use as an office property.

CONCLUSION: HIGHEST AND BEST USE AS IMPROVED

Based on the foregoing, the highest and best use of the property, as improved, is consistent with the existing use as an office development.

CBRE

APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

COST APPROACH

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

SALES COMPARISON APPROACH

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

INCOME CAPITALIZATION APPROACH

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

METHODOLOGY APPLICABLE TO THE SUBJECT

In valuing the subject properties, only the sales comparison approach and income capitalization approach (direct capitalization and discounted cash flow) are applicable and have been used. Again, based on our analysis of the subject area, market participants are generally not buying, selling, investing, or lending with reliance placed on the methodology of the cost approach to establish the value. Furthermore, the cost approach is not deemed to render a reliable indication of value due to the imprecise nature of estimating the accrued physical depreciation and external obsolescence affecting the improvements. The replacement costs are estimated with the Insurable Value estimates discussed subsequently.

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INSURABLE VALUE

Insurable value is defined as follows:

1. the value of an asset or asset group that is covered by an insurance policy; can be estimated by deducting costs of noninsurable items (e.g., land value) from market value.
2. value used by insurance companies as the basis for insurance. Often considered to be replacement or reproduction cost plus allowances for debris removal or demolition less deterioration and noninsurable items. Sometimes cash value or market value, but often entirely a cost concept. [5]
3. a type of value for insurance purposes. [6]

CBRE, Inc. has followed traditional appraisal standards to develop a reasonable calculation based upon industry practices and industry-accepted publications such as the Marshall Valuation Service. The methodology employed is a derivation of the cost approach and is not reliable for insurable value estimates. Actual construction costs and related estimates can vary greatly from this estimate.

The insurable value estimate presented herein is intended to reflect the value of the destructible portions of the subject, based on the replacement of physical items that are subject to loss from hazards (excluding indestructible items such as basement excavation, foundation, site work, land value and indirect costs). In the case of the subject, this estimate is based upon the base building costs (direct costs) as obtained via the Marshall Valuation Service handbook, with appropriate deductions.

This analysis should not be relied upon to determine proper insurance coverage as only consultants considered experts in cost estimation and insurance underwriting are qualified to provide an insurable value. It is provided to aid the client/reader/user as part of their overall decision making process and no representations or warranties are made by CBRE, Inc. regarding the accuracy of this estimate and it is strongly recommended that other sources be utilized to develop any estimate of insurable value.

[5] Marshall & Swift/Boeckh, LLC, *Marshall Valuation Service*, (Los Angeles: Marshall & Swift/Boeckh, LLC, 2010), Sec 3, p 2.

[6] Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010), 102.

INSURABLE VALUE CONCLUSION

Primary Building Type:	Office	Height per Story:	9'-12'
Effective Age:	5 YRS	Number of Buildings:	1
Condition:	Good	Gross Building Area:	107,718 SF
Exterior Wall:	Brick and Concrete	Net Rentable Area:	80,890 SF
Number of Stories:	4	Average Floor Area:	26,930 SF

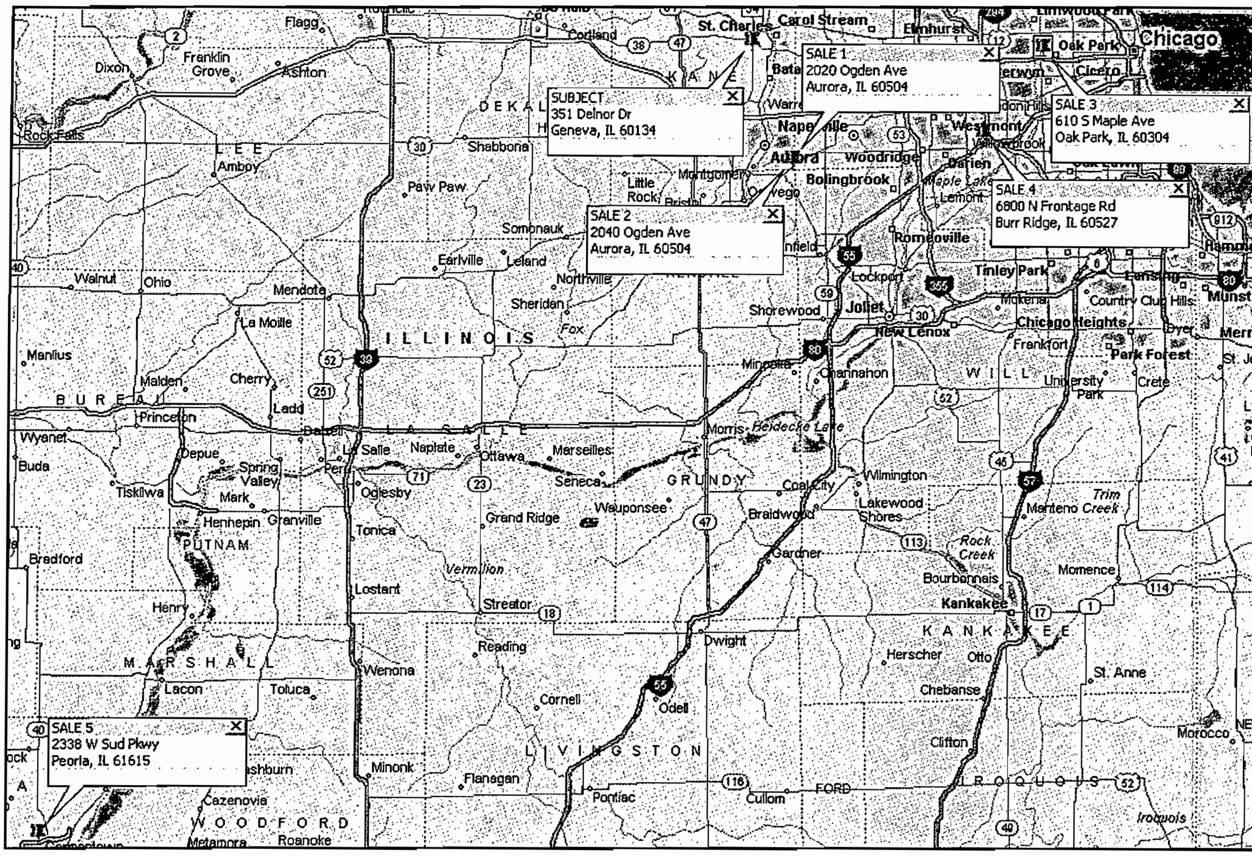
MVS Sec/Page	15/17
Quality/Bldg. Class	Average/A
Building Component	Medical Office
Component Sq. Ft.	80,890 SF
Base Square Foot Cost	$145.12
Square Foot Refinements	
Heating and Cooling	
Sprinklers	$1.50
Subtotal	$146.62
Height and Size Refinements	
Number of Stories Multiplier	1.01
Height per Story Multiplier	1.00
Floor Area Multiplier	1.00
Subtotal	$147.35
Cost Multipliers	
Current Cost Multiplier	1.00
Local Multiplier	1.25
Final Square Foot Cost	**$184.19**
Base Component Cost	**$14,899,240**

Base Building Cost	*(via Marshall Valuation Service cost data)*	$14,899,240
Insurable Value Exclusions	10.0% of Total Building Cost	($1,489,924)
Insurable Value Indication		$13,409,316
Rounded		$13,410,000
Value Per SF		$165.78

Compiled by CBRE

SALES COMPARISON APPROACH

The following map and table summarize the comparable data used in the valuation of the subject. A detailed description of each transaction is included in the addenda.



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SUMMARY OF COMPARABLE OFFICE SALES

No.	Name	Transaction Type	Transaction Date	Year Built	NRA (SF)	Actual Sale Price	Adjusted Sale Price [1]	Price Per SF [1]	Occ.	NOI Per SF	OAR
1	Rush Copley Medical Center - POB I, Aurora, IL	Sale	Dec-12	2009	79,344	$25,800,000	$25,800,000	$325.17	100%	$26.01	8.00%
2	Rush Copley Medical Center - POB II,	Sale	Dec-12	2009	80,744	$25,600,000	$25,600,000	$317.05	82%	$21.88	6.90%
3	Rush Medical , Oak Park, IL	Sale	Sep-12	2000	139,200	$54,000,000	$54,000,000	$387.93	100%	$31.86	8.21%
4	Loyola University Medical Center, Burr Ridge, IL	Sale	Jan-12	2010	104,912	$47,750,000	$47,750,000	$455.14	68%	$30.21	6.64%
5	Methodist North Medical Center, Peoria, IL	Sale	Dec-11	2009	73,303	$24,600,000	$24,600,000	$335.59	100%	$23.52	7.01%
Subj. Pro Forma	351 Delnor Medical Office Building, Geneva, IL	---	---	2006	80,890	---	---	---	90%	$20.45	---

[1] Transaction amount adjusted for cash equivalency and/or deferred maintenance (where applicable)

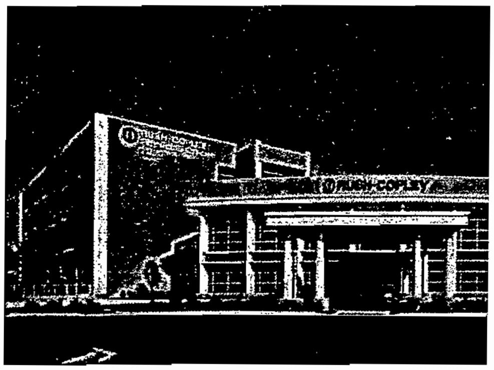
Compiled by CBRE

The comparable sales utilized represent the best data available for similar improvements sold recently in the area. They were selected from our research within the market area with a focus on properties in or in close proximity to the subject's submarket. Special consideration was also given to the comparable sales that exhibited more recent transaction dates.

The properties selected were completed between 2000 and 2010 while the subject was completed in 2006. The rentable area for the comparables averages 95,501 square feet with a range from 73,303 to 139,200 square feet while the subject contains a total of 80,890 square feet of rentable area. The following paragraphs provide a more detailed analysis/discussion of the comparable sales. Additional information regarding the comparable sales transaction can be found in the addenda of this report.

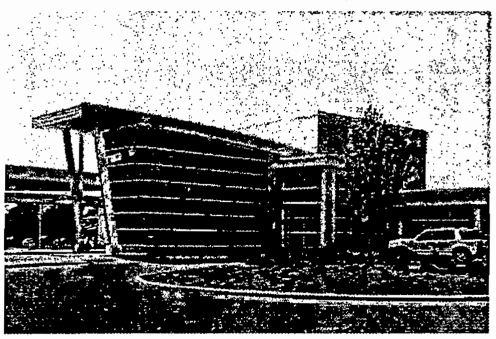
DISCUSSION/ANALYSIS OF IMPROVED SALES

Improved Sale One



This comparable represents a 79,344 square foot medical office building located in Aurora, Kane County, Illinois. Also known as Rush-Copley POB I, the property is situated on a 4.9-acre site at 2020 Ogden Avenue at the 98-acre Rush-Copley Medical Center campus. Rush-Copley Medical Center approximately 4-miles West of the intersection of Ogden Ave (Rt.34) and Rt. 59, or about 1 mile East of the intersection of Ogden Ave (Rt. 34) and Rt. 30. The property was completed in 2009 and is considered to be in excellent condition. In December 2012 American Realty Capital Healthcare Trust purchased the building (along with the adjoining sister building POB II) for consideration of $25,800,000; or approximately $325 per square foot. The property was fully leased at the time of the sale, Rush Copley was reported to be occupying approximately 96% of the total rentable area in the building. The remaining space is occupied by three smaller tenants. According to a source deemed reliable the transaction represents a sale-leaseback. Reportedly the seller wanted to monetize the asset and utilize the funds to pursue other real estate ventures. The indicated capitalization rate on the transaction was 8.0% based on income in place.

Improved Sale Two



This comparable represents an 80,744 square foot medical office building located in Aurora, Kane County, Illinois. Also known as Rush-Copley POB II, the property is situated atop a pad site ground lease at 2040 Ogden Avenue on the 98-acre Rush-Copley Medical Center campus. Rush-Copley Medical Center approximately 4-miles West of the intersection of Ogden Ave (Rt.34) and Rt. 59, or about 1 mile East of the intersection of Ogden Ave (Rt. 34) and Rt. 30. The property was completed in 2009 and is considered to be in excellent condition. The tenants cover several healthcare related service lines or treatment specialties and include a pharmacy which services the campus and physicians with specialties in oncology, neuroscience, vascular surgery, radiology, and joint reconstruction and replacement.

In December 2012 the leasehold interest in the property was sold to American Realty Capital Healthcare Trust, Inc. for consideration of $25,600,000, or approximately $317 per square foot. At the time of sale the property was 82% leased to three tenants, pursuant to nine leases. The three tenants include Rush-Copley Medical Center (Copley Memorial Hospital, Inc. and Rush-Copley

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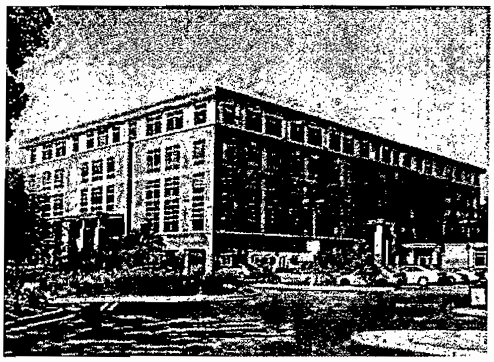
Medical Group, NFP), Walgreen Company and Dreyer Clinic, Inc. The leases are all triple net and based on the purchasers financial publication, the effective average in place rent at the property is $24.66 per square foot. The capitalization rate indicated based on the information provided to the SEC pertaining to the transaction was 6.9%.

Improved Sale Three

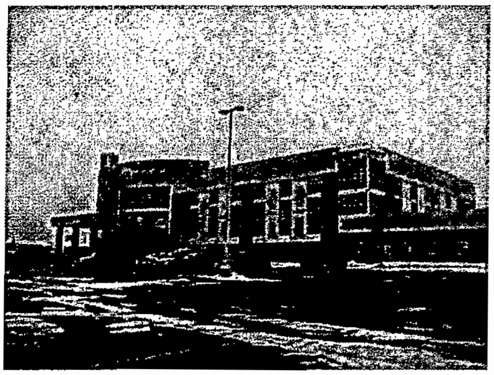


This comparable represents a 139,200 square foot medical office building situated on a 2.0-acre site located at 610 S. Maple Street in Oak Park, Cook County, Illinois. The property was developed in 2000 and is situated next to and physically connected to Rush-Presbyterian-St. Luke's Hospital. The property is fully master-leased to Rush-Presbyterian for a 19-year term. The lease commenced in December 2000 at a net base rent of $23.65 per square foot and will expire in December 2019. Base rent for this lease includes a 2.75% annual escalation. In September 2012, Healthcare Trust of America purchased the property for consideration of $54,000,000 or approximately $388 per square foot. Note that the transaction represents the execution of an existing purchase offer for the property. Based on in place income at the time of sale, the capitalization rate on the sale is 8.21%.

Improved Sale Four

This comparable is a 104,912-square foot medical office facility located at 6800 Frontage Road in Burr Ridge, Cook County Illinois. The improvements were constructed in 2010 and are situated on a 6.92-acre site. The property is 65.9% occupied by Loyola University Medical Center and is considered to be in new/excellent overall condition. Loyola had previously agreed to pre-lease the first two floors (69,140 square feet or 65.9% of the subject) prior to construction started on the subject in early 2010 for a 20 year term on a NNN basis (this lease commenced on February 1, 2011). Subsequently, Loyola decided to amend the lease to include 100% of the subject's space. Ownership built out an additional 10,727 square feet on the third floor in 2011. The amended lease calls for Loyola to start paying rent on July 1, 2011 for this expansion space which would then increase the occupancy to 76.1%. Loyola then has the right to request that ownership build-out all or any portion of the remaining premises in excess of 2,500 rentable square feet at a time. Effective as of July 1, 2014, Loyola shall be responsible for the payment of rent associated with the remaining expansion premises regardless of whether Loyola has delivered an expansion notice for all or any part thereof or has occupancy of any portion thereof, which rent shall be assessed at the then current base rent rate for the original premises ($26.50 NNN with $0.50 annual bumps for 20 year term). The property sold in January 2012 for $47,750,000 or $455.14 per square foot.

Improved Sale Five



This comparable is a 73,284-square foot medical office facility located at 2338 West Sud Parkway in Peoria, Peoria County Illinois. The improvements were constructed in 2009 and are situated on a 5.96-acre site. Currently, the property is 100.0% NNN leased for a 15 year term effective January 1, 2010 and occupied by Methodist Services, Inc. (a credit tenant according to Moody's) and is considered to be in new/good overall condition. The first floor is primarily built-out as a diagnostic imaging department, conference facility, and pharmacy. The second floor houses an approximately 20,000 square foot pediatrics practice, an administrative/management office, and approximate 1,800 square foot shell suite for future physician expansion. The third floor houses a 13,300 square foot family medicine practice, a 3,500 square foot physical therapy suite, and two shell physician expansion suites. Per the first amendment to the first floor lease dated August 13, 2009, the tenant elected to increase the tenant improvement allowance from $50.00 per usable square foot to $100.00 per usable square foot for the imaging department (18,949 usable square feet). The tenant elected to also increase the tenant improvement allowance from $50.00 per usable square foot to $70.00 per usable square foot for the conference facility and pharmacy spaces (6,950 usable square feet). The additional improvement allowance shall be amortized over the initial term of the lease at a rate of 10% per annum and shall be payable by tenant in equal monthly payments of principal and interest. This TI allowance has been added to the base rent to conclude to the preceding contract rent to total $26.74 per square foot. The base rent plus the TI allocation increases 2% annually for the remainder of the lease term.

Per the first amendment to the second and third floor lease dated August 13, 2009, the tenant elected to increase the tenant improvement allowance from $50.00 per usable square foot to $70.05 per usable square foot. The additional improvement allowance shall be amortized over the initial term of the lease at a rate of 10% per annum and shall be payable by tenant in equal monthly payments of principal and interest. This TI allowance has been added to the base rent to conclude to the preceding contract rent to total $20.83 per square foot. The base rent plus the TI allocation increases 2% annually for the remainder of the lease term.

The property is under a ground lease with Methodist for a term of 50-years with two 25-year extension options. The ground rent is $13,000 annually, with 2.0% annual escalations. This is a pass through expense to the tenant under the terms of their triple net lease. The subject sold to ARC Healthcare in December 2011 for $24,600,000 or $335.59 per square foot. Based on NOI of $23.532 PSF, an OAR of 7.01% is implied.

NET INCOME MULTIPLIER ANALYSIS

While price levels on a per square foot basis implicitly contain both the physical and economic factors affecting the real estate, these statistics do not explicitly convey many of the details surrounding a specific property. Thus, this single index to the valuation of the subject property has somewhat limited direct application in this case. Therefore, any analysis based upon the traditional physical, locational, design and layout differences is not inclusive of all potentially significant variables.

Given the preceding considerations, we have not adjusted each improved sale to the subject property in order to account for specific physical and locational characteristics. Rather, we have extracted a significant unit of comparison from the improved sales after analyzing each comparable property and then have applied the appropriate unit of comparison to the subject property. In this case, we have identified a relationship between the net operating income and the sales price of the property i.e. the higher the net operating income per square foot generally corresponds to a higher sales price per square foot.

The equation for the net income multiplier (NIM), which is the inverse of the equation for the capitalization rate (OAR), is calculated as follows:

NIM = Sales Price/Net Operating Income

The range of net income multipliers and going-in capitalization rates exhibited by the net leased sales are summarized on the following table.

NET INCOME MULTIPLIER
OFFICE SALES

Sale No.	Price Per SF	/	NOI Per Square Foot	=	Net Income Multiplier
1	$325.17	/	$26.01	=	12.50
2	$317.05	/	$21.88	=	14.49
3	$387.93	/	$31.86	=	12.18
4	$455.14	/	$30.21	=	15.07
5	$335.59	/	$23.52	=	14.27
Low	**$317.05**		**$21.88**		**12.18**
Mean	**$364.18**		**$26.70**		**13.70**
High	**$455.14**		**$31.86**		**15.07**

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Valuation of the subject property utilizing the net income multipliers (NIM) from the comparable properties accounts for the disparity of the net operating incomes ($NOI's) per square foot between the comparables and the subject. Within this technique, each of the adjusted NIM's are multiplied by

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the $NOI per square foot of the subject, which produces an adjusted value indication for the subject. The net operating income per square foot for the subject property is typically calculated as the first year of the holding period. The subject's stabilized income (derived in the Direct Capitalization Analysis) is estimated at $20.45 per square foot. Details of this analysis can be found in the Income Capitalization Approach section.

NET INCOME MULTIPLER ANALYSIS

Sale No.	Subject NOI Per SF	x	Net Income Multiplier	=	Indicated Price PSF
1	$20.45	x	12.50	=	$255.62
2	$20.45	x	14.49	=	$296.28
3	$20.45	x	12.18	=	$248.96
4	$20.45	x	15.07	=	$308.05
5	$20.45	x	14.27	=	$291.74
Low			**12.18**		**$248.96**
Mean			**13.70**		**$280.13**
High			**15.07**		**$308.05**

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The indicated adjusted market range for the subject property is $248.96 to $308.05 per square foot of rentable area, with the mid-aspect of the market range at $280.13 per square foot of rentable area.

COST TO ACHIEVE STABILIZED OPERATIONS

The subject is an 80,890 square foot, medical office development. It is currently 83.7% occupied. We have estimated a 90% stabilized occupancy for the subject.

While the total vacant space at the subject is 13,320 square feet, the vacant space required to be leased up to 90% stabilized occupancy is 5,141 square feet. We have assumed a total lease up down time of 12 months. The following table summarizes total lease-up discount.

LEASE-UP SUMMARY		
Area To Be Leased To Obtain Stabilized Occupancy (90%)		5,141 SF
Rent Loss from Downtime	5,141 SF x $25 PSF	$128,525
Operating Expense Reimbursement	5,141 SF x $9.76 PSF	$48,823
Leasing Commissions	(@$1.75 x 10 Yr. Term)	$89,968
Tenant Improvement Allowance - $62.00 PSF x 5,141 SF		$318,742
Sub-Total		$586,058
Plus: Profit @ 15%		$87,909
Total		$673,967
Rounded		**$670,000**

Compiled by CBRE

SALE PRICE PER SQUARE FOOT CONCLUSION

Overall, the comparable sales were considered equally representative of the subject, and warranted similar consideration. The premise of the Net Income Multiplier approach inherently adjusts for unique property characteristics that affect value. Additionally, the investment market is constantly analyzing current market trends, interest rates, buyer's expectations and motivation in the market and thereby the specific property characteristics are all considered with the extraction the indicated Net Income Multiplier. Our concluded indicated value is well supported by the range of comparable properties presented. The following chart presents the valuation conclusion:

The following chart presents the valuation conclusion:

SALES COMPARISON APPROACH

NRA (SF)	X	Value Per SF	=	Value
80,890	X	$275.00	=	$22,244,750
80,890	X	$300.00	=	$24,267,000

VALUE CONCLUSION	
Indicated Stabilized Value	**$23,200,000**
Deferred Maintenance	$0
Lease-Up Discount	($670,000)
Value Indication	**$22,530,000**
Rounded	**$22,550,000**
Value Per SF	**$278.77**

Compiled by CBRE

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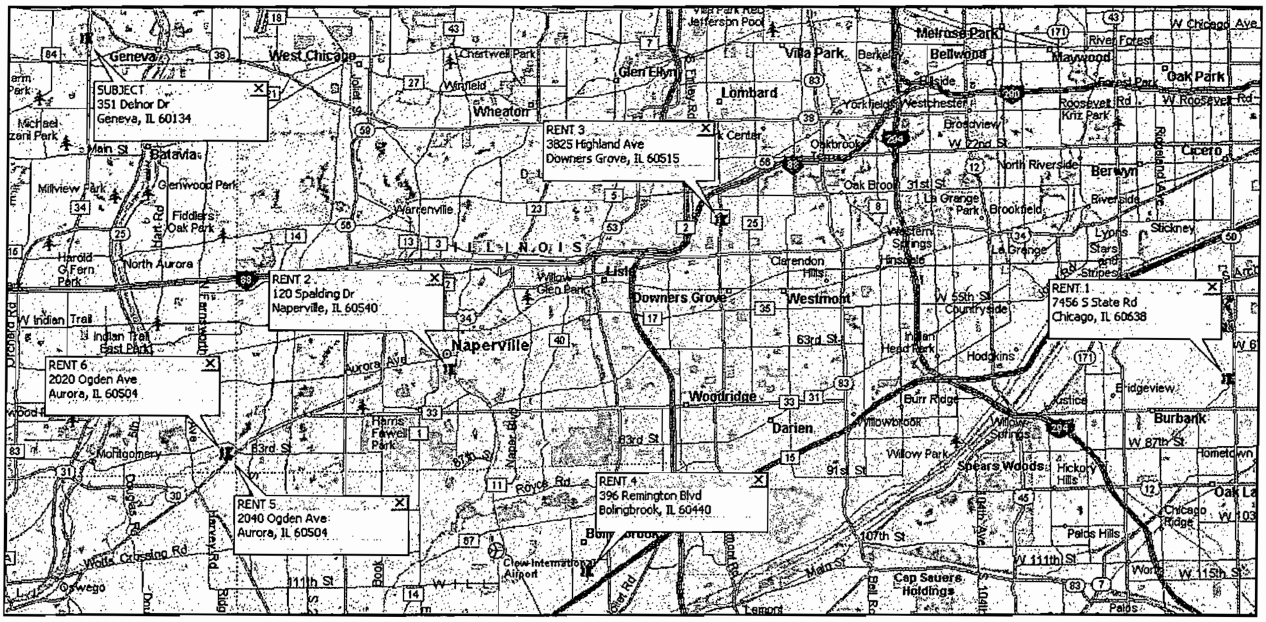
INCOME CAPITALIZATION APPROACH

The following map and table summarize the comparable data used in the valuation of the subject. A detailed description of each transaction is included in the addenda.



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SUMMARY OF COMPARABLE OFFICE RENTALS

Comp. No.	Property Name and Location	Year Built	Occ.	NRA (SF)	Quoted Rental Rate	Expense Basis	Pass Thru	Tenant Name	Lease Area (SF)	Lease Date	Lease Term	Base Rent
1	Magna Medical Campus 7456 South State Road, Bedford Park, IL	2011	68%	58,588	$17.50 PSF	NNN	Tax, Ins. CAM	SW Med Cent-Surgery	13,000	Sep-11	15.0 Yrs.	$37.13 PSF
								Rockford Open MRI	10,000	Sep-11	15.0 Yrs.	$34.00 PSF
								Physicians Immediate	5,000	Sep-11	10.0 Yrs.	$25.00 PSF
								Midland Ortho	2,500	Sep-11	10.0 Yrs.	$25.00 PSF
								Quoted	---	---	---	$17.50 PSF
2	Medical Office Building Two 120 Spalding Drive, Naperville, IL	1987	100%	95,624	$26.00 PSF	NNN	$12.00	Robert Allar, MD	1,833	Feb-11	3.0 Yrs.	$26.33 PSF
								Nephrology Ass. of Illino	1,796	Aug-10	5.0 Yrs.	$25.84 PSF
								Michael J. Caron, MD	1,176	Jan-10	5.0 Yrs.	$25.00 PSF
								Quoted	---	---	---	$26.00 PSF
3	Advocate Good Samaritan MOB 2 3825 Highland Ave, Downers Grove, IL	1995	99%	76,384	$25.00 PSF	NNN	$13.50	DuPage Medical	2,508	Dec-11	5.3 Yrs.	$26.96 PSF
								Confidential Dr.	1,482	Dec-11	10.0 Yrs.	$23.00 PSF
								Advocate Medical	4,997	Oct-10	5.3 Yrs.	$23.18 PSF
								Dr. Zygmunt	1,292	Jul-10	7.0 Yrs.	$22.92 PSF
								Quoted	---	---	---	$25.00 PSF
4	Adventist Bolingbrook Med Ctr 396 Remington Blvd, Bolingbrook, IL	2008	65%	73,544	$21.50 PSF	NNN	$10.50	Available	5,458	May-13	5.0 Yrs.	$21.50 PSF
								Hematology/ Oncology	2,836	Jan-11	3.0 Yrs.	$23.50 PSF
								Confidential	5,000	Jun-10	5.0 Yrs.	$21.50 PSF
								Quoted	---	---	---	$21.50 PSF
5	Rush Copley Medical Center - POB II 2040 Ogden Avenue, Aurora, IL	2009	82%	80,744	$18.00-$21.00	NNN	$6.70	Walgreen Co.	1,568	Mar-12	10.0 Yrs.	$24.00 PSF
								Quoted	---	---	---	$18.00-$21.00
6	Rush Copley Medical Center - POB I 2020 Ogden Avenue, Aurora, IL	2009	100%	79,344	$25.00 PSF	NNN	$11.00	Copley Memorial Hospital Inc.	15,869	May-13	10.0 Yrs.	$20.63 PSF
								Copley Memorial Hospital Inc.	4,154	Nov-12	10.0 Yrs.	$25.48 PSF
								Quoted	---	---	---	$25.00 PSF
Subj.	351 Delnor Medical Office Building 351 Delnor Drive,	2006	84%	80,890	---	---						---

Compiled by CBRE

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DISCUSSION/ANALYSIS OF RENT COMPARABLES

The comparable rentals utilized represent the best data available for similar leases occurring recently in the market. They were selected from our research within the market with an attempt to focus on properties within the East-West Tollway submarket and surrounding areas. Special consideration was also given to the comparables that exhibited more recent lease transaction dates.

The properties selected were completed between 1987 and 2011. The rentable area for the comparables averages 77,371 square feet with a range from 58,588 to 95,624 square feet while the subject contains a total of 80,890 square feet of rentable area. The following paragraphs provide a more detailed analysis/discussion of the comparable sales.

A more detailed summary of each comparable can be found in the addenda of this report. The following table shows a summary of the space allocation for the subject.

MARKET RENT CATEGORIES	
Space Allocation	Size
Medical Office	80,890 SF
Compiled by CBRE	

Rent Comparable One

This comparable represents a 58,588 SF (NRA), 3-story medical office/surgery center facility that was completed in September 2011. The property is known as the Magna Medical Campus located near the intersection of Cicero Avenue and South State Road in Bedford Park, IL. The property can be found roughly 1.5 miles south of Midway Airport. The property includes a 13,000 ambulatory/surgical center which is leased to Southwestern Medical Center for a 15-year term and four, 5-year options. The base rent for the space equates to $25.00 psf, NNN and a standard $35 psf TI allowance. The tenant also chose an additional $140 psf TI allowance which is amortized in the lease at $12.13 psf/Yr. raising the rent for this tenant to $37.13 psf. The rent escalates at 3% per annum. The facility also features an on-site imaging center (l0,000 sf) leased to Rockford Open MRI for a 15-year term and four, 5-year options. The base rent for the space equates to $25.00 psf, NNN and a standard $35 psf TI allowance. The tenant also chose an additional $85 psf TI allowance which is amortized in the lease at $9.00 psf/Yr. raising the rent for this tenant to $34.00 psf. The rent escalates at 3% per annum. Overall, the center is 69% leased. Aside from the noted deals, all other leased space is structured with 10 to 15 year terms, 3% annual rent escalations, one or two 5-year options, $25.00 psf base rent (NNN) and a standard TI allowance of $35.00 psf.

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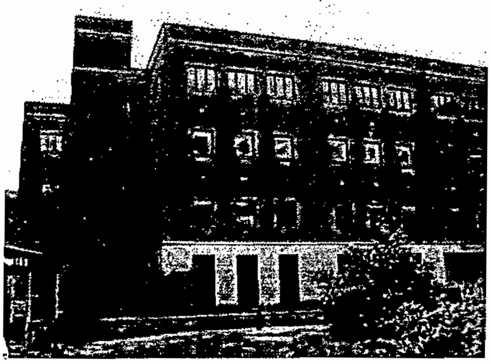
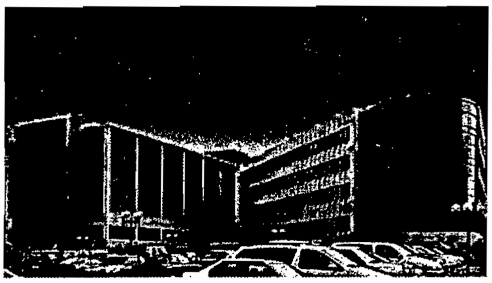
Rent Comparable Two



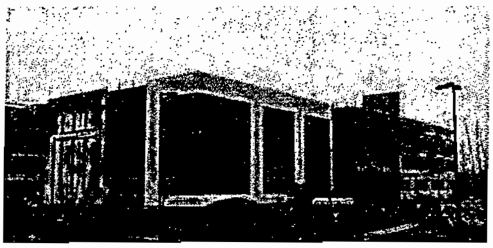
This comparable represents Medical Office Building Two which is located on the Edward Hospital Campus in Naperville, Dupage County Illinois. The improvement contains 95,624 square feet over its four stories and is considered a Class A improvement in this market and is connected to the main hospital. The facility is currently 100% occupied with the majority of in-place rents in the $23.00 to $26.00 range. Most new leases have been signed with 3% annual escalations, no free rent, and $5.00 per square foot in tenant improvements. Operating expenses are $12.00 per square foot.

Rent Comparable Three



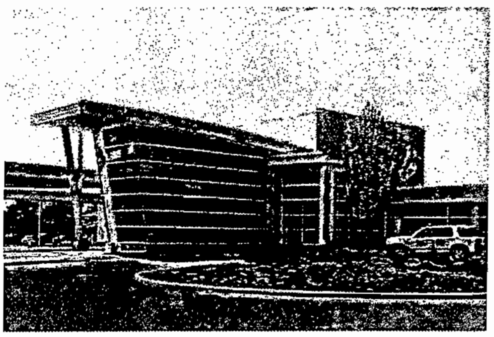
This comparable represents the Advocate Good Samaritan MOB 2 located at 3825 Highland Avenue in Downers Grove, DuPage County Illinois. Good Samaritan I and II Office Buildings are located in the Good Samaritan Hospital campus. The hospital contains 316 beds, 650 physicians with more than 55 specialties. The hospital campus consists of a day surgery center, two medical office buildings, the Gingham Tree building, the North Pavilion, the Imaging Center, the Emergency Addition, the Wellness Center, the Cancer Center, two parking decks and numerous surface parking lots. MOB 2 contains 76,384 square feet, has five stories with a lower level structure, was constructed in 1995, and is considered a class A/B building in this market. The improvement is currently 99.1% occupied with in place rents averaging $25.00 per square foot on a net basis. The most recent leases signed at the subject are in the $23.00 to $27.00 range with 3% escalations. Operating expenses are $13.50 per square foot.

Rent Comparable Four



This comparable represents a three-story medical office building located at 396 Remington Boulevard in Bolingbrook, IL. The property is located on the Adventist Bolingbrook Adventist Hospital campus. The building was constructed in 2008 and is approximately 73,544 square feet and is connected to the main hospital. Currently, the building is approximately 64.5% occupied with an asking rate of $21.50 per square foot on a net basis. West Suburban Eye Center was the latest lease at the property whom leased 2,836 square feet at a base rental rate of $23.50 per square foot on a NNN basis for a three year term with 3% annual rental escalations.

Rent Comparable Five



This comparable represents an 80,744 square foot medical office building located in Aurora, Kane County, Illinois. Also known as Rush-Copley POB II, the property is situated atop a pad site ground lease at 2040 Ogden Avenue on the 98-acre Rush-Copley Medical Center campus. Rush-Copley Medical Center approximately 4-miles West of the intersection of Ogden Ave (Rt.34) and Rt. 59, or about 1 mile East of the intersection of Ogden Ave (Rt. 34) and Rt. 30. The property was completed in 2009 and is considered to be in excellent condition. The tenants cover several healthcare related service lines or treatment specialties and include a pharmacy which services the campus and physicians with specialties in oncology, neuroscience, vascular surgery, radiology, and joint reconstruction and replacement. Walgreen Inc. signed a lease in March 2012 for 1,568 square feet over a 10-year term. Base rent was $24.00 NNN with 3.0% rent escalations. The building is 82.0% occupied.

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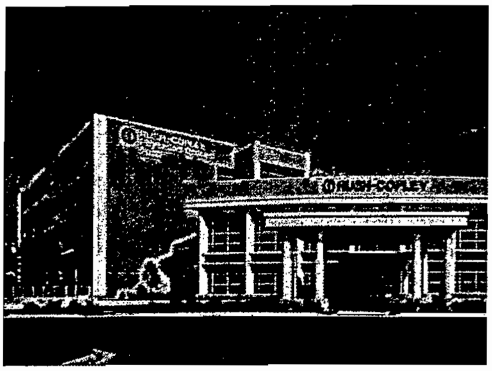
Rent Comparable Six



This comparable represents a 79,344 square foot medical office building located in Aurora, Kane County, Illinois. Also known as Rush-Copley POB I, the property is situated on a 4.9-acre site at 2020 Ogden Avenue at the 98-acre Rush-Copley Medical Center campus. Rush-Copley Medical Center approximately 4-miles West of the intersection of Ogden Ave (Rt.34) and Rt. 59, or about 1 mile East of the intersection of Ogden Ave (Rt. 34) and Rt. 30. The property was completed in 2009 and is considered to be in excellent condition. Asking rates at this property are typically $25.00 NNN over 5-year terms with 3.0% annual rent escalations and $20.00 TIs. Recent leases include Copley Memorial Hospital signing for 15,869 SF in May 2013 at $20.63 PSF on a NNN basis. The lease was for 10 years and included 3.0% rent escalations.

In December 2012 American Realty Capital Healthcare Trust purchased the building (along with the adjoining sister building POB II) for consideration of $25,800,000; or approximately $325 per square foot. The property was fully leased at the time of sale, Rush Copley was reported to be occupying approximately 96% of the total rentable area in the building. The remaining space is occupied by three smaller tenants. According to a source deemed reliable the transaction represents a sale-leaseback. Reportedly the seller wanted to monetize the asset and utilize the funds to pursue other real estate ventures. The indicated capitalization rate on the transaction was 8.0% based on income in place.

SUBJECT RENTAL INFORMATION

Current asking rates are quoted in the upper $20 per square foot range with annual escalations of 2%. Tenant improvement allowances are budgeted at $62 per square foot for shell space. Lease terms are quoted at 10 years, which appear consistent with market terms. Additionally, all of these recently signed leases on a net expense basis. There has not been any new leasing activity at the property since the initial lease-up in 2007. Most likely due to the negotiations related to the purchase of the property by Delnor Hospital.

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MARKET RENT ESTIMATE

Base Rental Rate

The estimate of base rental rates is shown in the following chart.

BASE RENTAL RATES	
Category	Medical Office
Rent Comparable Data	\$18.00 - \$27.00
CBRE Estimate	**\$25.00**
Compiled by CBRE	

Concessions

The estimate of concessions is shown in the following chart.

CONCESSIONS	
Category	Medical Office
Rent Comparable Data	None
CBRE Estimate	**None**
Compiled by CBRE	

Reimbursements

The estimate of reimbursements is shown in the following chart.

REIMBURSEMENTS	
Category	Medical Office
Rent Comparable Data	NNN
CBRE Estimate	**NNN**
Compiled by CBRE	

Escalations

At the present time, annual escalations in the range of \$0.50 or 2.0% - 3.0% are common in the local market. As such, we have concluded market rental escalations of 2.0% annually over the term of the lease.

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Tenant Improvements

The estimate of tenant improvements is shown in the following chart.

TENANT IMPROVEMENTS	
Category	Medical Office
Rent Comparable Data	
New Tenants (1st Generation)	$45.00 - $70.00
New Tenants (2nd Generation)	$25.00 - $35.00
Renewals	$5.00 - $10.00
CBRE Estimate	
New Tenants (1st Generation)	**$62.00**
New Tenants (2nd Generation)	**$30.00**
Renewals	**$10.00**
Compiled by CBRE	

Lease Term

The estimate of lease terms is shown in the following chart.

LEASE TERM	
Category	Medical Office
Rent Comparable Data	3 - 10 YRS
CBRE Estimate	**10 YRS**
Compiled by CBRE	

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MARKET RENT CONCLUSIONS

The following chart shows the market rent conclusions for the subject:

MARKET RENT CONCLUSIONS	
Category	Medical Office
NRA (SF)	80,890
Percent of Total SF	100.0%
Market Rent ($/SF/Yr.)	$25.00
Concessions	None
Reimbursements	NNN
Annual Escalation	2.0%
New Tenants (1st Generation)	$62.00
New Tenants (2nd Generation)	$30.00
Tenant Improvements (Renewals)	$10.00
Average Lease Term	10 Years

Compiled by CBRE

RENT ROLL ANALYSIS

The subject's rent roll is illustrated as follows:

RENT ROLL ANALYSIS

Suite No.	Tenant	Lease Start	Lease Expiration	Term (Mos.)	Size (NRA) SF	% Total	Contract Rental Rate $/SF/Yr.	$/Yr.
100	Kane Cardiology, P.C.	May-06	Apr-16	120	8,556	10.6%	$26.82	$229,499
207	Cadence OBGYN	Feb-06	Feb-16	120	2,778	3.4%	$26.19	$72,756
210	Center for Reproductive	Oct-06	Sep-13	84	1,383	1.7%	$25.34	$35,045
Multiple	Delnor-Community Hospital	Apr-06	Mar-21	180	29,580	36.6%	$26.79	$792,448
300	Cornerstone Medical	Dec-06	Nov-16	120	3,584	4.4%	$25.58	$91,679
310	Midwest ENT	Apr-07	Mar-17	120	7,068	8.7%	$29.00	$204,972
400	Lawrence L. Johnson,	Mar-06	Feb-16	120	2,438	3.0%	$26.19	$63,851
401	Delnor Community Hospital	Feb-06	Jan-16	120	4,676	5.8%	$20.42	$95,484
404	Grossweiner & Blaszak	Mar-06	Feb-16	120	2,202	2.7%	$26.19	$57,670
410	LaGrange Oncology	Feb-07	Jan-17	120	5,395	6.7%	$25.68	$138,544
Occupied Subtotals					67,660	83.6%	$26.34	$1,781,948
204	Vacant	---		---	4,836	6.0%	$25.00	$120,900
301	Vacant	---		---	6,196	7.7%	$25.00	$154,900
403	Vacant	---		---	2,198	2.7%	$25.00	$54,950
Vacant Subtotals					13,230	16.4%	$134.19	$1,775,398
Property Totals - Contract Rent					80,890	100.0%	$26.12	$2,112,698
Property Totals - Market Rent					80,890	100.0%	$25.00	$2,022,250

Compiled by CBRE

Anticipated Changes/Rollover to Rent Roll

The leasing agent and building manager reported no significant anticipated changes to the rent roll due to tenant defaults and/or non-renewals or major new leasing activity. There are no pending leases for the current vacant space.

Lease Expiration Schedule

The subject's scheduled lease expiration for the holding period is shown as follows:

LEASE EXPIRATION SCHEDULE			
Year	Ending	Sq. Ft.	% of Total
Year 1	May-14	1,383	1.71%
Year 2	May-15	0	0.00%
Year 3	May-16	20,650	25.53%
Year 4	May-17	16,047	19.84%
Year 5	May-18	0	0.00%
Year 6	May-19	0	0.00%
Year 7	May-20	0	0.00%
Year 8	May-21	29,580	36.57%
Year 9	May-22	0	0.00%
Year 10	May-23	0	0.00%
Year 11	May-24	0	0.00%

Compiled by CBRE

Lease expiration/rollover for the subject appears to be low and balanced during the immediate future with large expirations looming in 2016 and 2017. Approximately 1.71% of the subject's space is scheduled for expiration in Year 1, 0.00% in Year 2 and 25.53% in Year 3. The largest space rollover is scheduled to occur in 2021 when approximately 36.57% of the subject's leased space will expire. These rollovers may be viewed in the Argus supporting schedule for lease expiration.

POTENTIAL RENTAL INCOME CONCLUSION

Within this analysis, potential rental income is estimated based upon the actual income in-place for the occupied suites along with the forward looking market rental rates over the next twelve months applied to market leasing assumptions. This method of calculating rental income is most prevalent in the local market and is consistent with the method used to derive overall capitalization rates from the comparable sales data.

OPERATING HISTORY

The following table presents the available operating data for the subject.

OPERATING HISTORY						
Year-Occupancy	2011	83.7%	2012	83.7%	2013 Budget	83.7%
	Total	$/SF	Total	$/SF	Total	$/SF
Rental Income	$1,662,210	$20.55	$1,726,679	$21.35	$1,784,850	$22.07
Other Income	33,097	0.41	18,210	0.23	10,293	0.13
Expense Reimbursements	1,369,885	16.94	822,428	10.17	844,627	10.44
Effective Gross Income	$3,065,192	$37.89	$2,567,317	$31.74	$2,639,770	$32.63
Expenses						
Real Estate Taxes	305,334	3.77	$372,843	4.61	$277,369	$3.43
Common Area Maintenance	544,516	6.73	482,488	5.96	534,366	6.61
Management Fee	138,350	1.71	80,098	0.99	78,418	0.97
Ground Rent	65,523	0.81	66,910	0.83	66,910	0.83
Non-recoverable	34,368	0.42	45,752	0.57	19,435	0.24
Operating Expenses	$1,088,091	$13.45	$1,048,090	$12.96	$976,498	$12.07
Net Operating Income	**$1,977,101**	**$24.44**	**$1,519,227**	**$18.78**	**$1,663,272**	**$20.56**
Source: Operating Statements						

VACANCY

The subject's estimated stabilized occupancy rate was previously discussed in the market analysis. The subject's vacancy is detailed as follows:

VACANCY	
Year	% PGI
2011	16%
2012	16%
2013 Budget	16%
Current	16%
CBRE Estimate	**10%**
Compiled by CBRE	

The vacancy estimate for the subject is on the basis of a deduction applied against the scheduled rental revenues.

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CREDIT LOSS

The credit loss estimate is an allowance for nonpayment of rent or other income. The subject's credit loss is detailed as follows:

CREDIT LOSS	
Year	% PGI
CBRE Estimate	**1.0%**
Compiled by CBRE	

OTHER INCOME

Other income is supplemental to that derived from leasing of the improvements. This includes categories such as forfeited deposits, antennae income, late charges, after hour utility charges, et cetera. The subject's ancillary income is detailed as follows:

OTHER INCOME		
Year	Total	$/SF
2011	$33,097	$0.41
2012	$18,210	$0.23
2013 Budget	$10,293	$0.13
CBRE Estimate	**$12,134**	**$0.15**
Compiled by CBRE		

EXPENSE REIMBURSEMENTS

The subject's leases are typically based on a triple net structure whereby the tenant reimburses the owner for a pro rata share of real estate taxes, common area maintenance and management. Common area maintenance includes the following expense items: insurance, utilities, general operating, repairs & maintenance, landscaping & security, and janitorial.

For purposes of this analysis, we have treated the expense structure under standard triple-net terms, whereby those eligible operating expenses are reimbursed to the landlord. Those expenses considered to be eligible for reimbursement are as follows:

REIMBURSED EXPENSES
Real Estate Taxes
Common Area Maintenance
Management Fee
Compiled by CBRE

The subject's expense reimbursements are detailed as follows:

EXPENSE REIMBURSEMENTS		
Year	Total	$/SF
2011	$1,369,885	$16.94
2012	$822,428	$10.17
2013 Budget	$844,627	$10.44
CBRE Estimate	**$768,202**	**$9.50**

Compiled by CBRE

EFFECTIVE GROSS INCOME

The subject's effective gross income is detailed as follows:

EFFECTIVE GROSS INCOME		
Year	Total	$/SF
2011	$3,065,192	**$37.89**
2012	$2,567,317	**$31.74**
2013 Budget	$2,639,770	**$32.63**
CBRE Estimate	**$2,660,637**	**$32.89**

Compiled by CBRE

OPERATING EXPENSE ANALYSIS

Expense Comparables

The following chart summarizes expenses obtained from recognized industry publications and/or comparable properties.

EXPENSE COMPARABLES				
Comparable Number	1	2	3	
Location	Chicago MSA MOB	Chicago MSA MOB	Chicago MSA MOB	
Expense Year	2011	2011	2011	
Effective Gross Income	$25.35	$31.60	$25.02	
Expenses	$/SF	$/SF	$/SF	
Real Estate Taxes	$6.13	$2.52	$2.89	
Common Area Maintenance	5.72	8.71	6.76	
Management Fee	0.60	1.08	0.76	
(as a % of EGI)	2.4%	3.4%	4.2%	
Ground Rent	-	-	-	
Non-recoverable	0.03	1.18	0.04	
Operating Expenses	$12.48	$13.49	$10.45	*
Operating Expense Ratio	49.2%	42.7%	41.8%	

* The median total differs from the sum of the individual amounts.

Source: Comparable Medical Office Buildings

The following subsections represent the analysis for the pro forma estimate of each category of the subject's stabilized expenses.

Real Estate Taxes

The real estate taxes for the subject were previously discussed. The subject's expense is detailed as follows:

REAL ESTATE TAXES		
Year	Total	$/SF
2011	$305,334	$3.77
2012	$372,843	$4.61
2013 Budget	$277,369	$3.43
Tax Comparable 1	N/A	$2.99
Tax Comparable 2	N/A	$3.38
Tax Comparable 3	N/A	$3.83
CBRE Estimate	**$293,744**	**$3.63**
Compiled by CBRE		

Common Area Maintenance

Common area maintenance includes the following expense items: insurance, utilities, general operating, repairs & maintenance, landscaping & security, and janitorial. The subject's expense is detailed as follows:

COMMON AREA MAINTENANCE		
Year	Total	$/SF
2011	$544,516	$6.73
2012	$482,488	$5.96
2013 Budget	$534,366	$6.61
Expense Comparable 1	N/A	$5.72
Expense Comparable 2	N/A	$8.71
Expense Comparable 3	N/A	$6.76
CBRE Estimate	**$546,008**	**$6.75**
Compiled by CBRE		

Management Fee

Management expenses are typically negotiated as a percentage of collected revenues (i.e., effective gross income). The subject's expense is detailed as follows:

MANAGEMENT FEE		
Year	Total	% EGI
2011	$138,350	5.4%
2012	$80,098	3.1%
2013 Budget	$78,418	3.0%
CBRE Estimate	**$79,819**	**3.0%**
Compiled by CBRE		

Professional management fees in the local market range from 3.0% to 5.0% for comparable properties. Historically, the subject has incurred a 3.0% management fee. Given the subject's size and the competitiveness of the local market area, we believe an appropriate management expense for the subject would be towards the lower end of the range.

Ground Rent

The subject site is leased from Delnor Hospital under the terms of a 55-year ground lease that began December 23, 2004. The subject's expense is detailed as follows:

GROUND RENT		
Year	Total	$/SF
2011	$65,523	$0.81
2012	$66,910	$0.83
2013 Budget	$66,910	$0.83
CBRE Estimate	**$66,910**	**$0.83**
Compiled by CBRE		

Non-Recoverable Landlord Expense

This expense is non-recoverable and generally includes owner expenses, which are legal, administrative, marketing, space planning and miscellaneous owner expenses. For the subject property we have utilized a $0.25 per square foot non-reimbursable landlord expense.

NON-RECOVERABLE		
Year	Total	$/SF
2011	$34,368	$0.42
2012	$45,752	$0.57
2013 Budget	$19,435	$0.24
Expense Comparable 1	N/A	$0.03
Expense Comparable 2	N/A	$1.18
Expense Comparable 3	N/A	$0.04
CBRE Estimate	**$20,223**	**$0.25**
Compiled by CBRE		

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Reserves for Replacement

Capital costs, also referred to as reserves for replacement, covers those costs associated with capital improvements including major repairs to the plumbing, electrical, HVAC and other mechanical systems, as well as the roof cover, and other structural components of the subject building and site improvements. Typically, a standard reserve for replacement expense is not deducted on an annual accounting basis, but rather paid on an as needed basis. According to the latest PwC Investors survey, 73% of national industrial investors don't deduct reserves when analyzing acquisitions based on direct capitalizations. Consequently we have not deducted reserves from our direct capitalization technique. Capitalization rates from the improved sales were derived in a similar fashion. We have deducted reserves of $0.15 per square foot per year as a capital expense in our discounted cash flow analysis.

OPERATING EXPENSE CONCLUSION

The subject's expense is detailed as follows:

OPERATING EXPENSES

Year	Total	$/SF
2011	$1,088,091	$13.45
2012	$1,048,090	$12.96
2013 Budget	$976,498	$12.07
Expense Comparable 1	N/A	$12.48
Expense Comparable 2	N/A	$13.49
Expense Comparable 3	N/A	$10.45
CBRE Estimate	**$1,006,704**	**$12.45**

Compiled by CBRE

The subject's per square foot operating expense pro forma is in line with the total per square foot operating expenses indicated by the expense comparables. It also is supported by the actual operating history trend indicated above.

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NET OPERATING INCOME CONCLUSION

The subject's net operating income is detailed as follows:

NET OPERATING INCOME		
Year	Total	$/SF
2011	$1,977,101	$24.44
2012	$1,519,227	$18.78
2013 Budget	$1,663,272	$20.56
CBRE Estimate	**$1,653,933**	**$20.45**
Compiled by CBRE		

DIRECT CAPITALIZATION

Direct capitalization is a method used to convert a single year's estimated stabilized net operating income into a value indication. The following subsections represent different techniques for deriving an overall capitalization rate for direct capitalization.

Comparable Sales

The overall capitalization rates (OARs) confirmed for the comparable sales analyzed in the sales comparison approach are as follows:

COMPARABLE CAPITALIZATION RATES				
Sale	Sale Date	Sale Price $/SF	Occupancy	OAR
1	Dec-12	$325.17	100%	8.00%
2	Dec-12	$317.05	82%	6.90%
3	Sep-12	$387.93	100%	8.21%
4	Jan-12	$455.14	100%	6.64%
5	Dec-11	$335.59	100%	7.01%
Indicated OAR - Range:			89%	**6.64% - 8.21%**
Indicated OAR - Average:				**7.35%**
Compiled by: CBRE				

Published Investor Surveys

The results of the most recent investor surveys are summarized in the following chart.

OVERALL CAPITALIZATION RATES		
Investment Type	OAR Range	Average
CBRE Suburban Office		
Class A	5.25% - 10.00%	7.37%
PwC Medical Office		
National Data	5.75% - 11.00%	7.84%
PwC Suburban Office		
National Data	5.00% - 10.50%	7.50%
Indicated OAR:	**6.50% - 7.50%**	
Compiled by: CBRE		

The subject is considered to be a Class A property. Because of the subject's physical and financial characteristics, an OAR near the middle of the range indicated in the preceding table is considered appropriate.

Market Participants

The results of recent interviews with knowledgeable real estate professionals are summarized in the following table.

OVERALL CAPITALIZATION RATES - OFFICE			
Respondent	Company	OAR	Date of Survey
Broker	CBRE, Inc.	7.0%	May-13
Investor	Confidential	6.75% to 7.5%	May-13
Indicated OAR:			**6.75% to 7.5%**
Compiled by: CBRE			

Capitalization Rate Conclusion

The following chart summarizes the OAR conclusions.

OVERALL CAPITALIZATION RATE - CONCLUSION	
Source	Indicated OAR
Comparable Sales - Range	6.64% - 8.21%
Comparable Sales - Average	7.35%
National Investor Survey	6.50% - 7.50%
Market Participants	6.75% to 7.5%
CBRE Estimate	7.00%
Compiled by: CBRE	

In concluding an overall capitalization rate for the subject, primary reliance has been placed upon the data obtained from the comparable sales and interviews with active market participants. This data tends to provide the most accurate depiction of both buyer's and seller's expectations within the market and the ranges indicated are tightening among more recent sales. Further secondary support for our conclusion is noted via both the CBRE, Inc. National Investor Survey and other national surveys such as the PwC Real Estate Investor Survey. Considering the data presented, the concluded overall capitalization rate appears to be well supported in the local market.

COST TO ACHIEVE STABILIZED OPERATIONS

The subject is an 80,890 square foot, medical office development. It is currently 83.7% occupied. We have estimated a 90% stabilized occupancy for the subject.

While the total vacant space at the subject is 13,320 square feet, the vacant space required to be leased up to 90% stabilized occupancy is 5,141 square feet. We have assumed a total lease up down time of 12 months. The following table summarizes total lease-up discount.

LEASE-UP SUMMARY			
Area To Be Leased To Obtain Stabilized Occupancy (90%)			5,141 SF
Rent Loss from Downtime	5,141 SF x $25 PSF		$128,525
Operating Expense Reimbursement	5,141 SF x $9.76 PSF		$48,823
Leasing Commissions	(@$1.75 x	10 Yr. Term)	$89,968
Tenant Improvement Allowance - $62.00 PSF x 5,141 SF			$318,742
Sub-Total			$586,058
Plus: Profit @ 15%			$87,909
Total			$673,967
Rounded			**$670,000**
Compiled by CBRE			

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Direct Capitalization Summary

A summary of the direct capitalization at stabilized occupancy is illustrated in the following chart.

DIRECT CAPITALIZATION SUMMARY			
Income		$/SF/Yr	Total
Potential Rental Income		$26.12	$2,112,698
Vacancy	10.00%	(2.61)	(211,270)
Credit Loss	1.00%	(0.26)	(21,127)
Net Rental Income		$23.25	$1,880,302
Other Income		0.15	12,134
Expense Reimbursements		9.50	768,202
Effective Gross Income		$32.89	$2,660,637
Expenses			
Real Estate Taxes		$3.63	$293,744
Common Area Maintenance		6.75	546,008
Management Fee	3.00%	0.99	79,819
Ground Rent		0.83	66,910
Non-recoverable		0.25	20,223
Operating Expenses		**$12.45**	**$1,006,704**
Operating Expense Ratio			37.84%
Net Operating Income		**$20.45**	**$1,653,933**
OAR			/ **7.00%**
Indicated Stabilized Value			**$23,627,619**
Rounded			**$23,650,000**
Deferred Maintenance			-
Lease-Up Discount			(670,000)
Value Indication			**$22,957,619**
Rounded			**$22,950,000**
Value Per SF			**$283.72**
Matrix Analysis		**Cap Rate**	**Value**
		6.75%	$23,832,700
		7.00%	$22,957,600
		7.25%	$22,142,900

Compiled by CBRE

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DISCOUNTED CASH FLOW ANALYSIS (DCF)

The DCF assumptions concluded for the subject are summarized as follows:

SUMMARY OF DISCOUNTED CASH FLOW ASSUMPTIONS	
General Assumptions	
Start Date	Jun-13
Terms of Analysis	10 Years
Software	ARGUS
Growth Rate Assumptions	
Income Growth	3.00%
Expense Growth	3.00%
Inflation (CPI)	3.00%
Real Estate Tax Growth	3.00%
Market Leasing Assumptions	
Category	Medical Office
Market Rent ($/SF/Yr.)	$25.00
Concessions	None
Reimbursements	NNN
Annual Escalation	2.0%
New Tenants (1st Generation)	$62.00
New Tenants (2nd Generation)	$30.00
Tenant Improvements (Renewals)	$10.00
Average Lease Term	10 Years
Renewal Probability	80%
Leasing Commissions (Cashed-Out)	
New Leases - $/SF/YR	$1.75
Renewal Leases - $/SF/YR	$1.75
Down Time Before New Tenant Leases	9 Months
Occupancy Assumptions	
Total Operating Expenses ($/SF/Yr.)	$12.45
Current Occupancy (Including leased shell space)	83.70%
Stabilized Occupancy (w/Credit Loss)	89.00%
Financial Assumptions	
Discount Rate	8.25%
Terminal Capitalization Rate	7.25%
Other Assumptions	
Cost of Sale	2.00%
Capital Expenses (Deferred Maintenance)	$0

Compiled by CBRE

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Provided on the following pages is a discussion of the leasing assumptions used in the discounted cash flow analysis that were not analyzed in the direct capitalization approach.

General Assumptions

The DCF analysis utilizes a 10-year projection period. This is consistent with current investor assumptions.

Growth Rate Assumptions

The inflation and growth rates for the DCF analysis have been estimated by analyzing the expectations typically used by buyers and sellers in the local marketplace. Published investor surveys, an analysis of the Consumer Price Index (CPI), as well as CBRE, Inc.'s survey of brokers and investors active in the local market form the foundation for the selection of the appropriate growth rates. The compilation is shown in the following chart.

SUMMARY OF GROWTH RATES

Investment Type	Rent	Expenses	Inflation
U.S. Bureau of Labor Statistics (CPI-U)			
10-Year Snapshot Average as of Apr-13			2.38%
CBRE Estimate	**3.00%**	**3.00%**	**3.00%**

Compiled by: CBRE

Leasing Assumptions

The contract lease terms for the existing tenants are utilized within the DCF analysis, with market leasing assumptions applied for renewals and absorption tenants. All subsequent years vary according to the growth rate assumptions applied to the Year 1 estimate.

Leasing Commissions

The following table presents the leasing commissions quoted for the subject, those prevalent in the market as derived through the comparable properties, and our pro forma estimate. In estimating the market rate for leasing commissions, primary emphasis has been placed on current market practice.

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LEASING COMMISSIONS

Category	Medical Office
Rent Comparables and/or Broker Data	
New Tenants - $/SF/YR	$1.75
Renewals - $/SF/YR	$1.75
CBRE Estimate	
New Tenants - $/SF/YR	**$1.75**
Renewals - $/SF/YR	**$1.75**
Compiled by CBRE	

Renewal Probability

The renewal probability incorporated within the market leasing assumptions has been estimated at 80%. This rate is considered reasonable based on the rent comparable data, a survey of market participants, and our analysis of actual leasing activity at the subject.

Downtime Between Leases

The downtime estimate at lease rollover incorporated within the market leasing assumptions has been estimated at 9 months. This rate is considered reasonable based on the rent comparable data, a survey of market participants, and our analysis of actual leasing activity at the subject.

Occupancy Assumptions

The occupancy rate over the holding period is based on the subject's estimated stabilized occupancy rate and estimated lease-up period to achieve a stabilized occupancy position.

Vacancy, Credit Loss and Absorption

Please refer to the market analysis of this report for a detailed discussion of these elements.

Financial Assumptions

Discount Rate Analysis

The results of the most recent investor surveys are summarized in the following chart.

DISCOUNT RATES		
Investment Type	Rate Range	Average
PwC Medical Office		
National Data	6.50% - 13.00%	8.93%
PwC Suburban Office		
National Data	6.00% - 12.50%	8.42%
Chicago Data	6.50% - 13.00%	9.31%
CBRE Estimate		**8.25%**
Compiled by: CBRE		

The subject is considered to be a Class A property. Because of the subject's location along with its physical and financial characteristics, a discount rate near the lower middle of the range indicated in the preceding table is considered appropriate.

Terminal Capitalization Rate

The reversionary value of the subject is based on an assumed sale at the end of the holding period based on capitalizing the Year 11 NOI at a terminal capitalization rate. Typically, for properties similar to the subject, terminal capitalization rates are 25 to 100 basis points higher than going-in capitalization rates (OARs). This is a result of the uncertainty of future economic conditions and the natural aging of the property. For the subject, we have concluded a load factor of 25 basis points to be appropriate.

TERMINAL CAPITALIZATION RATES		
Investment Type	Rate Range	Average
PwC Medical Office		
National Data	5.25% - 8.25%	6.40%
PwC Suburban Office		
National Data	6.00% - 11.00%	8.03%
Chicago Data	6.50% - 11.00%	8.22%
CBRE Estimate		**7.25%**
Compiled by: CBRE		

Discounted Cash Flow Conclusion

The DCF schedule(s) and value conclusions are depicted on the following page(s).

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Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 6/1/2013

the Years Ending	Year 1 May-2014	Year 2 May-2015	Year 3 May-2016	Year 4 May-2017	Year 5 May-2018	Year 6 May-2019	Year 7 May-2020	Year 8 May-2021	Year 9 May-2022	Year 10 May-2023	Year 11 May-2024
ential Gross Revenue											
ise Rental Revenue	$1,961,217	$2,008,250	$2,048,332	$2,076,295	$2,097,331	$2,139,278	$2,182,064	$2,222,541	$2,275,422	$2,320,930	$2,370,768
isorption & Turnover Vacancy	(171,538)	(40,090)	(84,517)	(92,541)				(151,582)			(21,284)
heduled Base Rental Revenue	1,789,679	1,968,160	1,963,815	1,983,754	2,097,331	2,139,278	2,182,064	2,070,959	2,275,422	2,320,930	2,349,484
pense Reimbursement Revenue											
)perating Expenses	521,877	584,718	586,601	601,386	651,598	670,554	690,068	657,408	730,980	752,268	766,846
teal Estate Taxes	246,325	273,557	275,488	282,952	305,289	314,448	323,879	311,578	343,604	353,913	361,435
tal Reimbursement Revenue	768,202	858,275	862,089	884,338	956,887	985,002	1,013,947	968,986	1,074,584	1,106,181	1,128,281
sc revenue	12,133	12,498	12,872	13,259	13,656	14,066	14,488	14,923	15,370	15,831	16,306
al Potential Gross Revenue	2,570,014	2,838,933	2,838,776	2,881,351	3,067,874	3,138,346	3,210,499	3,054,868	3,365,376	3,442,942	3,494,071
ollection Loss	(25,700)	(28,389)	(28,388)	(28,814)	(30,679)	(31,383)	(32,105)	(30,549)	(33,654)	(34,429)	(34,941)
ctive Gross Revenue	2,544,314	2,810,544	2,810,388	2,852,537	3,037,195	3,106,963	3,178,394	3,024,319	3,331,722	3,408,513	3,459,130
erating Expenses											
eal Estate Taxes	293,744	302,556	311,633	320,982	330,611	340,530	350,746	361,268	372,106	383,269	394,767
ommon Area Maintenance	546,008	562,388	579,259	596,637	614,536	632,972	651,962	671,520	691,666	712,416	733,788
anagement Fee	76,329	84,316	84,312	85,576	91,116	93,209	95,352	90,730	99,952	102,255	103,774
on-reimbursable	20,222	20,829	21,454	22,098	22,761	23,443	24,147	24,871	25,617	26,386	27,177
ound Rent	66,910	68,917	70,985	73,114	75,308	77,567	79,894	82,291	84,760	87,302	89,921
Operating Expenses	1,003,213	1,039,006	1,067,643	1,098,407	1,134,332	1,167,721	1,202,101	1,230,680	1,274,101	1,311,628	1,349,427
Operating Income	1,541,101	1,771,538	1,742,745	1,754,130	1,902,863	1,939,242	1,976,293	1,793,639	2,057,621	2,096,885	2,109,703
sing & Capital Costs											
nant Improvements	319,194	68,138	247,766	268,254	111,371				524,595		26,021
asing Commissions	108,833	19,809	244,938	335,317	139,214				655,744		32,526
ipital Reserve	12,133	12,498	12,872	13,259	13,656	14,066	14,488	14,923	15,370	15,831	16,306
al Leasing & Capital Costs	440,160	100,445	505,576	616,830	264,241	14,066	14,488	14,923	1,195,709	15,831	74,853
h Flow Before Debt Service axes	$1,100,941	$1,671,093	$1,237,169	$1,137,300	$1,638,622	$1,925,176	$1,961,805	$1,778,716	$861,912	$2,081,054	$2,034,850

Prospective Present Value
Cash Flow Before Debt Service plus Property Resale
Discounted Annually (Endpoint on Cash Flow & Resale) over a 10-Year Period

lysis iod	For the Year Ending	Annual Cash Flow	P.V. of Cash Flow @ 7.75%	P.V. of Cash Flow @ 8.00%	P.V. of Cash Flow @ 8.25%	P.V. of Cash Flow @ 8.50%	P.V. of Cash Flow @ 8.75%
ar 1	May-2014	$1,100,941	$1,021,755	$1,019,390	$1,017,036	$1,014,692	$1,012,360
ar 2	May-2015	1,671,093	1,439,349	1,432,693	1,426,083	1,419,519	1,412,999
ar 3	May-2016	1,237,169	988,956	982,104	975,316	968,590	961,925
ar 4	May-2017	1,137,300	843,735	835,950	828,253	820,646	813,127
ar 5	May-2018	1,638,622	1,128,216	1,115,218	1,102,400	1,089,758	1,077,289
ar 6	May-2019	1,925,176	1,230,175	1,213,188	1,196,474	1,180,027	1,163,844
ar 7	May-2020	1,961,805	1,163,416	1,144,694	1,126,316	1,108,276	1,090,564
ar 8	May-2021	1,778,716	978,967	960,985	943,373	926,123	909,227
ar 9	May-2022	861,912	440,259	431,171	422,291	413,614	405,135
ar 10	May-2023	2,081,054	986,530	963,930	941,899	920,420	899,478
tal Cash Flow		15,393,788	10,221,358	10,099,323	9,979,441	9,861,665	9,745,948
operty Resale @ 7.25% Cap		28,517,365	13,518,752	13,209,058	12,907,150	12,612,815	12,325,846
tal Property Present Value			$23,740,110	$23,308,381	$22,886,591	$22,474,480	$22,071,794
unded to Thousands			$23,740,000	$23,308,000	$22,887,000	$22,474,000	$22,072,000
r SqFt			293.49	288.15	282.93	277.84	272.86
centage Value Distribution							
sured Income			30.40%	30.72%	31.04%	31.36%	31.69%
ospective Income			12.66%	12.61%	12.56%	12.52%	12.47%
ospective Property Resale			56.94%	56.67%	56.40%	56.12%	55.84%
			100.00%	100.00%	100.00%	100.00%	100.00%

CONCLUSION OF INCOME CAPITALIZATION APPROACH

The conclusions via the valuation methods employed for this approach are as follows:

INCOME CAPITALIZATION APPROACH VALUES	
	As Is on May 14, 2013
Direct Capitalization Method	$22,950,000
Discounted Cash Flow Analysis	$22,900,000
Reconciled Value	**$22,900,000**
Compiled by CBRE	

Primary emphasis has been placed on the Discounted Cash Flow Analysis. This method is considered to best reflect the actions of buyers and sellers currently active in this market.

RECONCILIATION OF VALUE

The value indications from the approaches to value are summarized as follows:

SUMMARY OF VALUE CONCLUSIONS	
	As Is on May 14, 2013
Cost Approach	N/A
Sales Comparison Approach	$22,550,000
Income Capitalization Approach	$22,900,000
Reconciled Value	$22,900,000
Compiled by CBRE	

The cost approach typically gives a reliable value indication when there is strong support for the replacement cost estimate and when there is minimal depreciation. Considering the amount of depreciation present in the property, the reliability of the cost approach is diminished. Further, for investments similar to the subject, market participants are not pricing assets via this approach. Thus the cost approach is not applicable to this assignment and was not used.

In the sales comparison approach, the subject is compared to similar properties that have been sold recently or for which listing prices or offers are known. The sales used in this analysis are considered generally comparable to the subject. In addition, market participants are currently analyzing purchase prices on investment properties as they relate to available substitutes in the market. Therefore, the sales comparison approach is considered to provide a reliable value indication, but has been given secondary emphasis in the final value reconciliation.

The income capitalization approach is applicable to the subject since it is an income producing property leased in the open market. Market participants are primarily analyzing properties based on their income generating capability. Therefore, the income capitalization approach is considered a reasonable and substantiated value indicator and has been given primary emphasis in the final value estimate.

Based on the foregoing, the market value of the subject has been concluded as follows:

MARKET VALUE CONCLUSION			
Appraisal Premise	**Interest Appraised**	**Date of Value**	**Value Conclusion**
As Is	Leasehold Interest	May 14, 2013	$22,900,000
Compiled by CBRE			

ASSUMPTIONS AND LIMITING CONDITIONS

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE, Inc. is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. CBRE, Inc., however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real property.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. CBRE, Inc. professionals are not engineers and are not competent to judge matters of an engineering nature. CBRE, Inc. has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of CBRE, Inc. by ownership or management; CBRE, Inc. inspected less than 100% of the entire interior and exterior portions of the improvements; and CBRE, Inc. was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, CBRE, Inc. reserves the right to amend the appraisal conclusions reported herein.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. CBRE, Inc. has no knowledge of the existence of such materials on or in the property. CBRE, Inc., however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

   We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.
4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to CBRE, Inc. This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
5. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, CBRE, Inc. has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, CBRE, Inc. reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should

carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify CBRE, Inc. of any questions or errors.

6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the appraisal. However, CBRE, Inc. will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
7. CBRE, Inc. assumes no private deed restrictions, limiting the use of the subject in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
9. CBRE, Inc. is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. 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 vary from the projections considered herein. CBRE, Inc. does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of CBRE, Inc.
12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of CBRE, Inc. to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
14. This study may not be duplicated in whole or in part without the specific written consent of CBRE, Inc. nor may this report or copies hereof be transmitted to third parties without said consent, which consent CBRE, Inc. reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of CBRE, Inc. which consent CBRE, Inc. reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. CBRE, Inc. shall have no accountability or responsibility to any such third party.
15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.

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18. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to CBRE, Inc. unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. CBRE, Inc. assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor CBRE, Inc. assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
20. CBRE, Inc. assumes that the subject analyzed herein will be under prudent and competent management and ownership; neither inefficient or super-efficient.
21. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
22. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
23. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, CBRE, Inc. has not made a specific compliance survey and analysis of this property to determine whether it is in conformance 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 of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since CBRE, Inc. has no specific information relating to this issue, nor is CBRE, Inc. qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.
24. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client approximately result in damage to Appraiser. Notwithstanding the foregoing, Appraiser shall have no obligation under this Section with respect to any loss that is caused solely by the active negligence or willful misconduct of a Client and is not contributed to by any act or omission (including any failure to perform any duty imposed by law) by Appraiser. Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover, from the other, reasonable attorney fees and costs.
25. As part of the client's requested scope of work, an estimate of insurable value is provided herein. CBRE, Inc. has followed traditional appraisal standards to develop a reasonable calculation based upon industry practices and industry accepted publications such as the Marshal Valuation Service handbook. The methodology employed is a derivation of the cost approach which is primarily used as an academic exercise to help support the market value estimate and therefore is not reliable for Insurable Value estimates. Actual construction costs and related estimates can vary greatly from this estimate.

    This analysis should not be relied upon to determine proper insurance coverage which can only be properly estimated by consultants considered experts in cost estimation and insurance underwriting. It is provided to aid the client/reader/user as part of their overall decision making process and no representations or warranties are made by CBRE, Inc. regarding the accuracy of this estimate and it is strongly recommend that other sources be utilized to develop any estimate of insurable value.

ADDENDA

ADDENDUM A

RENT ROLL

Database: HAMMES
Bldg Status: Active only

Rent Roll
HC Geneva Partners I
5/1/2013

Date: 5/13/2013
Time: 04:36 PM

Bldg Id-Suit Id	Occupant Name	Rent Start	Expiration	RSF Sqft	Monthly Base Rent	Annual Rate PSF	Monthly Cost Recovery	Expense Stop	Monthly Other Income	Future Rent Increases Cat	Date	Monthly Amount	PSF
Vacant Suites													
40040 -204	Vacant			4,836									
40040 -301	Vacant			6,196									
40040 -403	Vacant			2,198									
Occupied Suites													
40040 -100	Kane Cardiology P.C.	5/1/2006	4/30/2016	8,482	19,124.95	26.82	8,952.70			RNT	5/1/2014	19,698.70	27.63
										RNT	5/1/2015	20,289.66	28.46
	Additional Space 40040 -100Z	5/1/2006	4/30/2016	74									
			Total	8,556	19,124.95		8,952.70		0.00				
40040 -207	Cadence Physician Group OBGYN	2/15/2006	2/14/2016	2,778	6,063.95	26.19	2,932.16			RNT	2/1/2014	5,982.18	25.84
										RNT	2/15/2014	6,101.82	26.36
										RNT	3/1/2014	6,101.82	26.36
										RNT	2/1/2015	6,101.82	26.36
										RNT	2/15/2015	6,223.86	26.88
										RNT	3/1/2015	6,223.86	26.88
										RNT	2/1/2016	6,223.86	26.88
40040 -210	Center for Reproductive Health	10/1/2006	9/30/2013	1,383	2,919.94	25.34	1,459.75		180.33				
40040 -250 D	Delnor-Community Hospital	4/1/2006	3/31/2021	0	66,025.52	26.79	31,221.50		435.00	RNT	4/1/2014	67,346.03	27.32
										RNT	4/1/2015	68,692.95	27.87
										RNT	4/1/2016	70,066.81	28.42
										RNT	4/1/2017	71,468.14	28.99
										RNT	4/1/2018	72,897.51	29.57
										RNT	4/1/2019	74,355.46	30.16
										RNT	4/1/2020	75,842.57	30.77
	Additional Space 40040 -104 D	4/22/2006	3/31/2021	5,296									
	Additional Space 40040 -106D	10/1/2008	3/31/2021	2,501									
	Additional Space 40040 -110 D	4/27/2006	3/31/2021	3,712									
	Additional Space 40040 -200	4/1/2012	3/31/2021	4,046									
	Additional Space 40040 -201 D	4/4/2006	3/31/2021	7,150									
	Additional Space 40040 -209D	10/1/2008	3/31/2021	2,096									
	Additional Space 40040 -304D	7/15/2008	3/31/2021	2,329									
	Additional Space 40040 -406D	10/1/2008	3/31/2021	2,104									
	Additional Space 40040 -IT-1	5/1/2006	3/31/2021	110									
	Additional Space 40040 -IT-3	5/1/2006	3/31/2021	118									
	Additional Space 40040 -IT-4	5/1/2006	3/31/2021	118									
			Total	29,580	66,025.52		31,221.50		435.00				
40040 -300	Cornerstone Medical Group	11/13/2006	11/30/2016	3,584	7,640.66	25.58	3,782.89			RNT	11/1/2013	7,640.66	25.58
										RNT	11/13/2013	7,793.47	26.09

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Database: HAMMES
Bldg Status: Active only

Rent Roll
HC Geneva Partners I
5/1/2013

Bldg Id-Suit Id	Occupant Name	Rent Start	Expiration	RSF Sqft	Monthly Base Rent	Annual Rate PSF	Monthly Cost Recovery	Expense Stop	Monthly Other Income	Future Rent Increases Cat	Date	Monthly Amount	PSF
										RNT	12/1/2013	7,793.47	26.09
										RNT	11/1/2014	7,793.47	26.09
										RNT	11/13/2014	7,949.34	26.62
										RNT	12/1/2014	7,949.34	26.62
										RNT	11/1/2015	7,949.34	26.62
										RNT	11/13/2015	8,108.33	27.15
										RNT	12/1/2015	8,108.33	27.15
										RNT	11/1/2016	8,108.33	27.15
										RNT	11/13/2016	8,270.49	27.69
40040 -310	Midwest ENT	4/1/2007	3/31/2017	7,068	17,081.00	29.00	7,460.23			RNT	4/1/2014	18,259.00	31.00
										RNT	4/1/2015	18,259.00	31.00
										RNT	4/1/2016	18,259.00	31.00
40040 -400	Lawrence L.Johnson MDSC	2/16/2006	2/15/2016	2,438	5,321.79	26.19	2,573.29			RNT	2/1/2014	5,250.01	25.84
										RNT	2/15/2014	5,355.02	26.36
										RNT	3/1/2014	5,355.01	26.36
										RNT	2/1/2015	5,355.02	26.36
										RNT	2/15/2015	5,462.12	26.88
										RNT	3/1/2015	5,462.12	26.88
										RNT	2/1/2016	5,462.12	26.88
40040 -401	Delnor-Community Hospital	2/1/2006	1/31/2016	4,676	7,958.12	20.42	4,980.87			RNT	2/1/2014	8,117.28	20.83
										RNT	2/1/2015	8,279.63	21.25
40040 -404	Grossweiner & Blaszak, P.C.	2/23/2006	2/22/2016	2,202	4,806.63	26.19	2,324.20			RNT	2/1/2014	4,741.81	25.84
										RNT	2/23/2014	4,836.65	26.36
										RNT	3/1/2014	4,836.65	26.36
										RNT	2/1/2015	4,836.65	26.36
										RNT	2/23/2015	4,933.35	26.88
										RNT	3/1/2015	4,933.38	26.88
										RNT	2/1/2016	4,933.35	26.88
40040 -410	La Grange Oncology	1/15/2007	1/31/2017	5,395	11,545.55	25.68	5,694.39			RNT	1/1/2014	11,389.85	25.33
										RNT	1/15/2014	11,617.65	25.84
										RNT	2/1/2014	11,617.65	25.84
										RNT	1/1/2015	11,617.65	25.84
										RNT	1/15/2015	11,850.00	26.36
										RNT	2/1/2015	11,850.00	26.36
										RNT	1/1/2016	11,850.00	26.36
										RNT	1/15/2016	12,087.00	26.88
										RNT	2/1/2016	12,087.00	26.88
										RNT	1/1/2017	12,087.00	26.88
										RNT	1/15/2017	12,328.74	27.42
Totals:	Occupied Sqft:	83.64%	21 Units	67,660	148,488.11		71,381.98		615.33				
	Leased/Unoccupied Sqft:		0 Units	0									
	Vacant Sqft:	16.36%	3 Units	13,230									
	Total Sqft:		24 Units	80,890	148,488.11								

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Database: HAMMES
Bldg Status: Active only

Rent Roll
HC Geneva Partners I
5/1/2013

Date: 5/13/2013
Time: 04:36 PM

Bldg Id-Suit Id	Occupant Name	Rent Start	Expiration	RSF Sqft	Monthly Base Rent	Annual Rate PSF	Monthly Cost Recovery	Expense Stop	Monthly Other Income	Future Rent Increases Cat	Date	Monthly Amount	PSF
Total HC Geneva Partners I:													
	Occupied Sqft:	83.64%	21 Units	67,660	148,488.11		71,381.98		615.33				
	Leased/Unoccupied Sqft:		0 Units	0									
	Vacant Sqft:	16.36%	3 Units	13,230									
	Total Sqft:		24 Units	80,890	148,488.11								
Grand Total:													
	Occupied Sqft:	83.64%	21 Units	67,660	148,488.11		71,381.98		615.33				
	Leased/Unoccupied Sqft:		0 Units	0									
	Vacant Sqft:	16.36%	3 Units	13,230									
	Total Sqft:		24 Units	80,890	148,488.11								

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ADDENDUM B

IMPROVED SALE DATA SHEETS

OFFICE SALE No. 1

Rush Copley Medical Center - POB I

Location Data

Location:	2020 Ogden Avenue Aurora, IL 60504
County:	Kane
Parcel No:	15-36-400-040
Atlas Ref:	

Physical Data

Type:	Medical/Dental
Land Area:	4.890 Acres
Gross Building Area:	95,000 SF
Net Rentable Area:	79,344 SF
Usable Bldg Area:	79,344 SF
Year Built:	2009
No. of Stories	4
Parking:	Surface
Condition:	Excellent
Exterior Walls:	Precast Concrete
Class:	A
Amenities:	

Sales Data

Transaction Type:	Sale
Date:	12/2012
Marketing Time:	6 Months
Grantor:	Vestor Capital Corporation
Grantee:	American Realty Capital Healthcare Trust, Inc.
Document No.:	N/A
Sale Price:	$25,800,000
Financing:	Market Terms
Cash Eq. Price:	$25,800,000
Req. Capital Cost:	
Adj. Sale Price:	$25,800,000
Verification:	Buyer SEC filings

Financial Data

Source:	Buyer	
Occupancy at Sale:	100.00%	
Based On:	Existing Income	
	Total	Per SF
Potential Gross Inc:		
Vacancy & Credit Loss:		
Effective Gross Inc:		
Expenses & Reserves:		
Net Operating Inc:	$2,064,000	$26.01

Analysis

Underwriting Criteria:	Direct Cap, DCF and P.S.F
Overall Cap Rate (OAR):	8.00%
Projected IRR:	
Eff Gross Inc Mult (EGIM):	
Op Exp Ratio (OER):	0.00%
Price Per SF:	$325.17

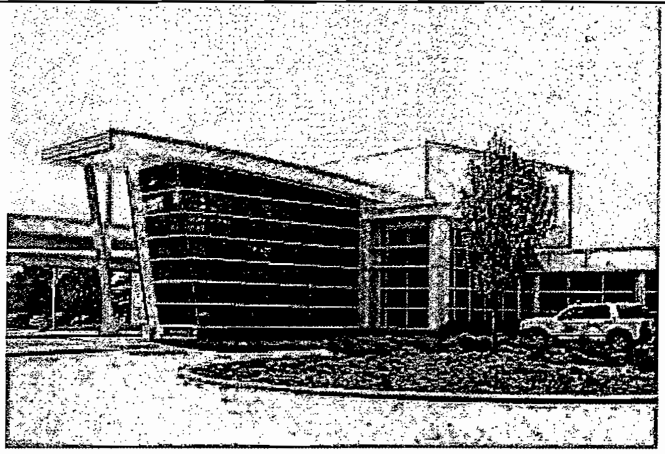
Comments

This comparable represents a 79,344 square foot medical office building located in Aurora, Kane County, Illinois. Also known as Rush-Copley POB I, the property is situated on a 4.9-acre site at 2020 Ogden Avenue at the 98-acre Rush-Copley Medical Center campus. Rush-Copley Medical Center approximately 4-miles West of the intersection of Ogden Ave (Rt.34) and Rt. 59, or about 1 mile East of the intersection of Ogden Ave (Rt. 34) and Rt. 30. The property was completed in 2009 and is considered to be in excellent condition.

In December 2012 American Realty Capital Healthcare Trust purchased the building (along with the adjoining sister building POB II) for consideration of $25,800,000; or approximately $325 per square foot. The property was fully leased at the time of sale, Rush Copley was reported to be occupying approximately 96% of the total rentable area in the building. The remaining space is occupied by three smaller tenants. According to a source deemed reliable the transaction represents a sale-leaseback. Reportedly the seller wanted to monetize the asset and utilize the funds to pursue other real estate ventures. The indicated capitalization rate on the transaction was 8.0% based on income in place.

OFFICE SALE No. 2

Rush Copley Medical Center - POB II



Location Data

Location:	2040 Ogden Avenue Aurora, IL 60504
County:	Kane
Parcel No:	15-36-400-041
Atlas Ref:	

Physical Data

Type:	Medical/Dental
Land Area:	1.200 Acres
Gross Building Area:	95,000 SF
Net Rentable Area:	80,744 SF
Usable Bldg Area:	80,744 SF
Year Built:	2009
No. of Stories	4
Parking:	Surface
Condition:	Excellent
Exterior Walls:	Precast Concrete
Class:	A
Amenities:	

Sales Data

Transaction Type:	Sale
Date:	12/2012
Marketing Time:	6 Months
Grantor:	Vestor Capital Corporation
Grantee:	American Realty Capital Healthcare Trust, Inc.
Document No.:	N/A
Sale Price:	$25,600,000
Financing:	Market Terms
Cash Eq. Price:	$25,600,000
Req. Capital Cost:	
Adj. Sale Price:	$25,600,000
Verification:	Buyer SEC filings

Financial Data

Source:	Buyer	
Occupancy at Sale:	82.00%	
Based On:	Existing Income	
	Total	Per SF
Potential Gross Inc:		
Vacancy & Credit Loss:		
Effective Gross Inc:		
Expenses & Reserves:		
Net Operating Inc:	$1,766,412	$21.88

Analysis

Underwriting Criteria:	Direct Cap, DCF and P.S.F
Overall Cap Rate (OAR):	6.90%
Projected IRR:	
Eff Gross Inc Mult (EGIM):	
Op Exp Ratio (OER):	0.00%
Price Per SF:	$317.05

Comments

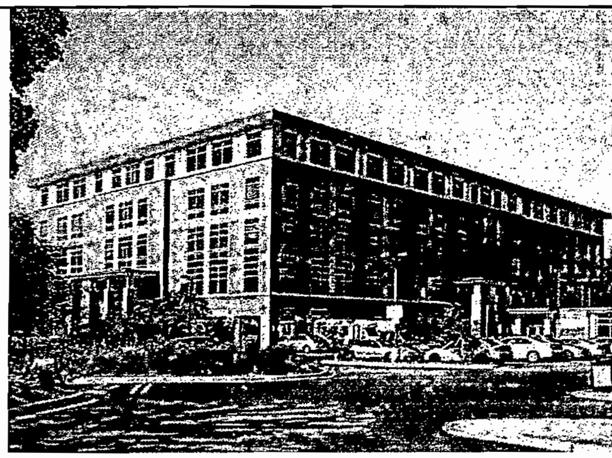
This comparable represents an 80,744 square foot medical office building located in Aurora, Kane County, Illinois. Also known as Rush-Copley POB II, the property is situated atop a pad site ground lease at 2040 Ogden Avenue on the 98-acre Rush-Copley Medical Center campus. Rush-Copley Medical Center approximately 4-miles West of the intersection of Ogden Ave (Rt.34) and Rt. 59, or about 1 mile East of the intersection of Ogden Ave (Rt. 34) and Rt. 30. The property was completed in 2009 and is considered to be in excellent condition. The tenants cover several healthcare related service lines or treatment specialties and include a pharmacy which services the campus and physicians with specialties in oncology, neuroscience, vascular surgery, radiology, and joint reconstruction and replacement.

In December 2012 the leasehold interest in the property was sold to American Realty Capital Healthcare Trust, Inc. for consideration of $25,600,000, or approximately $317 per square foot. At the time of sale the property was 82% leased to three tenants, pursuant to nine leases. The three tenants include Rush-Copley Medical Center (Copley Memorial Hospital, Inc. and Rush-Copley Medical Group, NFP), Walgreen Company and Dreyer Clinic, Inc. The leases are all triple net and based on the purchasers financial publication, the effective average in place rent at the property is $24.66 per square foot. The capitalization rate indicated based on the information provided to the SEC pertaining to the transaction was 6.9%.

CBRE

OFFICE SALE No. 3

Rush Medical



Location Data

Location:	610 South Maple Street Oak Park, IL 60304
County:	Cook
Parcel No:	
Atlas Ref:	

Physical Data

Type:	Medical/Dental
Land Area:	2.500 Acres
Gross Building Area:	139,200 SF
Net Rentable Area:	139,200 SF
Usable Bldg Area:	139,200 SF
Year Built:	2000
No. of Stories	5
Parking:	Surface
Condition:	Good
Exterior Walls:	Masonry
Class:	A
Amenities:	

Sales Data

Transaction Type:	Sale
Date:	9/2012
Marketing Time:	NA
Grantor:	Romanek Properties
Grantee:	Healthcare Trust of America
Document No.:	Forthcoming
Sale Price:	$54,000,000
Financing:	Market Terms
Cash Eq. Price:	$54,000,000
Req. Capital Cost:	$0
Adj. Sale Price:	$54,000,000
Verification:	Purchaser

Financial Data

Source:	Appraiser	
Occupancy at Sale:	100.00%	
Based On:	Existing Income	
	Total	Per SF
Potential Gross Inc:	$6,433,218	$46.22
Vacancy & Credit Loss:	$0	$0.00
Effective Gross Inc:	$6,433,218	$46.22
Expenses & Reserves:	$1,998,421	$14.36
Net Operating Inc:	$4,434,797	$31.86

Analysis

Underwriting Criteria:	Other
Overall Cap Rate (OAR):	8.21%
Projected IRR:	0.00%
Eff Gross Inc Mult (EGIM):	8.39
Op Exp Ratio (OER):	31.06%
Price Per SF:	$387.93

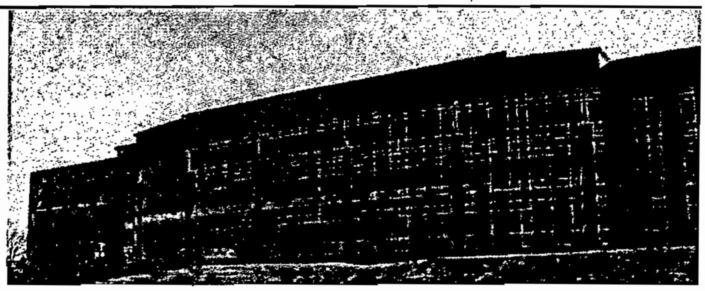
Comments

This comparable represents a 139,200 square foot medical office building situated on a 2.0-acre site located at 610 S. Maple Street in Oak Park, Cook County, Illinois. The property was developed in 2000 and is situated next to and physically connected to Rush-Presbyterian-St. Luke's Hospital. The property is fully master-leased to Rush-Presbyterian for a 19-year term. The lease commenced in December 2000 at a net base rent of $23.65 per square foot and will expire in December 2019. Base rent for this lease includes a 2.75% annual escalation. In September 2012, Healthcare Trust of America purchased the property for consideration of $54,000,000 or approximately $388 per square foot. Note that the transaction represents the execution of an existing purchase offer for the property. Based on in place income at the time of sale, the capitalization rate on the sale is 8.20%.

CBRE

OFFICE SALE No. 4

Loyola University Medical Center



Location Data

Location:	6800 N. Frontage Road Burr Ridge, IL 60527
County:	Cook
Parcel No:	18-30-100-009
Atlas Ref:	

Physical Data

Type:	Medical/Dental
Land Area:	6.900 Acres
Gross Building Area:	105,575 SF
Net Rentable Area:	104,912 SF
Usable Bldg Area:	0 SF
Year Built:	2010
No. of Stories	3
Parking:	Surface
Condition:	Excellent
Exterior Walls:	Tilt-up
Class:	A
Amenities:	

Sales Data

Transaction Type:	Sale
Date:	1/2012
Marketing Time:	NA
Grantor:	Sterling Bay Companies
Grantee:	Duke Realty
Document No.:	
Sale Price:	$47,750,000
Financing:	Not Available
Cash Eq. Price:	$47,750,000
Req. Capital Cost:	$0
Adj. Sale Price:	$47,750,000
Verification:	Press Release, Public Record

Financial Data

Source:		
Occupancy at Sale:	100.00%	
Based On:	N/A	
	Total	Per SF
Potential Gross Inc:	$3,169,448	$30.21
Vacancy & Credit Loss:	$0	$0.00
Effective Gross Inc:	$3,169,448	$30.21
Expenses & Reserves:	$0	$0.00
Net Operating Inc:	$3,169,448	$30.21

Analysis

Underwriting Criteria:	Other
Overall Cap Rate (OAR):	6.64%
Projected IRR:	0.00%
Eff Gross Inc Mult (EGIM):	15.07
Op Exp Ratio (OER):	0.00%
Price Per SF:	$455.14

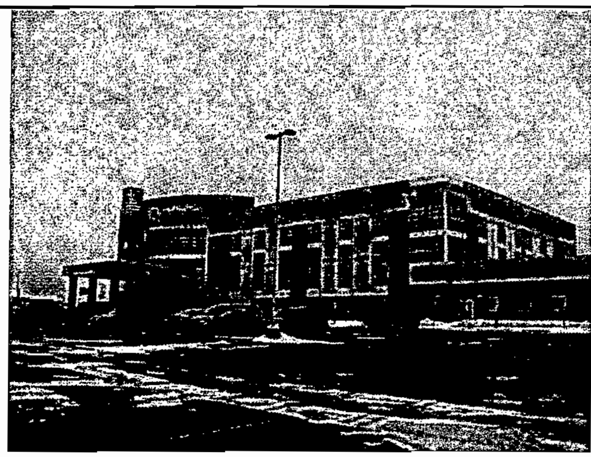
Comments

This comparable is a 104,912-square foot medical office facility located at 6800 Frontage Road in Burr Ridge, Cook County Illinois. The improvements were constructed in 2010 and are situated on a 6.92-acre site. The property is 65.9% occupied by Loyola University Medical Center and is considered to be in new/excellent overall condition. Loyola had previously agreed to pre-lease the first two floors (69,140 square feet or 65.9% of the subject) prior to construction started on the subject in early 2010 for a 20 year term on a NNN basis (this lease commenced on February 1, 2011). Subsequently, Loyola decided to amend the lease to include 100% of the subject's space. Ownership built out an additional 10,727 square feet on the third floor in 2011. The amended lease calls for Loyola to start paying rent on July 1, 2011 for this expansion space which would then increase the occupancy to 76.1%. Loyola then has the right to request that ownership build-out all or any portion of the remaining premises in excess of 2,500 rentable square feet at a time. Effective as of July 1, 2014, Loyola shall be responsible for the payment of rent associated with the remaining expansion premises regardless of whether Loyola has delivered an expansion notice for all or any part thereof or has occupancy of any portion thereof, which rent shall be assessed at the then current base rent rate for the original premises ($26.50 NNN with $0.50 annual bumps for 20 year term). The property sold in January 2012 for $47,750,000 or $455.14 per square foot.

CBRE

OFFICE SALE No. 5

Methodist North Medical Center



Location Data

Location:	2338 West Sud Parkway Peoria, IL 61615
County:	Peoria
Parcel No:	09-31-401-002
Atlas Ref:	

Physical Data

Type:	Medical/Dental
Land Area:	5.960 Acres
Gross Building Area:	78,459 SF
Net Rentable Area:	73,303 SF
Usable Bldg Area:	0 SF
Year Built:	2009
No. of Stories	3
Parking:	Open Concrete
Condition:	New
Exterior Walls:	Masonry & Glass
Class:	A
Amenities:	

Sales Data

Transaction Type:	Sale
Date:	12/2011
Marketing Time:	NA
Grantor:	DASCO
Grantee:	American Realty Capital Healthcare Trust (ARC Healthcare)
Document No.:	
Sale Price:	$24,600,000
Financing:	Not Available
Cash Eq. Price:	$24,600,000
Req. Capital Cost:	$0
Adj. Sale Price:	$24,600,000
Verification:	ARC Healthcare Press Release

Financial Data

Source:	Appraiser
Occupancy at Sale:	100.00%
Based On:	Existing Income

	Total	Per SF
Potential Gross Inc:	$0	$0.00
Vacancy & Credit Loss:	$0	$0.00
Effective Gross Inc:	$0	$0.00
Expenses & Reserves:	$0	$0.00
Net Operating Inc:	$1,724,318	$23.52

Analysis

Underwriting Criteria:	Other
Overall Cap Rate (OAR):	7.01%
Projected IRR:	0.00%
Eff Gross Inc Mult (EGIM):	0.00
Op Exp Ratio (OER):	0.00%
Price Per SF:	$335.59

CBRE

OFFICE SALE No. 5

Comments

This comparable is a 73,284-square foot medical office facility located at 2338 West Sud Parkway in Peoria, Peoria County Illinois. The improvements were constructed in 2009 and are situated on a 5.96-acre site. Currently, the property is 100.0% NNN leased for a 15 year term effective January 1, 2010 and occupied by Methodist Services, Inc. (a credit tenant according to Moody's) and is considered to be in new/good overall condition. The first floor is primarily built-out as a diagnostic imaging department, conference facility, and pharmacy. The second floor houses an approximately 20,000 square foot pediatrics practice, an administrative/management office, and approximate 1,800 square foot shell suite for future physician expansion. The third floor houses a 13,300 square foot family medicine practice, a 3,500 square foot physical therapy suite, and two shell physician expansion suites. Per the first amendment to the first floor lease dated August 13, 2009, the tenant elected to increase the tenant improvement allowance from $50.00 per usable square foot to $100.00 per usable square foot for the imaging department (18,949 usable square feet). The tenant elected to also increase the tenant improvement allowance from $50.00 per usable square foot to $70.00 per usable square foot for the conference facility and pharmacy spaces (6,950 usable square feet). The additional improvement allowance shall be amortized over the initial term of the lease at a rate of 10% per annum and shall be payable by tenant in equal monthly payments of principal and interest. This TI allowance has been added to the base rent to conclude to the preceding contract rent to total $26.74 per square foot. The base rent plus the TI allocation increases 2% annually for the remainder of the lease term.
Per the first amendment to the second and third floor lease dated August 13, 2009, the tenant elected to increase the tenant improvement allowance from $50.00 per usable square foot to $70.05 per usable square foot. The additional improvement allowance shall be amortized over the initial term of the lease at a rate of 10% per annum and shall be payable by tenant in equal monthly payments of principal and interest. This TI allowance has been added to the base rent to conclude to the preceding contract rent to total $20.83 per square foot. The base rent plus the TI allocation increases 2% annually for the remainder of the lease term.
Title to the property (real estate) is currently vested in the name of DASCO Companies, LLC, who has owned the real estate since the improvements were constructed in 2009. The site is owned by Methodist Medical Center of Illinois (MMCI). The property is under a ground lease with Methodist for a term of 50-years with two 25-year extension options. The ground rent is $13,000 annually, with 2.0% annual escalations. This is a pass through expense to the tenant under the terms of their triple net lease. The subject sold to ARC Healthcare in December 2011 for $24,600,000 or $335.59 per square foot.

ADDENDUM C

RENT COMPARABLE DATA SHEETS

OFFICE COMPARABLE No. 1

Magna Medical Campus

Location Data

Location:	**7456 South State Road**
	Bedford Park, IL 60638
County:	**Cook**
Parcel No:	**19-28-202-014-0000**
Atlas Ref:	

Physical Data

Type:	**Medical/Dental**
Gross Building Area:	**61,722 SF**
Net Rentable Area:	**58,588 SF**
Usable Building	**58,588 SF**
Loss Factor:	**0.00%**
Year Built:	**2011**
# of Stories:	**3**
Parking:	**Surface**
Condition:	**Good**
Exterior Walls:	**Precast Concrete**
Class:	**A**
Amenities:	

Occupancy / Lease Data

Occupancy:	**68%**
Typical Size:	**2,500 SF**
Term:	**60 Months**
Base Rent PSF:	**$17.50**
Rent Escalations:	**3%**
Basis:	**NNN**
Expense Pass-Thru:	**#Error**
Free Rent:	
Tenant Improvement:	**$35.00**
Leasing Agent:	**Perry Commercial**
Phone No.:	**(815) 933-2554**
Survey Date:	**4/13**

Recent Leases

Date	Size (SF)	Tenant	Rent (PSF)	TI (PSF)	Free Rent (Months)	Escalation	Term (Yrs)
9/1/2011	13,000	SW Med Cent-Surgery	$37.13	$175.00		3%	15.00
9/1/2011	10,000	Rockford Open MRI	$34.00	$120.00		3%	15.00
9/1/2011	5,000	Physicians Immediate	$25.00	$35.00		3%	10.00
9/1/2011	2,500	Midland Ortho	$25.00	$35.00		3%	10.00

Comments

This comparable represents a 58,588 SF (NRA), 3-story medical office/surgery center facility that is under construction with a scheduled completion date of September 2011. The property will be known as the Magna Medical Campus located near the intersection of Cicero Avenue and South State Road in Bedford Park, IL. The property will be found roughly 1.5 miles south of Midway Airport. The property will include a 13,000 ambulatory/surgical center which is leased to Southwestern Medical Center for a 15-year term and four, 5-year options. The base rent for the space equates to $25.00 psf, NNN and a standard $35 psf TI allowance. The tenant also chose an additional $140 psf TI allowance which is amortized in the lease at $12.13 psf/Yr. raising the rent for this tenant to $37.13 psf. The rent escalates at 3% per annum. The facility will also feature an on-site imaging center (l0,000 sf) leased to Rockford Open MRI for a 15-year term and four, 5-year options. The base rent for the space equates to $25.00 psf, NNN and a standard $35 psf TI allowance. The tenant also chose an additional $85 psf TI allowance which is amortized in the lease at $9.00 psf/Yr. raising the rent for this tenant to $34.00 psf. The rent escalates at 3% per annum. Overall, the center is 88.7% pre-leased to a total of 10 tenants. Aside from the noted deals, all other leased space is structured with 10 to 15 year terms, 3% annual rent escalations, one or two 5-year options, $25.00 psf base rent (NNN) and a standard TI allowance of $35.00 psf.

CBRE

OFFICE COMPARABLE No. 2

Medical Office Building Two

Location Data

Location:	120 Spalding Drive Naperville, IL 60540
County:	DuPage
Parcel No:	07-24-400-015
Atlas Ref:	

Physical Data

Type:	Medical/Dental
Gross Building Area:	110,000 SF
Net Rentable Area:	95,624 SF
Usable Building	95,624 SF
Loss Factor:	0.00%
Year Built:	1987
# of Stories:	4
Parking:	Structured Garage
Condition:	Average
Exterior Walls:	Masonry
Class:	A
Amenities:	

Occupancy / Lease Data

Occupancy:	100%
Typical Size:	2,500 SF
Term:	60 Months
Base Rent PSF:	$26.00
Rent Escalations:	3%
Basis:	NNN
Expense Pass-Thru:	$12.00
Free Rent:	
Tenant Improvement:	
Leasing Agent:	Edward Hospital
Phone No.:	(630)527-3000
Survey Date:	2/13

Recent Leases

Date	Size (SF)	Tenant	Rent (PSF)	TI (PSF)	Free Rent (Months)	Escalation	Term (Yrs)
2/1/2011	1,833	Robert Allar, MD	$26.33	$3.00		3%	3.00
8/1/2010	1,796	Nephrology Ass. of Illino	$25.84	$5.00		3%	5.00
1/1/2010	1,176	Michael J. Caron, MD	$25.00	$5.00		3%	5.00

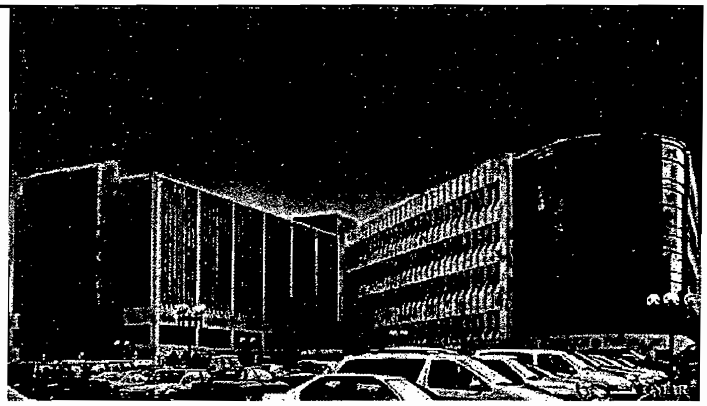
Comments

This comparable represents Medical Office Building Two which is located on the Edward Hospital Campus in Naperville, Dupage County Illinois. The improvement contains 95,624 square feet over its four stories and is considered a class A improvement in this market and is connected to the main hospital. The facility is currently 100% occupied with the majority of in-place rents in the $23.00 to $26.00 range. Most new leases have been signed with 3% annual escalations, no free rent, and $5.00 per square foot in tenant improvements. Operating expenses are $12.00 per square foot.

CBRE

OFFICE COMPARABLE No. 3

Advocate Good Samaritan MOB 2



Location Data

Location:	**3825 Highland Ave**
	Downers Grove, IL 60515
County:	**DuPage**
Parcel No:	
Atlas Ref:	

Physical Data

Type:	**Medical/Dental**
Gross Building Area:	**77,000 SF**
Net Rentable Area:	**76,384 SF**
Usable Building	**76,384 SF**
Loss Factor:	**0.00%**
Year Built:	**1995**
# of Stories:	**5**
Parking:	**Surface**
Condition:	**Average**
Exterior Walls:	**Masonry**
Class:	**B**
Amenities:	**Located on Advocate Good Samaritan Hospital campus. On-site property management & leasing.**

Occupancy / Lease Data

Occupancy:	**99%**
Typical Size:	**2,000 SF**
Term:	**84 Months**
Base Rent PSF:	**$25.00**
Rent Escalations:	**3%**
Basis:	**NNN**
Expense Pass-Thru:	**$13.50**
Free Rent:	**3 Months**
Tenant Improvement:	**$10.00**
Leasing Agent:	**BremnerDuke Healthcare**
Phone No.:	**(847)232-5431**
Survey Date:	**6/12**

Recent Leases

Date	Size (SF)	Tenant	Rent (PSF)	TI (PSF)	Free Rent (Months)	Escalation	Term (Yrs)
12/1/2011	2,508	DuPage Medical	$26.96	$0.00	3	3%	5.25
12/1/2011	1,482	Confidential Dr.	$23.00	$0.00		3%	10.00
10/1/2010	4,997	Advocate Medical	$23.18	$5.00	3	3%	5.25
7/1/2010	1,292	Dr. Zygmunt	$22.92	$10.00		3%	7.00

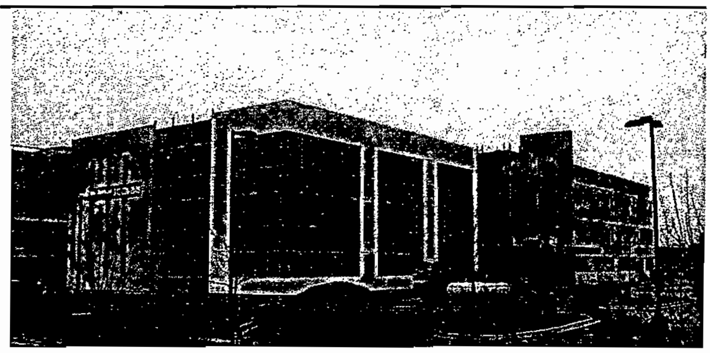
Comments

This comparable represents the Advocate Good Samaritan MOB 2 located at 3825 Highland Avenue in Downers Grove, DuPage County Illinois. Good Samaritan I and II Office Buildings are located in the Good Samaritan Hospital campus. The hospital contains 316 beds, 650 physicians with more than 55 specialties. The hospital campus consists of a day surgery center, two medical office buildings, the Gingham Tree building, the North Pavilion, the Imaging Center, the Emergency Addition, the Wellness Center, the Cancer Center, two parking decks and numerous surface parking lots. MOB 2 contains 76,384 square feet, has five stories with a lower level structure, was constructed in 1995, and is considered a class A/B building in this market. The improvement is currently 99.1% occupied with in place rents averaging $25.00 per square foot on a net basis. The most recent leases signed at the subject are in the $23.00 to $27.00 range with 3% escalations. Operating expenses are $13.50 per square foot.

CBRE

OFFICE COMPARABLE No. 4

Adventist Bolingbrook Med Ctr



Location Data

Location:	**396 Remington Blvd**
	Bolingbrook, IL 60440
County:	**Will**
Parcel No:	
Atlas Ref:	

Physical Data

Type:	**Medical/Dental**
Gross Building Area:	**73,544 SF**
Net Rentable Area:	**73,544 SF**
Usable Building	**73,544 SF**
Loss Factor:	**0.00%**
Year Built:	**2008**
# of Stories:	**3**
Parking:	**Surface**
Condition:	**Good**
Exterior Walls:	**Masonry**
Class:	**A**
Amenities:	

Occupancy / Lease Data

Occupancy:	**65%**
Typical Size:	**4,000 SF**
Term:	**60 Months**
Base Rent PSF:	**$21.50**
Rent Escalations:	**3%**
Basis:	**NNN**
Expense Pass-Thru:	**$10.50**
Free Rent:	**0 Months**
Tenant Improvement:	**$40.00**
Leasing Agent:	**Bradford Allen Realty Services**
Phone No.:	**(312)994-5776**
Survey Date:	**5/13**

Recent Leases

Date	Size (SF)	Tenant	Rent (PSF)	TI (PSF)	Free Rent (Months)	Escalation	Term (Yrs)
1/1/2011	2,836	West Suburban Eye Center	$23.50	$0.00		3%	3.00
5/20/2013	5,458	Available	$21.50	$0.00		3%	5.00
6/1/2010	5,000	Confidential	$21.50	$20.00		3%	5.00

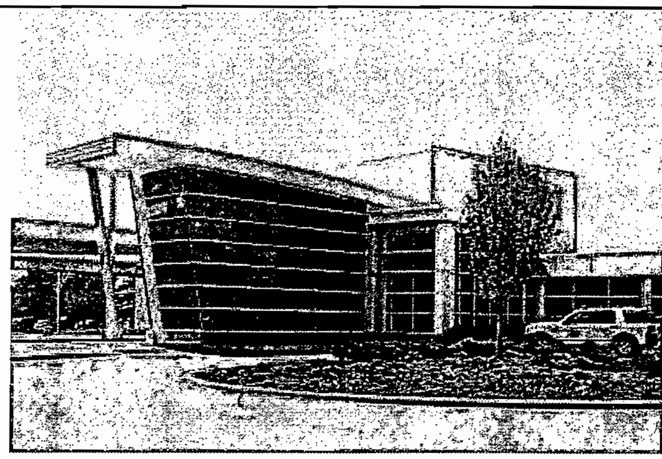
Comments

This comparable represents a three-story medical office building located at 396 Remington Boulevard in Bolingbrook, IL. The property is located on the Adventist Bolingbrook Adventist Hospital campus. The building was constructed in 2008 and is approximately 73,544 square feet and is connected to the main hospital. Currently, the building is approximately 64.5% occupied with an asking rate of $21.50 per square foot on a net basis. West Suburban Eye Center was the latest lease at the property whom leased 2,836 square feet at a base rental rate of $23.50 per square foot on a NNN basis for a three year term with 3% annual rental escalations.

CBRE

OFFICE COMPARABLE No. 5

Rush Copley Medical Center - POB II



Location Data

Location:	2040 Ogden Avenue Aurora, IL 60504
County:	Kane
Parcel No:	15-36-400-041
Atlas Ref:	

Physical Data

Type:	Medical/Dental
Gross Building Area:	95,000 SF
Net Rentable Area:	80,744 SF
Usable Building	80,744 SF
Loss Factor:	0.00%
Year Built:	2009
# of Stories:	4
Parking:	Surface
Condition:	Excellent
Exterior Walls:	Precast Concrete
Class:	A
Amenities:	

Occupancy / Lease Data

Occupancy:	82%
Typical Size:	5,000 SF
Term:	60 Months
Base Rent PSF:	$24.00
Rent Escalations:	3.0%
Basis:	NNN
Expense Pass-Thru:	$6.70
Free Rent:	0 Months
Tenant Improvement:	$20.00
Leasing Agent:	NAI Hiffman
Phone No.:	(630) 368-0848
Survey Date:	2/13

Recent Leases

Date	Size (SF)	Tenant	Rent (PSF)	TI (PSF)	Free Rent (Months)	Escalation	Term (Yrs)
3/16/2012	1,568	Walgreen Co.	$24.00		0	3.0%	10.00

Comments

This comparable represents an 80,744 square foot medical office building located in Aurora, Kane County, Illinois. Also known as Rush-Copley POB II, the property is situated atop a pad site ground lease at 2040 Ogden Avenue on the 98-acre Rush-Copley Medical Center campus. Rush-Copley Medical Center approximately 4-miles West of the intersection of Ogden Ave (Rt.34) and Rt. 59, or about 1 mile East of the intersection of Ogden Ave (Rt. 34) and Rt. 30. The property was completed in 2009 and is considered to be in excellent condition. The tenants cover several healthcare related service lines or treatment specialties and include a pharmacy which services the campus and physicians with specialties in oncology, neuroscience, vascular surgery, radiology, and joint reconstruction and replacement.

In December 2012 the leasehold interest in the property was sold to American Realty Capital Healthcare Trust, Inc. for consideration of $25,600,000, or approximately $317 per square foot. At the time of sale the property was 82% leased to three tenants, pursuant to nine leases. The three tenants include Rush-Copley Medical Center (Copley Memorial Hospital, Inc. and Rush-Copley Medical Group, NFP), Walgreen Company and Dreyer Clinic, Inc. The leases are all triple net and based on the purchasers financial publication, the effective average in place rent at the property is $24.66 per square foot. The capitalization rate indicated based on the information provided to the SEC pertaining to the transaction was 6.9%.

CBRE

OFFICE COMPARABLE No. 6

Rush Copley Medical Center - POB I

Location Data

Location:	**2020 Ogden Avenue** **Aurora, IL 60504**
County:	**Kane**
Parcel No:	**15-36-400-040**
Atlas Ref:	

Physical Data

Type:	**Medical/Dental**
Gross Building Area:	**95,000 SF**
Net Rentable Area:	**79,344 SF**
Usable Building	**79,344 SF**
Loss Factor:	**0.00%**
Year Built:	**2009**
# of Stories:	**4**
Parking:	**Surface**
Condition:	**Excellent**
Exterior Walls:	**Precast Concrete**
Class:	**A**
Amenities:	

Occupancy / Lease Data

Occupancy:	**100%**
Typical Size:	**6,000 SF**
Term:	**60 Months**
Base Rent PSF:	**$25.00**
Rent Escalations:	**3.0%**
Basis:	**NNN**
Expense Pass-Thru:	**$6.70**
Free Rent:	**0 Months**
Tenant Improvement:	**$20.00**
Leasing Agent:	**N/A**
Phone No.:	**(630) 368-0848**
Survey Date:	**2/13**

Recent Leases

Date	Size (SF)	Tenant	Rent (PSF)	TI (PSF)	Free Rent (Months)	Escalation	Term (Yrs)
5/21/2013	15,869	Copley Memorial Hospital Inc.	$20.63		0	3.0%	10.00
11/1/2012	4,154	Copley Memorial Hospital Inc.	$25.48		0	3.0%	10.00

Comments

This comparable represents a 79,344 square foot medical office building located in Aurora, Kane County, Illinois. Also known as Rush-Copley POB I, the property is situated on a 4.9-acre site at 2020 Ogden Avenue at the 98-acre Rush-Copley Medical Center campus. Rush-Copley Medical Center approximately 4-miles West of the intersection of Ogden Ave (Rt.34) and Rt. 59, or about 1 mile East of the intersection of Ogden Ave (Rt. 34) and Rt. 30. The property was completed in 2009 and is considered to be in excellent condition.

In December 2012 American Realty Capital Healthcare Trust purchased the building (along with the adjoining sister building POB II) for consideration of $25,800,000; or approximately $325 per square foot. The property was fully leased at the time of sale, Rush Copley was reported to be occupying approximately 96% of the total rentable area in the building. The remaining space is occupied by three smaller tenants. According to a source deemed reliable the transaction represents a sale-leaseback. Reportedly the seller wanted to monetize the asset and utilize the funds to pursue other real estate ventures. The indicated capitalization rate on the transaction was 8.0% based on income in place.

ADDENDUM D

OPERATING DATA

Database: HAMMES
Workbook: 00001180

Accrual

ForeSight Detail Proforma
Hammes Company Healthcare Consulting
40040 Delnor FY 2013

Budget amounts from 01/13 to 12/13

Page: 1
Date: 5/13/2013
Time: 04:43 PM

	01/13	02/13	03/13	04/13	05/13	06/13	07/13	08/13	09/13	10/13	11/13	12/13	Total
REVENUE													
4100-1100 Base Rent	**145,353**	**145,641**	**145,878**	**147,917**	**148,474**	**148,474**	**148,474**	**148,474**	**148,474**	**145,554**	**145,660**	**145,742**	**1,764,116**
-Center for Reproductive Health (RNT) 400	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	0	0	0	26,279
-Cornerstone Medical Group (RNT) 40040-:	7,491	7,491	7,491	7,491	7,491	7,491	7,491	7,491	7,491	7,491	7,597	7,678	90,183
-Delnor-Community Hospital (RNT) 40040-2	64,731	64,731	64,731	66,026	66,026	66,026	66,026	66,026	66,026	66,026	66,026	66,026	788,422
-Delnor-Community Hospital (RNT) 40040-5	7,802	7,802	7,802	7,958	7,958	7,958	7,958	7,958	7,958	7,958	7,958	7,958	95,029
-Dupage Obstetrics & Gynecology (RNT) 4(	5,945	6,019	6,094	6,094	6,094	6,094	6,094	6,094	6,094	6,094	6,094	6,094	72,901
-Grossweiner & Blaszak, P.C. (RNT) 40040-	4,712	4,738	4,830	4,830	4,830	4,830	4,830	4,830	4,830	4,830	4,830	4,830	57,752
-Kane Cardiology P.C. (RNT) 40040-100	18,568	18,568	18,568	18,568	19,125	19,125	19,125	19,125	19,125	19,125	19,125	19,125	227,271
-La Grange Oncology (RNT) 40040-410	11,474	11,602	11,602	11,602	11,602	11,602	11,602	11,602	11,602	11,602	11,602	11,602	139,098
-Lawrence L.Johnson MDSC (RNT) 40040-	5,217	5,278	5,348	5,348	5,348	5,348	5,348	5,348	5,348	5,348	5,348	5,348	63,974
-Midwest ENT (RNT) 40040-310	16,492	16,492	16,492	17,081	17,081	17,081	17,081	17,081	17,081	17,081	17,081	17,081	203,205
4200-1000 Operating Exp Escalation	**71,378**	**71,378**	**71,378**	**71,378**	**71,378**	**71,378**	**71,378**	**71,378**	**71,378**	**69,919**	**69,919**	**69,919**	**852,162**
-Center for Reproductive Health (OPE) 400	1,460	1,460	1,460	1,460	1,460	1,460	1,460	1,460	1,460	0	0	0	13,138
-Cornerstone Medical Group (OPE) 40040-:	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	45,395
-Delnor-Community Hospital (OPE) 40040-2	31,221	31,221	31,221	31,221	31,221	31,221	31,221	31,221	31,221	31,221	31,221	31,221	374,657
-Delnor-Community Hospital (OPE) 40040-5	4,978	4,978	4,978	4,978	4,978	4,978	4,978	4,978	4,978	4,978	4,978	4,978	59,731
-Dupage Obstetrics & Gynecology (OPE) 4(	2,932	2,932	2,932	2,932	2,932	2,932	2,932	2,932	2,932	2,932	2,932	2,932	35,186
-Grossweiner & Blaszak, P.C. (OPE) 40040	2,324	2,324	2,324	2,324	2,324	2,324	2,324	2,324	2,324	2,324	2,324	2,324	27,890
-Kane Cardiology P.C. (OPE) 40040-100	8,953	8,953	8,953	8,953	8,953	8,953	8,953	8,953	8,953	8,953	8,953	8,953	107,432
-La Grange Oncology (OPE) 40040-410	5,694	5,694	5,694	5,694	5,694	5,694	5,694	5,694	5,694	5,694	5,694	5,694	68,332
-Lawrence L.Johnson MDSC (OPE) 40040-	2,573	2,573	2,573	2,573	2,573	2,573	2,573	2,573	2,573	2,573	2,573	2,573	30,879
-Midwest ENT (OPE) 40040-310	7,460	7,460	7,460	7,460	7,460	7,460	7,460	7,460	7,460	7,460	7,460	7,460	89,523
4200-1100 Operating Expense Reconciliatio	**0**	**0**	**-2,315**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-2,315**
-Center for Reproductive Health (OPR) 400	0	0	444	0	0	0	0	0	0	0	0	0	444
-Cornerstone Medical Group (OPR) 40040-:	0	0	1,165	0	0	0	0	0	0	0	0	0	1,165
-Delnor-Community Hospital (OPR) 40040-2	0	0	-11,601	0	0	0	0	0	0	0	0	0	-11,601
-Delnor-Community Hospital (OPR) 40040-5	0	0	-1,520	0	0	0	0	0	0	0	0	0	-1,520
-Dupage Obstetrics & Gynecology (OPR) 4(	0	0	944	0	0	0	0	0	0	0	0	0	944
-Grossweiner & Blaszak, P.C. (OPR) 40040	0	0	735	0	0	0	0	0	0	0	0	0	735
-Kane Cardiology P.C. (OPR) 40040-100	0	0	2,693	0	0	0	0	0	0	0	0	0	2,693
-La Grange Oncology (OPR) 40040-410	0	0	1,737	0	0	0	0	0	0	0	0	0	1,737
-Lawrence L.Johnson MDSC (OPR) 40040-	0	0	830	0	0	0	0	0	0	0	0	0	830
-Midwest ENT (OPR) 40040-310	0	0	2,258	0	0	0	0	0	0	0	0	0	2,258
4200-4000 Reimb Electricity	**435**	**435**	**435**	**435**	**435**	**435**	**435**	**435**	**435**	**435**	**435**	**435**	**5,220**
-Delnor-Community Hospital (UTL) 40040-2	435	435	435	435	435	435	435	435	435	435	435	435	5,220
4790-1000 Interest Income	**840**	**840**	**840**	**840**	**840**	**840**	**840**	**840**	**840**	**840**	**840**	**840**	**10,080**
-Interest on Short Term Investment	840	840	840	840	840	840	840	840	840	840	840	840	10,080
4790-1100 Note Interest Income	**29**	**28**	**26**	**25**	**24**	**22**	**21**	**20**	**18**	**0**	**0**	**0**	**213**

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ForeSight Detail Proforma
Hammes Company Healthcare Consulting
40040 Delnor FY 2013

Accrual

Budget amounts from 01/13 to 12/13

	01/13	02/13	03/13	04/13	05/13	06/13	07/13	08/13	09/13	10/13	11/13	12/13	Total
-Center for Reproductive Health (NOT) 400	29	28	26	25	24	22	21	20	18	0	0	0	213
Total Revenue	**218,035**	**218,322**	**216,242**	**220,596**	**221,152**	**221,150**	**221,149**	**221,148**	**221,146**	**216,748**	**216,854**	**216,935**	**2,629,477**
RECOVERABLE COSTS													
6400-3200 Janitorial Contractual	**4,338**	**4,338**	**4,338**	**4,338**	**4,338**	**4,338**	**4,338**	**4,338**	**4,338**	**4,338**	**4,338**	**4,338**	**52,059**
-ABM at $0.0757/sq ft/ mo Suite Cleaning	4,338	4,338	4,338	4,338	4,338	4,338	4,338	4,338	4,338	4,338	4,338	4,338	52,059
6700-1000 Common Area Association	**40,192**	**40,192**	**40,192**	**40,192**	**40,192**	**40,192**	**40,192**	**40,192**	**40,192**	**40,192**	**40,192**	**40,192**	**482,307**
-Condo Dues-Common Area Assoc.	40,192	40,192	40,192	40,192	40,192	40,192	40,192	40,192	40,192	40,192	40,192	40,192	482,307
6800-3610 Management Fees Expense	**6,502**	**6,511**	**6,448**	**6,579**	**6,595**	**6,595**	**6,595**	**6,595**	**6,595**	**6,466**	**6,468**	**6,469**	**78,418**
-Management Fee at 3% base and OPE	6,502	6,511	6,448	6,579	6,595	6,595	6,595	6,595	6,595	6,466	6,468	6,469	78,418
6910-3200 Tax-Non Inc - Prop Tax Cons	**0**	**350**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**350**
-Bill McVeigh-then 30% of savings	0	350	0	0	0	0	0	0	0	0	0	0	350
6910-8010 Property Taxes	**23,114**	**23,114**	**23,114**	**23,114**	**23,114**	**23,114**	**23,114**	**23,114**	**23,114**	**23,114**	**23,114**	**23,114**	**277,369**
-Kane County Real Estate Tax	26,051	26,051	26,051	26,051	26,051	26,051	26,051	26,051	26,051	26,051	26,051	26,051	312,610
-Reimbursement from Condo for Commmor	-2,937	-2,937	-2,937	-2,937	-2,937	-2,937	-2,937	-2,937	-2,937	-2,937	-2,937	-2,937	-35,241
6950-1000 Ground lease	**5,576**	**5,576**	**5,576**	**5,576**	**5,576**	**5,576**	**5,576**	**5,576**	**5,576**	**5,576**	**5,576**	**5,576**	**66,910**
-Delnor Hospital Ground Rent	5,576	5,576	5,576	5,576	5,576	5,576	5,576	5,576	5,576	5,576	5,576	5,576	66,910
Recoverable Costs	**79,722**	**80,081**	**79,668**	**79,799**	**79,815**	**79,815**	**79,815**	**79,815**	**79,815**	**79,686**	**79,688**	**79,689**	**957,413**
Operating Income	**138,313**	**138,241**	**136,574**	**140,796**	**141,336**	**141,334**	**141,333**	**141,332**	**141,330**	**137,062**	**137,166**	**137,246**	**1,672,064**
6800-3745 Admin-Bank Svc Fees	**397**	**397**	**397**	**397**	**397**	**397**	**397**	**397**	**397**	**397**	**397**	**397**	**4,767**
-Bank Fee	397	397	397	397	397	397	397	397	397	397	397	397	4,767
6970-3710 Legal Fees (NR)	**0**	**1,571**	**0**	**2,000**	**1,571**	**0**	**0**	**3,571**	**0**	**0**	**1,571**	**2,000**	**12,284**
-D&K	0	0	0	2,000	0	0	0	2,000	0	0	0	2,000	6,000
-In House-lease reviews	0	1,571	0	0	1,571	0	0	1,571	0	0	1,571	0	6,284
6970-3730 Tax Services (NR)	**167**	**167**	**167**	**167**	**167**	**167**	**167**	**167**	**167**	**167**	**167**	**167**	**2,000**
-Wipfli tax service	167	167	167	167	167	167	167	167	167	167	167	167	2,000
6970-3755 Filing Fees (NR)	**0**	**0**	**75**	**0**	**0**	**0**	**0**	**0**	**309**	**0**	**0**	**0**	**384**
-Annual Report	0	0	0	0	0	0	0	0	309	0	0	0	309
-National Registered Agents-state rep	0	0	75	0	0	0	0	0	0	0	0	0	75
Other Operating Costs	**564**	**2,135**	**639**	**2,564**	**2,135**	**564**	**564**	**4,135**	**873**	**564**	**2,135**	**2,564**	**19,435**
Net Operating Income	**137,749**	**136,106**	**135,935**	**138,232**	**139,201**	**140,770**	**140,769**	**137,197**	**140,457**	**136,498**	**135,031**	**134,682**	**1,652,629**

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Accrual

Budget amounts from 01/13 to 12/13

	01/13	02/13	03/13	04/13	05/13	06/13	07/13	08/13	09/13	10/13	11/13	12/13	Total
8100-9350 Interest Expense (NR)	**75,968**	**75,877**	**75,785**	**75,693**	**75,600**	**75,507**	**75,413**	**75,319**	**75,224**	**75,129**	**75,034**	**74,937**	**905,486**
Per2013 Loan Amortization	75,968	75,877	75,785	75,693	75,600	75,507	75,413	75,319	75,224	75,129	75,034	74,937	905,486
Non-Operating Income/Expense													
Total Non-Operating Income/Expense	**75,968**	**75,877**	**75,785**	**75,693**	**75,600**	**75,507**	**75,413**	**75,319**	**75,224**	**75,129**	**75,034**	**74,937**	**905,486**
9510-1000 Depr Exp Land Improvement	**3,628**	**3,628**	**3,628**	**3,628**	**3,628**	**3,628**	**3,628**	**3,628**	**3,628**	**3,628**	**3,628**	**3,628**	**43,535**
Per FAS 2013 Projection	3,628	3,628	3,628	3,628	3,628	3,628	3,628	3,628	3,628	3,628	3,628	3,628	43,535
9520-1000 Depr Exp Bldgs & Imprvs	**17,151**	**17,151**	**17,151**	**17,151**	**17,151**	**17,151**	**17,151**	**17,151**	**17,151**	**17,151**	**17,151**	**17,151**	**205,811**
Per FAS Projection Report	17,151	17,151	17,151	17,151	17,151	17,151	17,151	17,151	17,151	17,151	17,151	17,151	205,811
9540-1000 Depr Exp Tenant Improvmnt	**8,510**	**8,493**	**8,476**	**8,476**	**8,474**	**8,473**	**8,472**	**8,442**	**8,414**	**8,414**	**8,352**	**8,296**	**101,292**
Per FAS 2013 Projection	8,510	8,493	8,476	8,476	8,474	8,473	8,472	8,442	8,414	8,414	8,352	8,296	101,292
9560-1000 Depr Exp Med Office Equip	**118**	**118**	**118**	**118**	**118**	**118**	**0**	**0**	**0**	**0**	**0**	**0**	**708**
Per FAS Projection	118	118	118	118	118	118	0	0	0	0	0	0	708
9600-4170 Amort Exp Loan Costs LT	**1,701**	**1,701**	**1,701**	**1,701**	**1,701**	**1,701**	**1,701**	**1,701**	**1,701**	**1,701**	**1,701**	**1,701**	**20,417**
Per FAS Projection	1,701	1,701	1,701	1,701	1,701	1,701	1,701	1,701	1,701	1,701	1,701	1,701	20,417
9600-4200 Amort Exp Defer Leas Fees	**1,148**	**1,148**	**1,148**	**1,148**	**1,148**	**1,148**	**1,148**	**1,148**	**1,148**	**1,148**	**1,148**	**1,148**	**13,779**
Per FAS 2013 Projection	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	13,779
Total Depreciation & Amortization	**32,257**	**32,240**	**32,223**	**32,223**	**32,221**	**32,220**	**32,101**	**32,071**	**32,043**	**32,043**	**31,981**	**31,924**	**385,542**
Net Income (Loss)	**29,525**	**27,989**	**27,928**	**30,317**	**31,381**	**33,044**	**33,256**	**29,808**	**33,191**	**29,326**	**28,016**	**27,821**	**361,601**

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ADDENDUM E

ARGUS SUPPORTING SCHEDULES

Input Assumptions

perty Description		Property Timing	
ıme:	Delnor 351 Building	Analysis Start Date:	6/13
ldress:		Reporting Start Date:	6/13
ldress2:		Years to Report or End Date:	10
:y:	Geneva		
ate:	IL		
):			
ıuntry:			
ırtfolio:			
operty Type:	Office & Retail		
operty Reference:			
operty Version:			

a Measures

abel	Area
'roperty Size	80,890 SqFt
.lt. Prop. Size	1 SqFt

Constants

Label	
Total Purchase Price	0

ıeral Inflation

lation Month:	Analysis Start
ːimbursement Method:	Fiscal reimbursement using fiscal inflation

ːrall Inflation Rates

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	May-2014	May-2015	May-2016	May-2017	May-2018	May-2019	May-2020	May-2021	May-2022	May-2023	May-2024	May-2025
ıeral Inflation		3	3	3	3	3	3	3	3	3	3	3
cellaneous Revenues												
mbursable Expenses												
ı-Reimbursable Expenses												
ıital Expenditures												
ail Sales Volume												
ket Rent		3	3	3	3	3	3	3	3	3	3	3
sing Costs												
d Costs												
d Costs												
: Costs												

cellaneous Revenues

lame	Acct Code	Actuals	Budgeted	Units	Area/Constant	Frequency	% Fixed	Inflation	Ref Acct	Notes
lisc revenue			0.15	$/Area	Property Size	/Year	100			

mbursable Expenses

lame	Acct Code	Actuals	Budgeted	Units	Area/Constant	Frequency	% Fixed	Inflation	Ref Acct	Notes
:eal Estate Taxes			293,744	$Amount		/Year	100			
:ommon Area Maintenance			6.75	$/Area	Property Size	/Year	100			
lanagement Fee			3	% of EGR						

ːross Up for Reimbursement: No

(continued on next page)

Input Assumptions
(continued from previous page)

mbursement Revenue Reporting Group
eporting Group: Operating Expenses
Common Area Maintenance
Management Fee

-Reimbursable Expenses

lame	Acct Code	Actuals	Budgeted	Units	Area/Constant	Frequency	% Fixed	Inflation	Ref Acct	Notes
lon-reimbursable			0.25	$/Area	Property Size	/Year	100			
iround Rent			66,910	$Amount		/Year	100			

ital Expenditures

lame	Acct Code	Actuals	Budgeted	Units	Area/Constant	Frequency	% Fixed	Inflation	Ref Acct	Notes
apital Reserve			0.15	$/Area	Property Size	/Year	100			

dit & Collection Loss
ethod: Percent of Potential Gross Revenue
imary Rate: 1

t Roll

.	Tenant Name/ Description	Suite	Lease Type	Lease Status	Total Area	Start Date	Term/ Expir	Base/Min Rent	Unit of Measure	Rent Chng	Rtl Sls	Reimbur-sements	Unit of Measure	Rent Abatement
1	Kane Cardiology, P.C.	100	Office	Contract	8,556	5/06	4/16	Detail				Net		
2	Cadence Physician Gro	207	Office	Contract	2,778	2/06	2/16	Detail				Net		
3	Center for Reproducti	210	Office	Contract	1,383	10/06	9/13	Detail				Net		
4	Delnor-Community Hosp	250 D	Office	Contract	29,580	4/06	3/21	Detail				Net		
5	Cornerstone Medical G	300	Office	Contract	3,584	12/06	11/16	Detail				Net		
6	Midwest ENT	310	Office	Contract	7,068	4/07	3/17	Detail				Net		
7	Lawrence L. Johnson,	400	Office	Contract	2,438	3/06	2/16	Detail				Net		
8	Delnor Community Hosp	401	Office	Contract	4,676	2/06	1/16	Detail				Net		
9	Grossweiner & Blaszak	404	Office	Contract	2,202	3/06	2/16	Detail				Net		
0	LaGrange Oncology	410	Office	Contract	5,395	2/07	1/17	Detail				Net		

.	Tenant Name/ Description	Leasing Cost	Security Deposit	Market Leasing	Upon Expiration	Rnwl Prob	More/ Notes
1	Kane Cardiology, P.C.			Office Space	Market		
2	Cadence Physician Gro			Office Space	Market		
3	Center for Reproducti			Office Space	Market		
4	Delnor-Community Hosp			Office Space	Market		
5	Cornerstone Medical G			Office Space	Market		
6	Midwest ENT			Office Space	Market		
7	Lawrence L. Johnson,			Office Space	Market		
8	Delnor Community Hosp			Office Space	Market		
9	Grossweiner & Blaszak			Office Space	Market		
0	LaGrange Oncology			Office Space	Market		

(continued on next page)

Input Assumptions
(continued from previous page)

Detail Base Rent
Kane Cardiology, P.C.

Date	Amount	Units
5/06	25.28	$/SqFt/Yr
5/12	26.04	$/SqFt/Yr
5/13	26.82	$/SqFt/Yr
5/14	27.63	$/SqFt/Yr
5/15	28.46	$/SqFt/Yr

Detail Base Rent
Cadence Physician Group OBGY

Date	Amount	Units
2/06	24.84	$/SqFt/Yr
2/12	25.09	$/SqFt/Yr
3/12	26.19	$/SqFt/Yr
2/13	25.84	$/SqFt/Yr
3/13	25.84	$/SqFt/Yr
2/14	26.1	$/SqFt/Yr
3/14	26.36	$/SqFt/Yr
2/15	26.62	$/SqFt/Yr
3/15	26.88	$/SqFt/Yr

Detail Base Rent
Center for Reproductive Heal

Date	Amount	Units
1	25.34	$/SqFt/Yr

Detail Base Rent
Delnor-Community Hospital

Date	Amount	Units
4/06	25.4	$/SqFt/Yr
4/13	26.79	$/SqFt/Yr
4/14	2	% Inc, Annual

Detail Base Rent
Cornerstone Medical Group

Date	Amount	Units
12/06	24.35	$/SqFt/Yr
11/11	25.08	$/SqFt/Yr
12/13	26.09	$/SqFt/Yr

Detail Base Rent
Midwest ENT

Date	Amount	Units
4/07	26	$/SqFt/Yr
4/12	28	$/SqFt/Yr
4/13	29	$/SqFt/Yr
4/14	31	$/SqFt/Yr

12/20

Detail Base Rent
Lawrence L. Johnson, P.C.

Date	Amount	Units
3/06	24.84	$/SqFt/Yr
2/12	25.07	$/SqFt/Yr
3/12	25.33	$/SqFt/Yr
2/13	25.57	$/SqFt/Yr
3/13	25.84	$/SqFt/Yr
2/14	26.08	$/SqFt/Yr
3/14	26.36	$/SqFt/Yr
2/15	26.6	$/SqFt/Yr
3/15	26.88	$/SqFt/Yr

Detail Base Rent
Delnor Community Hospital

Date	Amount	Units
2/06	20.42	$/SqFt/Yr
2/14	20.83	$/SqFt/Yr
2/15	21.25	$/SqFt/Yr

Detail Base Rent
Grossweiner & Blaszak, P.C.

Date	Amount	Units
3/06	24.84	$/SqFt/Yr
2/12	24.94	$/SqFt/Yr
3/12	25.33	$/SqFt/Yr
2/13	25.44	$/SqFt/Yr
3/13	25.84	$/SqFt/Yr
2/14	25.95	$/SqFt/Yr
3/14	26.36	$/SqFt/Yr
2/15	26.47	$/SqFt/Yr
3/15	26.88	$/SqFt/Yr

Detail Base Rent
LaGrange Oncology

Date	Amount	Units
2/07	24.35	$/SqFt/Yr
1/12	24.35	$/SqFt/Yr
2/12	24.84	$/SqFt/Yr
1/13	24.84	$/SqFt/Yr
2/13	25.33	$/SqFt/Yr
2/14	25.84	$/SqFt/Yr
2/15	26.36	$/SqFt/Yr
2/16	26.88	$/SqFt/Yr

ıce Absorption

).	Space Description	Lease Type	Lease Status	Total Area	Date Avail	Begin Lsng	#/Size Leases	Crte Lses	Term/ Expir	Base/Min Rent	Unit of Measure	Rent Chng	Rtl Sls	Reimbur-sements	Unit of Measure
1	Vacant Office	Office	Speculative	4,836	1	12	1	Mon	10	Detail				Net	
2	Vacant Office (Shell)	Office	Speculative	6,196	1	300	2	Ann	10	Detail				Net	
3	Vacant Office (Shell)	Office	Speculative	2,198	1	18	2	Ann	10	Detail				Net	

Lsg Security Upon Rnwl Mre

Input Assumptions
(continued from previous page)

ıce Absorption

).	Space Description	Rent Abatement	Lsg Cst	Security Deposit	Market Leasing	Upon Expiration	Rnwl Prob	Mre Nts
1	Vacant Office		Yes		Office Space	Market		
2	Vacant Office (Shell)		Yes		Office Space	Market		
3	Vacant Office (Shell)		Yes		Office Space	Market		

Detail Base Rent
Vacant Office

Date	Amount	Units
1	100	% Market
13	2	% Inc, Annual

Leasing Cost
Vacant Office
Tenant Improvements: Office TI's
Leasing Commissions: Leasing Commissi

Detail Base Rent
Vacant Office (Shell)

Date	Amount	Units
1	100	% Market
13	2	% Inc, Annual

sing Cost
'acant Office (Shell)
'enant Improvements: 60 $/SqFt
easing Commissions: Leasing Commissi

Detail Base Rent
Vacant Office (Shell)

Date	Amount	Units
1	100	% Market
13	2	% Inc, Annual

Leasing Cost
Vacant Office (Shell)
Tenant Improvements: 60 $/SqFt
Leasing Commissions: Leasing Commissi

ıt Abatements

Rent Abatement Category:
New Free Rent
Modifier: Standard

Date	Pct	Mos
1	100	1.00

ket Rent Abatements

larket Rent Abatements Category: New/Renew Free Rent MLA

Modifier: Standard

	May-2014	May-2015	May-2016	May-2017	May-2018	May-2019	May-2020	May-2021	May-2022	May-2023	May-2024	May-2025
New	0	0	0	0	0	0	0	0	0	0	0	0
Renewal	0	0	0	0	0	0	0	0	0	0	0	0

(continued on next page)

Input Assumptions
(continued from previous page)

ɔ Rent Adjustments

Step Adjustment:
$.50 psf/Year

Date	Amount	Units
13	0.5	$/SqFt/Yr
25	1	$/SqFt/Yr
37	1.5	$/SqFt/Yr
49	2	$/SqFt/Yr
61	2.5	$/SqFt/Yr
73	3	$/SqFt/Yr
85	3.5	$/SqFt/Yr
97	4	$/SqFt/Yr
109	4.5	$/SqFt/Yr
121	5	$/SqFt/Yr

ket Leasing Assumptions

easing Assumptions Category: Office Space

ease Status: Speculative

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	New Market	Renewal Mkt	Unit of Measure
Renewal Probability		Retention Ratio	
Market Rent	Office Rent		
Months Vacant	Downtime	0	
Tenant Improvements	Office TI's		
Leasing Commissions	Leasing Commissions		
Rent Abatements	0		Months
Security Deposit	None	None	
lon-Weighted Items			
Rent Changes	Yes		
Retail Sales	No		
Reimbursements	Net		
Term Lengths	10	Years	

:ent Changes: Office Space,current term
Changing Base: 2% Rent Escalation
Step:
Porters' Wage:
Miscellaneous:
CPI Rent
Category:
Parking
Spaces: Continue Prior
Amount:

(continued on next page)

Input Assumptions
(continued from previous page)

easing Assumptions Category: White Space

ease Status: Speculative

	New Market	Renewal Mkt	Unit of Measure
Renewal Probability		Retention Ratio	
Market Rent	Office Rent		
Months Vacant	Downtime	0	
Tenant Improvements	60.00		$/SqFt
Leasing Commissions	Leasing Commissions		
Rent Abatements	0		Months
Security Deposit	None	None	

lon-Weighted Items

Rent Changes	Yes	
Retail Sales	No	
Reimbursements	Net	
Term Lengths	10	Years

:ent Changes: White Space,current term
Changing Base: 2% Rent Escalation
Step:
Porters' Wage:
Miscellaneous:
CPI Rent
Category:
Parking
Spaces: Continue Prior
Amount:

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iewal Probability

:enewal Probability Category: Retention Ratio

	May-2014	May-2015	May-2016	May-2017	May-2018	May-2019	May-2020	May-2021	May-2022	May-2023	May-2024	May-2025
% to Renew	80	80	80	80	80	80	80	80	80	80	80	80

ket Rent

larket Rent Category: Office Rent

Unit of Measure: $/SqFt/Yr

	May-2014	May-2015	May-2016	May-2017	May-2018	May-2019	May-2020	May-2021	May-2022	May-2023	May-2024	May-2025
New	25	25	25	25	25	25	25	25	25	25	25	25
Renewal												
Inflation												

(continued on next page)

Input Assumptions
(continued from previous page)

inging Base Rent

Changing Base:
2% Rent Escalation

Date	Amount	Units
1	100	% Market
13	2	% Inc, Annual

ıths Vacant

lonths Vacant Category: Downtime

	May-2014	May-2015	May-2016	May-2017	May-2018	May-2019	May-2020	May-2021	May-2022	May-2023	May-2024	May-2025
# of Months	9	9	9	9	9	9	9	9	9	9	9	9

ant Improvements

enant Improvements Category: Office TI's

Payment Made: First Month
Unit of Measure: $/SqFt

	May-2014	May-2015	May-2016	May-2017	May-2018	May-2019	May-2020	May-2021	May-2022	May-2023	May-2024	May-2025
New	30	30	30	30	30	30	30	30	30	30	30	30
Renewal	10	10	10	10	10	10	10	10	10	10	10	10
Inflation												

sing Commissions

easing Commissions Category: Leasing Commissions

Payment Made: First Month
Unit of Measure: $/SqFt

	May-2014	May-2015	May-2016	May-2017	May-2018	May-2019	May-2020	May-2021	May-2022	May-2023	May-2024	May-2025
New	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5
Renewal	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5
Inflation												

perty Resale
ption: Capitalize Net Operating Income
ap Rate: 7.25
esale Adjustment(s): 2
pply Rate to following year income: Yes
alculate Resale for All Years: Yes

Cap Rate Range
Low Rate: 8.5
High Rate: 9.5
Increment: 0.25

(continued on next page)

Input Assumptions
(continued from previous page)

sent Value Discounting

'rimary Discount Rate:	8.25
iscount Rate Range	
Number of Rates:	5
Increment:	0.25
iscount Method: Annually (Endpoint on Cash Flow & Resale)	
.dvanced	
Unleveraged Discount Range	
Cash Flow Rate:	8.25
Resale Rate:	8.25
Leveraged Discount Range	
Cash Flow Rate:	8.25
Resale Rate:	8.25

Input Switches

Enable Budgeting (entry of actuals and variance reporting):	No
Use market rent abatement categories:	Yes
Use reimbursable reporting groups:	Yes
Display Term override columns in Market Leasing Assumptions:	No
Use CPI index:	No
Use old input method for Present Value Discounting:	No
Allow leases to start and end on specific dates:	No
Auto Selection Defaults	
Rents Entered:	Annually
Highest per SqFt Rent:	500
Highest per SqFt Property expense/revenue:	100
This Property Uses:	
Development Costs	Yes
Escrow	Yes
Porter's Wage	Yes
Debt	Yes
Depreciation and Tax	Yes
Partnerships	Yes

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Supporting Schedule -- Detailed Lease Expiration Schedule (First Term Only)

No.	Tenant	Suite	Market Leasing	Base Rent /SqFt/Yr	Expiration Date	Square Feet	Percent of Total
3	Center for Reproducti	210	Office Spac	20.95	9/13	1,383	1.7
						===========	===========
Total for Year Ending May-						1,383	1.7%
8	Delnor Community Hosp	401	Office Spac	18.59	1/16	4,676	5.8
2	Cadence Physician Gro	207	Office Spac	22.37	2/16	2,778	3.4
7	Lawrence L. Johnson,	400	Office Spac	22.37	2/16	2,438	3.0
9	Grossweiner & Blaszak	404	Office Spac	22.37	2/16	2,202	2.7
1	Kane Cardiology, P.C.	100	Office Spac	26.09	4/16	8,556	10.6
						===========	===========
Total for Year Ending May-						20,650	25.5%
5	Cornerstone Medical G	300	Office Spac	22.15	11/16	3,584	4.4
10	LaGrange Oncology	410	Office Spac	22.47	1/17	5,395	6.7
6	Midwest ENT	310	Office Spac	25.83	3/17	7,068	8.7
						===========	===========
Total for Year Ending May-						16,047	19.8%
4	Delnor-Community Hosp	250 D	Office Spac	25.64	3/21	29,580	36.6
						===========	===========
Total for Year Ending May-						29,580	36.6%
11	Vacant Office	Mo 12	Office Spac	27.39	4/24	4,836	6.0
						===========	===========
Total for Year Ending May-						4,836	6.0%
Building Total						72,496	89.6%

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Supporting Schedule -- Square Feet Expiring -- (All Terms)

the Years Ending ant	Suite	Month One Occupied Area	Lease Start	First Expiration	Year 1 May-2014	Year 2 May-2015	Year 3 May-2016	Year 4 May-2017	Year 5 May-2018	Year 6 May-2019	Year 7 May-2020	Year 8 May-2021	Year 9 May-2022
enter for Reproductive	210	1,383	10/06	9/13	1,383								
elnor Community Hospit	401	4,676	2/06	1/16			4,676						
idence Physician Group	207	2,778	2/06	2/16			2,778						
wrence L. Johnson, P.	400	2,438	3/06	2/16			2,438						
ossweiner & Blaszak,	404	2,202	3/06	2/16			2,202						
ine Cardiology, P.C.	100	8,556	5/06	4/16			8,556						
ornerstone Medical Gro	300	3,584	12/06	11/16				3,584					
Grange Oncology	410	5,395	2/07	1/17				5,395					
dwest ENT	310	7,068	4/07	3/17				7,068					
elnor-Community Hospit	250 D	29,580	4/06	3/21								29,580	
icant Office	Mo 12		5/14	4/24									
al SqFt Expiring		67,660			1,383		20,650	16,047				29,580	
cent Of Total Expiring					1.7%		25.5%	19.8%				36.6%	

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Supporting Schedule -- Square Feet Expiring -- (All Terms)

the Years Ending		Month One Occupied Area	Lease Start	First Expiration	Year 10 May-2023	Year 11 May-2024
ant	Suite					
nter for Reproductive	210	1,383	10/06	9/13		1,383
lnor Community Hospit	401	4,676	2/06	1/16		
idence Physician Group	207	2,778	2/06	2/16		
wrence L. Johnson, P.	400	2,438	3/06	2/16		
ossweiner & Blaszak,	404	2,202	3/06	2/16		
ne Cardiology, P.C.	100	8,556	5/06	4/16		
rnerstone Medical Gro	300	3,584	12/06	11/16		
Grange Oncology	410	5,395	2/07	1/17		
dwest ENT	310	7,068	4/07	3/17		
lnor-Community Hospit	250 D	29,580	4/06	3/21		
icant Office	Mo 12		5/14	4/24		4,836
al SqFt Expiring		67,660				6,219
					===========	===========
cent Of Total Expiring						7.7%

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Supporting Schedule - Occupancy & Absorption Rates
Physical Occupancy Based on Absorption & Turnover Vacancy Assumptions

the Years Ending	Year 1 May-2014	Year 2 May-2015	Year 3 May-2016	Year 4 May-2017	Year 5 May-2018	Year 6 May-2019	Year 7 May-2020	Year 8 May-2021	Year 9 May-2022	Year 10 May-2023	Year 11 May-2024
't Occupied											
ne	67,660	72,496	73,595	66,138	74,694	74,694	74,694	74,694	74,694	74,694	74,694
ly	67,660	72,496	73,595	74,694	74,694	74,694	74,694	74,694	74,694	74,694	74,694
igust	67,660	72,496	73,595	74,694	74,694	74,694	74,694	74,694	74,694	74,694	74,694
ptember	67,660	72,496	73,595	74,694	74,694	74,694	74,694	74,694	74,694	74,694	74,694
tober	66,277	72,496	73,595	74,694	74,694	74,694	74,694	74,694	74,694	74,694	74,694
vember	66,277	73,595	74,694	74,694	74,694	74,694	74,694	74,694	74,694	74,694	74,694
cember	67,660	73,595	74,694	71,110	74,694	74,694	74,694	74,694	74,694	74,694	73,311
nuary	67,660	73,595	74,694	71,110	74,694	74,694	74,694	74,694	74,694	74,694	73,311
bruary	67,660	73,595	70,018	69,299	74,694	74,694	74,694	74,694	74,694	74,694	74,694
arch	67,660	73,595	62,600	69,299	74,694	74,694	74,694	74,694	74,694	74,694	74,694
ril	67,660	73,595	67,276	67,626	74,694	74,694	74,694	45,114	74,694	74,694	74,694
ay	72,496	73,595	66,138	67,626	74,694	74,694	74,694	45,114	74,694	74,694	69,858
rage Occupied For The Year	67,833	73,137	71,507	71,307	74,694	74,694	74,694	69,764	74,694	74,694	74,061
Absorption											
nual Square Feet Absorbed	4,836	1,099	(7,457)	1,488	7,068			(29,580)	29,580		(4,836)
erage Monthly Absorption	403	92	(621)	124	589			(2,465)	2,465		(403)

the Years Ending	Year 1 May-2014	Year 2 May-2015	Year 3 May-2016	Year 4 May-2017	Year 5 May-2018	Year 6 May-2019	Year 7 May-2020	Year 8 May-2021	Year 9 May-2022	Year 10 May-2023	Year 11 May-2024
centage Occupancy											
ne	83.64%	89.62%	90.98%	81.76%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%
ly	83.64%	89.62%	90.98%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%
igust	83.64%	89.62%	90.98%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%
ptember	83.64%	89.62%	90.98%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%
tober	81.93%	89.62%	90.98%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%
vember	81.93%	90.98%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%
cember	83.64%	90.98%	92.34%	87.91%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%	90.63%
nuary	83.64%	90.98%	92.34%	87.91%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%	90.63%
bruary	83.64%	90.98%	86.56%	85.67%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%
arch	83.64%	90.98%	77.39%	85.67%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%	92.34%
ril	83.64%	90.98%	83.17%	83.60%	92.34%	92.34%	92.34%	55.77%	92.34%	92.34%	92.34%
ay	89.62%	90.98%	81.76%	83.60%	92.34%	92.34%	92.34%	55.77%	92.34%	92.34%	86.36%
rage Occupancy For The Year	83.86%	90.42%	88.40%	88.15%	92.34%	92.34%	92.34%	86.25%	92.34%	92.34%	91.56%
Absorption											
nual Percentage Absorbed	5.98%	1.36%	(9.22%)	1.84%	8.74%			(36.57%)	36.57%		(5.98%)
erage Monthly Percentage	0.50%	0.11%	(0.77%)	0.15%	0.73%			(3.05%)	3.05%		(0.50%)

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Supporting Schedule -- Average Square Feet Occupancy

the Years Ending		Month One Occupied Area	Lease Start	First Expiration	Year 1 May-2014	Year 2 May-2015	Year 3 May-2016	Year 4 May-2017	Year 5 May-2018	Year 6 May-2019	Year 7 May-2020	Year 8 May-2021	Year 9 May-2022
ant	Suite												
ıne Cardiology, P.C.	100	8,556	5/06	4/16	8,556	8,556	7,843	7,843	8,556	8,556	8,556	8,556	8,556
ıdence Physician Group	207	2,778	2/06	2/16	2,778	2,778	2,315	2,778	2,778	2,778	2,778	2,778	2,778
ınter for Reproductive	210	1,383	10/06	9/13	1,153	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383
ılnor-Community Hospit	250 D	29,580	4/06	3/21	29,580	29,580	29,580	29,580	29,580	29,580	29,580	24,650	29,580
ırnerstone Medical Gro	300	3,584	12/06	11/16	3,584	3,584	3,584	2,987	3,584	3,584	3,584	3,584	3,584
dwest ENT	310	7,068	4/07	3/17	7,068	7,068	7,068	5,890	7,068	7,068	7,068	7,068	7,068
wrence L. Johnson, P.	400	2,438	3/06	2/16	2,438	2,438	2,032	2,438	2,438	2,438	2,438	2,438	2,438
ılnor Community Hospit	401	4,676	2/06	1/16	4,676	4,676	3,897	4,676	4,676	4,676	4,676	4,676	4,676
ossweiner & Blaszak,	404	2,202	3/06	2/16	2,202	2,202	1,835	2,202	2,202	2,202	2,202	2,202	2,202
Grange Oncology	410	5,395	2/07	1/17	5,395	5,395	5,395	4,496	5,395	5,395	5,395	5,395	5,395
ıcant Office	Mo 12		5/14	4/24	403	4,836	4,836	4,836	4,836	4,836	4,836	4,836	4,836
ıcant Office (Shell)	Yr 25		5/38	4/48									
ıcant Office (Shell)	Yr 26		5/39	4/49									
ıcant Office (Shell)	Yr 2		11/14	10/24		641	1,099	1,099	1,099	1,099	1,099	1,099	1,099
ıcant Office (Shell)	Yr 3		11/15	10/25			641	1,099	1,099	1,099	1,099	1,099	1,099
al Amount Per Year		67,660			67,833	73,137	71,507	71,307	74,694	74,694	74,694	69,764	74,694
					===========	===========	===========	===========	===========	===========	===========	===========	===========
rage Percent Occupancy					83.86%	90.42%	88.40%	88.15%	92.34%	92.34%	92.34%	86.25%	92.34%

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perty Type : Office & Retail
tfolio :

Geneva, IL

Ref# : AQO
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Supporting Schedule -- Average Square Feet Occupancy

the Years Ending		Month One Occupied Area	Lease Start	First Expiration	Year 10 May-2023	Year 11 May-2024
ant	Suite					
ine Cardiology, P.C.	100	8,556	5/06	4/16	8,556	8,556
idence Physician Group	207	2,778	2/06	2/16	2,778	2,778
inter for Reproductive	210	1,383	10/06	9/13	1,383	1,153
lnor-Community Hospit	250 D	29,580	4/06	3/21	29,580	29,580
rnerstone Medical Gro	300	3,584	12/06	11/16	3,584	3,584
dwest ENT	310	7,068	4/07	3/17	7,068	7,068
wrence L. Johnson, P.	400	2,438	3/06	2/16	2,438	2,438
lnor Community Hospit	401	4,676	2/06	1/16	4,676	4,676
ossweiner & Blaszak,	404	2,202	3/06	2/16	2,202	2,202
Grange Oncology	410	5,395	2/07	1/17	5,395	5,395
icant Office	Mo 12		5/14	4/24	4,836	4,433
icant Office (Shell)	Yr 25		5/38	4/48		
icant Office (Shell)	Yr 26		5/39	4/49		
icant Office (Shell)	Yr 2		11/14	10/24	1,099	1,099
icant Office (Shell)	Yr 3		11/15	10/25	1,099	1,099
al Amount Per Year		67,660			74,694	74,061
					===========	===========
rage Percent Occupancy					92.34%	91.56%

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Supporting Schedule -- Scheduled Base Rental Revenue

the Years Ending		Month One Occupied Area	Lease Start	First Expiration	Year 1 May-2014	Year 2 May-2015	Year 3 May-2016	Year 4 May-2017	Year 5 May-2018	Year 6 May-2019	Year 7 May-2020	Year 8 May-2021	Year 9 May-2022
ant	Suite												
ıne Cardiology, P.C.	100	8,556	5/06	4/16	230,049	236,994	223,212	214,256	238,019	242,780	247,635	252,588	257,640
ıdence Physician Group	207	2,778	2/06	2/16	72,205	73,649	62,144	73,802	75,278	76,784	78,320	79,886	81,484
:nter for Reproductive	210	1,383	10/06	9/13	28,969	34,921	35,619	36,332	37,058	37,799	38,555	39,326	40,113
:lnor-Community Hospit	250 D	29,580	4/06	3/21	795,090	810,991	827,211	843,756	860,631	877,843	895,400	758,562	936,776
ırnerstone Medical Gro	300	3,584	12/06	11/16	91,697	93,507	93,507	79,389	98,561	100,532	102,543	104,594	106,686
dwest ENT	310	7,068	4/07	3/17	207,328	219,108	219,108	182,590	198,877	202,855	206,912	211,050	215,271
wrence L. Johnson, P.	400	2,438	3/06	2/16	63,364	64,631	54,539	64,770	66,065	67,386	68,734	70,109	71,511
:lnor Community Hospit	401	4,676	2/06	1/16	96,123	98,056	86,913	124,433	126,921	129,460	132,049	134,690	137,384
ossweiner & Blaszak,	404	2,202	3/06	2/16	57,206	58,351	49,259	58,500	59,670	60,863	62,081	63,322	64,589
Grange Oncology	410	5,395	2/07	1/17	137,573	140,342	143,147	121,242	147,873	150,830	153,847	156,924	160,062
ıcant Office	Mo 12		5/14	4/24	10,075	121,102	123,524	125,994	128,514	131,084	133,706	136,380	139,108
ıcant Office (Shell)	Yr 25		5/38	4/48									
ıcant Office (Shell)	Yr 26		5/39	4/49									
ıcant Office (Shell)	Yr 2		11/14	10/24		16,508	28,629	29,202	29,786	30,382	30,989	31,609	32,241
ıcant Office (Shell)	Yr 3		11/15	10/25			17,003	29,488	30,078	30,680	31,293	31,919	32,557
ıl Amount Per Year		67,660			1,789,679	1,968,160	1,963,815	1,983,754	2,097,331	2,139,278	2,182,064	2,070,959	2,275,422
ghted Average Per SqFt					22.12	24.33	24.28	24.52	25.93	26.45	26.98	25.60	28.13

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Supporting Schedule -- Scheduled Base Rental Revenue

the Years Ending		Month One Occupied Area	Lease Start	First Expiration	Year 10 May-2023	Year 11 May-2024	Total
ant	Suite						
ne Cardiology, P.C.	100	8,556	5/06	4/16	262,793	268,049	2,674,015
idence Physician Group	207	2,778	2/06	2/16	83,113	84,776	841,441
nter for Reproductive	210	1,383	10/06	9/13	40,915	36,149	405,756
lnor-Community Hospit	250 D	29,580	4/06	3/21	955,512	974,622	9,536,394
rnerstone Medical Gro	300	3,584	12/06	11/16	108,819	110,996	1,090,831
dwest ENT	310	7,068	4/07	3/17	219,577	223,968	2,306,644
wrence L. Johnson, P.	400	2,438	3/06	2/16	72,941	74,400	738,450
lnor Community Hospit	401	4,676	2/06	1/16	140,131	142,934	1,349,094
ossweiner & Blaszak,	404	2,202	3/06	2/16	65,880	67,198	666,919
Grange Oncology	410	5,395	2/07	1/17	163,264	166,529	1,641,633
icant Office	Mo 12		5/14	4/24	141,890	132,446	1,323,823
icant Office (Shell)	Yr 25		5/38	4/48			
icant Office (Shell)	Yr 26		5/39	4/49			
icant Office (Shell)	Yr 2		11/14	10/24	32,886	33,544	295,776
icant Office (Shell)	Yr 3		11/15	10/25	33,209	33,873	270,100
al Amount Per Year		67,660			2,320,930	2,349,484	23,140,876
ghted Average Per SqFt					28.69	29.05	

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Supporting Schedule – Absorption & Turnover Vacancy

the Years Ending		Month One Occupied Area	Lease Start	First Expiration	Year 1 May-2014	Year 2 May-2015	Year 3 May-2016	Year 4 May-2017	Year 5 May-2018	Year 6 May-2019	Year 7 May-2020	Year 8 May-2021	Year 9 May-2022
ant	Suite												
ıne Cardiology, P.C.	100	8,556	5/06	4/16			18,911	19,478					
ıdence Physician Group	207	2,778	2/06	2/16			12,280						
ɪnter for Reproductive	210	1,383	10/06	9/13	5,763								
ılnor-Community Hospit	250 D	29,580	4/06	3/21								151,582	
ırnerstone Medical Gro	300	3,584	12/06	11/16				16,318					
dwest ENT	310	7,068	4/07	3/17				32,181					
wrence L. Johnson, P.	400	2,438	3/06	2/16			10,777						
ılnor Community Hospit	401	4,676	2/06	1/16			20,670						
ossweiner & Blaszak,	404	2,202	3/06	2/16			9,734						
Grange Oncology	410	5,395	2/07	1/17				24,564					
ıcant Office	Mo 12		5/14	4/24	110,825								
ıcant Office (Shell)	Yr 25		5/38	4/48									
ıcant Office (Shell)	Yr 26		5/39	4/49									
ıcant Office (Shell)	Yr 2		11/14	10/24	27,475	11,791							
ıcant Office (Shell)	Yr 3		11/15	10/25	27,475	28,299	12,145						
ıl Amount Per Year		67,660			171,538	40,090	84,517	92,541				151,582	
ghted Average Per SqFt					2.12	0.50	1.04	1.14				1.87	

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Supporting Schedule – Absorption & Turnover Vacancy

the Years Ending		Month One Occupied Area	Lease Start	First Expiration	Year 10 May-2023	Year 11 May-2024	Total
ant	Suite						
ıne Cardiology, P.C.	100	8,556	5/06	4/16			38,389
ıdence Physician Group	207	2,778	2/06	2/16			12,280
:nter for Reproductive	210	1,383	10/06	9/13		7,744	13,507
:lnor-Community Hospit	250 D	29,580	4/06	3/21			151,582
ımerstone Medical Gro	300	3,584	12/06	11/16			16,318
dwest ENT	310	7,068	4/07	3/17			32,181
wrence L. Johnson, P.	400	2,438	3/06	2/16			10,777
:lnor Community Hospit	401	4,676	2/06	1/16			20,670
ossweiner & Blaszak,	404	2,202	3/06	2/16			9,734
Grange Oncology	410	5,395	2/07	1/17			24,564
ıcant Office	Mo 12		5/14	4/24		13,540	124,365
ıcant Office (Shell)	Yr 25		5/38	4/48			
ıcant Office (Shell)	Yr 26		5/39	4/49			
ıcant Office (Shell)	Yr 2		11/14	10/24			39,266
ıcant Office (Shell)	Yr 3		11/15	10/25			67,919
ıl Amount Per Year		67,660				21,284	561,552
ghted Average Per SqFt						0.26	

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Supporting Schedule -- Expense Reimbursement Revenue

the Years Ending		Month One Occupied Area	Lease Start	First Expiration	Year 1 May-2014	Year 2 May-2015	Year 3 May-2016	Year 4 May-2017	Year 5 May-2018	Year 6 May-2019	Year 7 May-2020	Year 8 May-2021	Year 9 May-2022
ant	Suite												
ıne Cardiology, P.C.	100	8,556	5/06	4/16	96,896	100,406	94,555	97,268	109,609	112,830	116,145	118,839	123,091
ıdence Physician Group	207	2,778	2/06	2/16	31,461	32,601	27,910	34,452	35,588	36,634	37,711	38,585	39,966
ınter for Reproductive	210	1,383	10/06	9/13	13,052	16,230	16,673	17,152	17,718	18,238	18,774	19,209	19,897
ılnor-Community Hospit	250 D	29,580	4/06	3/21	334,994	347,126	356,615	366,849	378,943	390,076	401,539	342,375	425,552
ırnerstone Medical Gro	300	3,584	12/06	11/16	40,589	42,059	43,209	37,040	45,913	47,263	48,653	49,780	51,561
dwest ENT	310	7,068	4/07	3/17	80,045	82,944	85,211	73,047	90,546	93,207	95,945	98,171	101,683
wrence L. Johnson, P.	400	2,438	3/06	2/16	27,611	28,610	24,494	30,235	31,233	32,150	33,095	33,863	35,074
ılnor Community Hospit	401	4,676	2/06	1/16	52,955	54,874	46,977	57,992	59,903	61,663	63,476	64,948	67,271
ossweiner & Blaszak,	404	2,202	3/06	2/16	24,938	25,840	22,123	27,310	28,209	29,038	29,892	30,584	31,680
Grange Oncology	410	5,395	2/07	1/17	61,098	63,311	65,042	55,757	69,114	71,144	73,235	74,933	77,615
ıcant Office	Mo 12		5/14	4/24	4,563	56,751	58,302	59,976	61,953	63,773	65,646	67,169	69,572
ıcant Office (Shell)	Yr 25		5/38	4/48									
ıcant Office (Shell)	Yr 26		5/39	4/49									
ıcant Office (Shell)	Yr 2		11/14	10/24		7,523	13,249	13,630	14,079	14,493	14,918	15,265	15,811
ıcant Office (Shell)	Yr 3		11/15	10/25			7,729	13,630	14,079	14,493	14,918	15,265	15,811
ıl Amount Per Year		67,660			768,202	858,275	862,089	884,338	956,887	985,002	1,013,947	968,986	1,074,584
ghted Average Per SqFt					9.50	10.61	10.66	10.93	11.83	12.18	12.53	11.98	13.28

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Supporting Schedule -- Expense Reimbursement Revenue

the Years Ending		Month One Occupied Area	Lease Start	First Expiration	Year 10 May-2023	Year 11 May-2024	Total
ant	Suite						
ıne Cardiology, P.C.	100	8,556	5/06	4/16	126,711	130,347	1,226,697
ıdence Physician Group	207	2,778	2/06	2/16	41,141	42,321	398,370
ınter for Reproductive	210	1,383	10/06	9/13	20,481	17,559	194,983
ılnor-Community Hospit	250 D	29,580	4/06	3/21	438,065	450,639	4,232,773
ırnerstone Medical Gro	300	3,584	12/06	11/16	53,078	54,601	513,746
dwest ENT	310	7,068	4/07	3/17	104,673	107,678	1,013,150
wrence L. Johnson, P.	400	2,438	3/06	2/16	36,106	37,142	349,613
ılnor Community Hospit	401	4,676	2/06	1/16	69,250	71,237	670,546
ossweiner & Blaszak,	404	2,202	3/06	2/16	32,610	33,546	315,770
Grange Oncology	410	5,395	2/07	1/17	79,897	82,190	773,336
ıcant Office	Mo 12		5/14	4/24	71,619	67,535	646,859
ıcant Office (Shell)	Yr 25		5/38	4/48			
ıcant Office (Shell)	Yr 26		5/39	4/49			
ıcant Office (Shell)	Yr 2		11/14	10/24	16,275	16,743	141,986
ıcant Office (Shell)	Yr 3		11/15	10/25	16,275	16,743	128,943
al Amount Per Year		67,660			1,106,181	1,128,281	10,606,772
ghted Average Per SqFt					13.68	13.95	

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Supporting Schedule – Tenant Improvements

the Years Ending		Month One Occupied Area	Lease Start	First Expiration	Year 1 May-2014	Year 2 May-2015	Year 3 May-2016	Year 4 May-2017	Year 5 May-2018	Year 6 May-2019	Year 7 May-2020	Year 8 May-2021	Year 9 May-2022
ant	Suite												
ıne Cardiology, P.C.	100	8,556	5/06	4/16				130,891					
ıdence Physician Group	207	2,778	2/06	2/16			41,261						
enter for Reproductive	210	1,383	10/06	9/13	19,362								
elnor-Community Hospit	250 D	29,580	4/06	3/21									524,595
ornerstone Medical Gro	300	3,584	12/06	11/16				54,829					
dwest ENT	310	7,068	4/07	3/17					111,371				
wrence L. Johnson, P.	400	2,438	3/06	2/16			36,211						
elnor Community Hospit	401	4,676	2/06	1/16			69,451						
ossweiner & Blaszak,	404	2,202	3/06	2/16			32,705						
Grange Oncology	410	5,395	2/07	1/17				82,534					
ıcant Office	Mo 12		5/14	4/24	145,080								
ıcant Office (Shell)	Yr 25		5/38	4/48									
ıcant Office (Shell)	Yr 26		5/39	4/49									
ıcant Office (Shell)	Yr 2		11/14	10/24		65,940							
ıcant Office (Shell)	Yr 3		11/15	10/25			65,940						
al Amount Per Year		67,660			164,442	65,940	245,568	268,254	111,371				524,595
ghted Average Per SqFt					2.03	0.82	3.04	3.32	1.38				6.49

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Supporting Schedule -- Tenant Improvements

the Years Ending		Month One Occupied Area	Lease Start	First Expiration	Year 10 May-2023	Year 11 May-2024	Total
ant	Suite						
ıne Cardiology, P.C.	100	8,556	5/06	4/16			130,891
ıdence Physician Group	207	2,778	2/06	2/16			41,261
ınter for Reproductive	210	1,383	10/06	9/13		26,021	45,383
ılnor-Community Hospit	250 D	29,580	4/06	3/21			524,595
ırnerstone Medical Gro	300	3,584	12/06	11/16			54,829
dwest ENT	310	7,068	4/07	3/17			111,371
wrence L. Johnson, P.	400	2,438	3/06	2/16			36,211
ılnor Community Hospit	401	4,676	2/06	1/16			69,451
ossweiner & Blaszak,	404	2,202	3/06	2/16			32,705
Grange Oncology	410	5,395	2/07	1/17			82,534
ıcant Office	Mo 12		5/14	4/24			145,080
ıcant Office (Shell)	Yr 25		5/38	4/48			
ıcant Office (Shell)	Yr 26		5/39	4/49			
ıcant Office (Shell)	Yr 2		11/14	10/24			65,940
ıcant Office (Shell)	Yr 3		11/15	10/25			65,940
ıl Amount Per Year		67,660				26,021	1,406,191
ghted Average Per SqFt						0.32	

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perty Type : Office & Retail
tfolio :

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Supporting Schedule -- Leasing Commissions

the Years Ending		Month One Occupied Area	Lease Start	First Expiration	Year 1 May-2014	Year 2 May-2015	Year 3 May-2016	Year 4 May-2017	Year 5 May-2018	Year 6 May-2019	Year 7 May-2020	Year 8 May-2021	Year 9 May-2022
ant	Suite												
ıne Cardiology, P.C.	100	8,556	5/06	4/16				163,614					
ıdence Physician Group	207	2,778	2/06	2/16			51,576						
:nter for Reproductive	210	1,383	10/06	9/13	24,203								
:lnor-Community Hospit	250 D	29,580	4/06	3/21									655,744
›rnerstone Medical Gro	300	3,584	12/06	11/16				68,536					
dwest ENT	310	7,068	4/07	3/17					139,214				
wrence L. Johnson, P.	400	2,438	3/06	2/16			45,263						
:lnor Community Hospit	401	4,676	2/06	1/16			86,813						
ossweiner & Blaszak,	404	2,202	3/06	2/16			40,882						
Grange Oncology	410	5,395	2/07	1/17				103,167					
ıcant Office	Mo 12		5/14	4/24	84,630								
ıcant Office (Shell)	Yr 25		5/38	4/48									
ıcant Office (Shell)	Yr 26		5/39	4/49									
ıcant Office (Shell)	Yr 2		11/14	10/24		19,809							
ıcant Office (Shell)	Yr 3		11/15	10/25			20,404						
al Amount Per Year		67,660			108,833	19,809	244,938	335,317	139,214				655,744
ghted Average Per SqFt					1.35	0.24	3.03	4.15	1.72				8.11

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Supporting Schedule -- Leasing Commissions

the Years Ending		Month One Occupied Area	Lease Start	First Expiration	Year 10 May-2023	Year 11 May-2024	Total
ant	Suite						
ıne Cardiology, P.C.	100	8,556	5/06	4/16			163,614
ıdence Physician Group	207	2,778	2/06	2/16			51,576
ːnter for Reproductive	210	1,383	10/06	9/13		32,526	56,729
ılnor-Community Hospit	250 D	29,580	4/06	3/21			655,744
ırnerstone Medical Gro	300	3,584	12/06	11/16			68,536
dwest ENT	310	7,068	4/07	3/17			139,214
wrence L. Johnson, P.	400	2,438	3/06	2/16			45,263
ılnor Community Hospit	401	4,676	2/06	1/16			86,813
ossweiner & Blaszak,	404	2,202	3/06	2/16			40,882
Grange Oncology	410	5,395	2/07	1/17			103,167
ıcant Office	Mo 12		5/14	4/24			84,630
ıcant Office (Shell)	Yr 25		5/38	4/48			
ıcant Office (Shell)	Yr 26		5/39	4/49			
ıcant Office (Shell)	Yr 2		11/14	10/24			19,809
ıcant Office (Shell)	Yr 3		11/15	10/25			20,404
al Amount Per Year		67,660				32,526	1,536,381
ghted Average Per SqFt						0.40	

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ADDENDUM F

LEGAL DESCRIPTION

ADDENDUM G

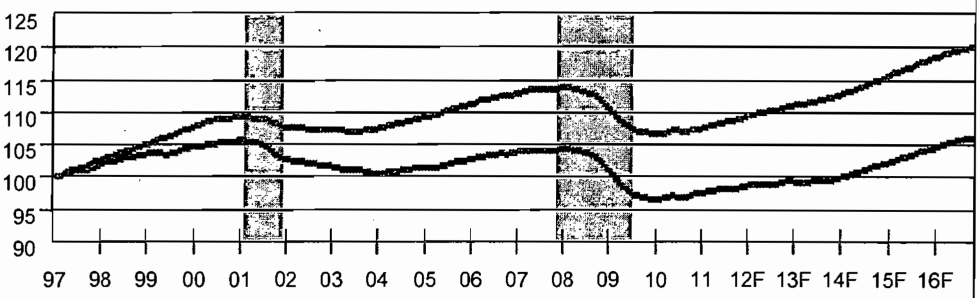
PRÉCIS METRO REPORT - ECONOMY.COM, INC.

CHICAGO

EMPLOYMENT GROWTH RANK	VITALITY	
2011-2013: **233** 3rd quintile	RELATIVE: **98%**	RANK: **178**
	U.S.=100%	Best=1,Worst=384
2011-2016: **251** 4th quintile	RELATIVE COSTS	
	LIVING: **101%**	BUSINESS: **104%**
Best=1, Worst=392	U.S.=100%	

LIFE CYCLE PHASE: Mature

RELATIVE EMPLOYMENT PERFORMANCE (1997=100)



DataBuffet® MSA code: *DMCHI* — U.S. — CHI

2005	2006	2007	2008	2009	2010	2011	INDICATORS	2012	2013	2014	2015	2016
379.2	388.9	392.1	385.2	368.7	378.9	383.8	**Gross metro product (C$B)**	382.7	382.9	400.0	420.5	436.6
1.4	*2.5*	*0.8*	*-1.8*	*-4.3*	*2.8*	*1.3*	*% change*	*-0.3*	*0.0*	*4.5*	*5.1*	*3.8*
3,791.0	3,844.4	3,872.4	3,845.1	3,644.0	3,607.6	3,647.1	**Total employment (000)**	3,682.0	3,698.7	3,761.6	3,846.3	3,928.7
1.0	*1.4*	*0.7*	*-0.7*	*-5.2*	*-1.0*	*1.1*	*% change*	*1.0*	*0.5*	*1.7*	*2.3*	*2.1*
6.0	4.5	4.9	6.2	10.1	10.4	10.0	**Unemployment rate**	8.8	9.0	7.9	7.1	6.7
4.8	7.3	5.7	1.9	-6.2	3.3	4.0	**Personal income growth**	3.4	2.5	6.2	6.4	6.0
7,740.0	7,749.5	7,779.4	7,817.0	7,856.1	7,892.0	7,916.7	**Population (000)**	7,939.2	7,967.5	8,004.2	8,038.0	8,070.9
29,299	22,698	13,382	5,585	2,752	2,747	2,895	**Single-family permits**	3,918	3,482	4,820	6,584	8,058
14,677	17,121	14,696	7,953	1,565	2,407	2,904	**Multifamily permits**	3,486	5,334	6,567	6,862	7,501
270.7	283.7	286.0	253.3	203.4	195.9	175.5	**Existing-home price ($ ths)**	179.4	182.5	193.2	209.0	221.8
98,734	89,374	79,328	56,368	65,654	54,153	47,643	**Mortgage originations ($ mil)**	63,347	41,110	26,214	26,596	29,700
-58.1	-51.5	-30.9	-24.7	-22.0	-20.0	-26.5	**Net migration (000)**	-27.5	-24.2	-18.2	-23.6	-24.6
60,910	16,741	23,632	34,252	47,229	55,692	50,013	**Personal bankruptcies**	43,714	37,369	36,715	37,534	38,189

STRENGTHS & WEAKNESSES

STRENGTHS

- Business and tourism center of Midwest.
- High per capita income and well-educated workforce.
- Budding high-tech center in River North neighborhood.

WEAKNESSES

- Poor state and local fiscal health.
- High mortgage delinquencies and foreclosures.
- Infrastructure in need of repair.
- Below-average population growth.

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO, 3-MO MA

	Apr 12	Aug 12	Dec 12
Total	1.0	0.9	0.9
Construction	-5.3	-4.5	-3.1
Manufacturing	1.8	2.7	2.7
Trade	-0.5	-0.9	-0.9
Trans/Utilities	1.2	2.0	0.1
Information	-1.4	-1.8	-2.9
Financial Activities	-0.1	0.6	0.8
Prof & Business Svcs.	3.9	4.0	3.8
Edu & Health Svcs.	1.5	0.4	0.6
Leisure & Hospitality	2.7	3.3	3.2
Other Services	1.4	-0.3	-0.1
Government	-1.0	-1.2	-1.1

FORECAST RISKS

SHORT TERM ↑ LONG TERM ↓ RISK-ADJUSTED RETURN, '11-'16: 1.61%

UPSIDE

- More companies locate headquarters downtown.
- Tourism benefits from new casino.
- Manufacturing bounces back more quickly.

DOWNSIDE

- Budget troubles worsen; transportation infrastructure improvements stall.
- High crime rate deters would-be in-migrants.
- Back-to-city movement revives urban center at expense of suburbs, collar counties suffer.

ANALYSIS

Recent Performance. Chicago's economy has strengthened, but challenges remain. For the first time since summer, more than half of CHI's private industries are stable or expanding. Broad gains in private services have bolstered job growth, which is as good as or better than it is nationally. Yet the metro division continues to fare worse than average in manufacturing and housing. Factory output was slower to rebound late in 2012, and a large foreclosure overhang continues to deter homebuilding; housing starts and construction payrolls have yet to turn up.

Services. Services entered the new year with positive momentum, but it would be premature to adjust the forecast. For one, federal tax increases will be a significant drag on retail and leisure/hospitality this year. More of CHI's residents were impacted by upper-income tax changes, and the expiration of the payroll tax cut poses a greater threat because local household balance sheets have improved by less than average, limiting the flexibility to absorb the hit. Delinquency rates are above average on most loan types, including autos and consumer finance, and at least 400,000 homeowners still have underwater mortgages. Meanwhile, opportunities for less-skilled workers in office-using industries are under pressure from fewer temporary positions in manufacturing, and though conditions have turned more favorable for healthcare and tech- and science-related services, banks are not yet out of the woods. Hiring in education will also be limited by cuts in federal aid.

Commercial real estate. Although tourism will not contribute as much to job growth this year as last, it will be a major driver of investment. Seven hotels amounting to more than 2,300 rooms are under construction downtown and additional projects are planned. The anticipated slowing in tourist traffic should not deter developers, since business travelers and meeting and trade show visitors account for about 85% of customers. The pipeline of new hotels will fuel faster growth in leisure/hospitality employment in 2014. Meanwhile, a $500 million plan to renovate Wrigley Field has been pitched and the Navy Pier is due for a $155 million makeover. Finally, though the office market has been slower to improve, there are encouraging signs. Downtown office sales show more appetite for risk. Also, for better-located buildings, especially in the River North submarket where the Merchandise Mart is located, rents are starting to creep back up and occupancy levels have increased.

House prices. House prices are no longer expected to fall this year, but with more distress supply being unleashed onto the market, prices will not rise enough to deliver a substantial boost to household net worth and consumer confidence. Household formation is recovering and renting now costs more than owning in most parts of the metro division, with housing affordability above the national average for the first time since the early 1980s. Moreover, a shrinking supply of nondistressed properties is causing prices to be bid up and discounts on distressed properties are coming down as investor demand improves. Nonetheless, distressed properties still sell at a significant discount, and with foreclosure inventories among the highest in the nation at 36 per 1,000 households, price gains will be minimal.

Chicago's recovery appears more durable, but slower healing in government and housing will keep job growth from taking off. Employment will not surpass its prerecession level until late 2015, more than a year after that of the nation. Longer term, a large talent pool, central location, vast transportation network, and superior access to capital will work in CHI's favor, but middling population trends will constrain expansion.

Aaron D. Smith
February 2013

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EMPLOYMENT & INDUSTRY

TOP EMPLOYERS

Wal-Mart Stores Inc.	21,329
Advocate Health Care System	14,873
JP Morgan Chase Bank	13,639
Walgreen Co.	13,122
Abbott Laboratories	13,000
United Continental Holdings Inc.	13,000
AT&T	12,200
Motorola Inc.	10,000
American Airlines	9,766
University of Illinois	9,766
Chicago Transit Authority	9,520
University of Chicago	8,791
Allstate Insurance Co.	8,632
Resurrection Healthcare	8,201
Archdiocese of Chicago	8,169
Comcast Corp.	8,100
Rush University Medical Center	8,095
Jewel-Osco Stores	8,000
Northwestern University	7,826
Bank of America N.A.	7,800

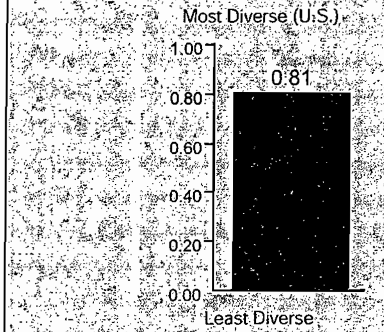
Source: Crain's Book of Lists, December 2010

PUBLIC

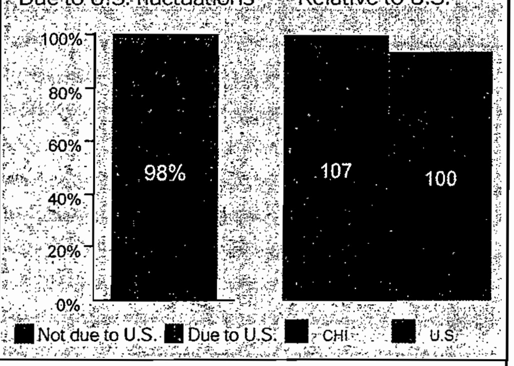
Federal	48,591
State	50,611
Local	365,125

2011

INDUSTRIAL DIVERSITY



EMPLOYMENT VOLATILITY



MIGRATION FLOWS

INTO CHICAGO, IL	**NUMBER OF MIGRANTS**
Lake County, IL	11,136
Gary, IN	5,306
New York, NY	2,924
Rockford, IL	2,651
Los Angeles, CA	2,126
Phoenix, AZ	2,109
Milwaukee, WI	2,078
Minneapolis, MN	1,941
Warren, MI	1,829
Atlanta, GA	1,753
Total In-migration	*115,095*

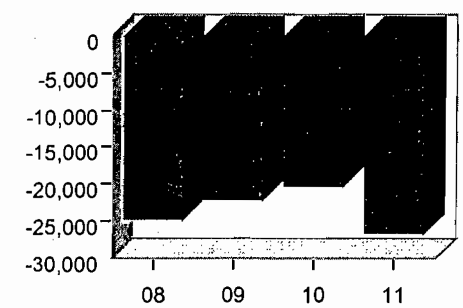
FROM CHICAGO, IL	
Lake County, IL	12,763
Gary, IN	8,277
Phoenix, AZ	3,279
New York, NY	3,246
Rockford, IL	2,758
Houston, TX	2,614
Los Angeles, CA	2,563
Atlanta, GA	2,542
Dallas, TX	2,424
Milwaukee, WI	2,105
Total Out-migration	*146,184*
Net Migration	**-31,089**

COMPARATIVE EMPLOYMENT AND INCOME

Sector	% of Total Employment			Average Annual Earnings		
	CHI	**IL**	**U.S.**	**CHI**	**IL**	**U.S.**
Mining	0.0%	0.2%	0.6%	$52,521	$36,548	$80,442
Construction	3.2%	3.5%	4.2%	$69,413	$63,140	$57,059
Manufacturing	8.8%	10.1%	8.9%	$81,225	$82,762	$76,451
Durable	*57.8%*	*59.6%*	*62.0%*	*nd*	*$80,974*	*$78,378*
Nondurable	*42.2%*	*40.4%*	*38.0%*	*nd*	*$85,409*	*$73,303*
Transportation/Utilities	4.7%	4.6%	3.7%	nd	$63,754	$63,289
Wholesale Trade	5.4%	5.1%	4.2%	$91,907	$87,105	$78,458
Retail Trade	9.9%	10.4%	11.2%	$32,841	$31,408	$32,088
Information	2.0%	1.8%	2.0%	$96,983	$83,792	$96,383
Financial Activities	7.0%	6.4%	5.9%	$69,342	$59,439	$50,553
Prof. and Bus. Services	17.2%	14.6%	13.2%	$75,510	$69,407	$61,371
Educ. and Health Services	15.3%	15.0%	15.1%	$51,313	$49,774	$50,771
Leisure and Hosp. Services	9.2%	9.2%	10.2%	$27,305	$24,309	$24,149
Other Services	4.5%	4.4%	4.1%	$42,095	$38,941	$34,601
Government	12.7%	14.8%	16.8%	$74,780	$70,416	$68,458

Sources: Percent of total employment — Moody's Analytics & BLS, 2011; Average annual earnings — BEA, 2011

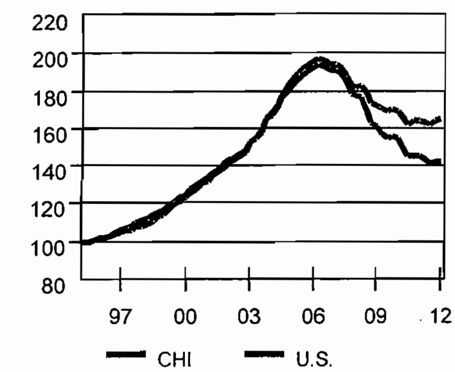
NET MIGRATION, CHI



	2008	**2009**	**2010**	**2011**
Domestic	-56,951	-53,702	-48,503	-47,977
Foreign	32,179	31,711	28,374	21,518
Total	-24,772	-21,991	-20,130	-26,459

Sources: IRS (top), 2010; Census Bureau, 2011

HOUSE PRICES



Source: FHFA, 1996Q1=100, NSA

MOODY'S RATING

Aa3	COUNTY AS OF NOV 05, 2012

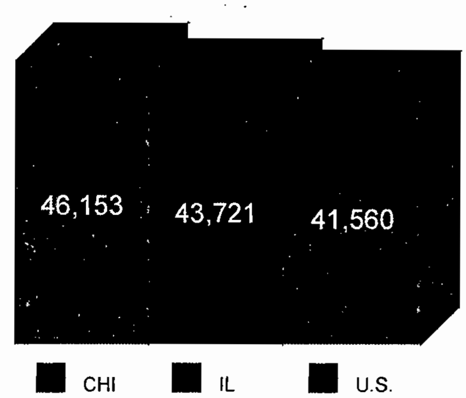
LEADING INDUSTRIES

NAICS	INDUSTRY	EMPLOYEES (000)
GVSL	State & Local Government	**415.7**
7225	Restaurants and other eating places	**215.6**
6221	General medical and surgical hospitals	**140.5**
5613	Employment services	**138.3**
6113	Colleges, universities, and professional schools	**71.1**
5511	Management of companies and enterprises	**70.7**
5221	Depository credit intermediation	**61.0**
4451	Grocery stores	**60.7**
5617	Services to buildings and dwellings	**56.8**
6211	Offices of physicians	**53.4**
5416	Mgmnt., scientific & technical consulting srvcs.	**50.7**
4521	Department stores	**50.4**
5415	Computer systems design and related services	**50.1**
GVF	Federal Government	**48.6**
5411	Legal services	**43.3**

High-tech employment	**162.9**
As % of total employment	**4.4**

Sources: BLS, Moody's Analytics, 2011

PER CAPITA INCOME



Source: Bureau of Economic Analysis, 2011

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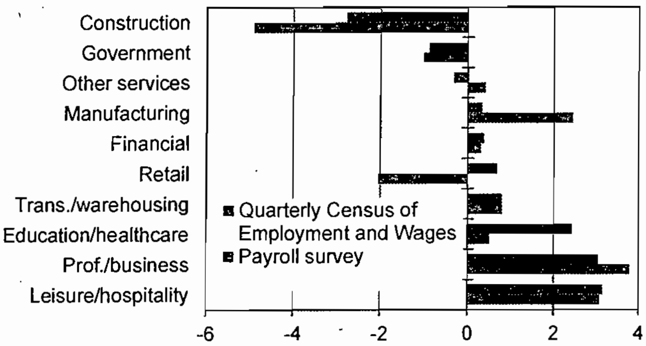
Hard Count Shows More Service Jobs

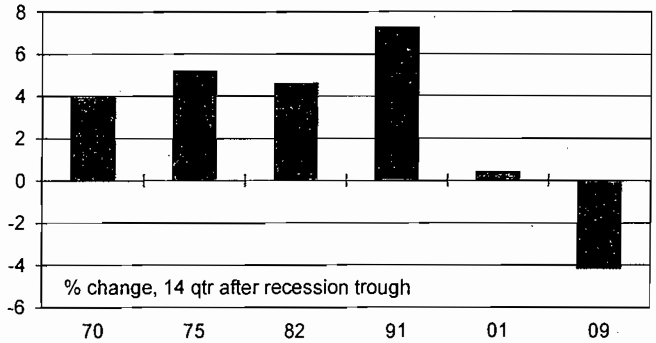
Employment, % change yr ago, Jun 2012



Sources: BLS, Moody's Analytics

Fiscal Troubles Holding Back the Recovery

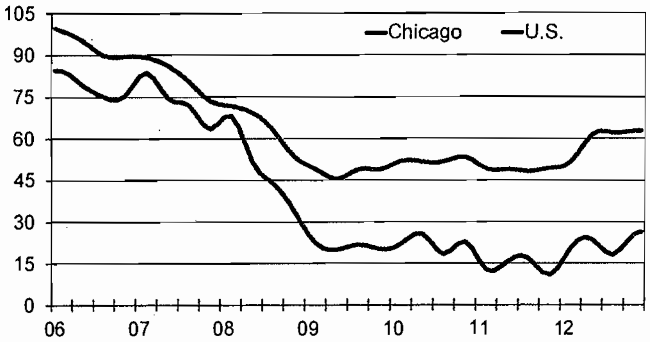
State and local government employment



Sources: BLS, Moody's Analytics

Housing Wealth Effect Still a Large Negative

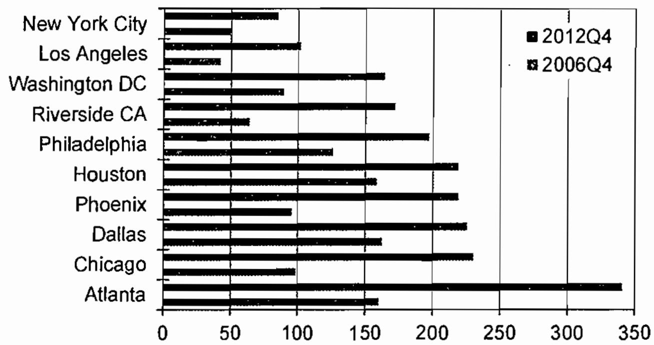
Home equity per household, $ ths



Sources: Equifax, Moody's Analytics

Golden Opportunity for First-Time Homebuyers

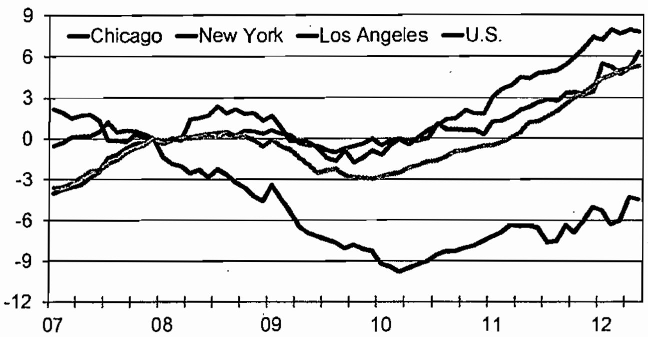
Housing affordability, index, 10 largest metro areas or divisions



Sources: NAR, Moody's Analytics

Windy City Still a Global Hot Spot

Headquarters employment, % change from start of U.S. recession



Sources: BLS, Moody's Analytics

Manufacturing Warms Up

ISM-Chicago, diffusion index

Sources: ISM, Moody's Analytics

CHI's success as a global city will depend in part on the growth of its headquarter operations, and the latest trends are encouraging. Payrolls held up better in the recession and have fared well in the recovery, with growth nearly as strong as in New York and far better than in Los Angeles. The biggest gains are in the urban core and the mega Loop, which is benefiting from an expanding roster of high-tech companies in the River North neighborhood. Google is moving its Motorola Mobility Unit to the Merchandise Mart, and the startup hub 1871 has been a big success.

Manufacturing has been a steady jobs provider in an uneven recovery, and the outlook is improving. The inventory cycle has shifted from a drag on production to a support, especially in autos. Automakers were able to get inventories to desired levels in short order, paving the way for renewed production increases. The improvement is reflected in the ISM-Chicago, with new orders and employment indices sending a message that producers are not too concerned about the effects of tax increases and will continue to add workers as long as business is good.

About Moody's Analytics
Economic & Consumer Credit Analytics

Moody's Analytics helps capital markets and credit risk management professionals worldwide respond to an evolving marketplace with confidence. Through its team of economists, Moody's Analytics is a leading independent provider of data, analysis, modeling and forecasts on national and regional economies, financial markets, and credit risk.

Moody's Analytics tracks and analyzes trends in consumer credit and spending, output and income, mortgage activity, population, central bank behavior, and prices. Our customized models, concise and timely reports, and one of the largest assembled financial, economic and demographic databases support firms and policymakers in strategic planning, product and sales forecasting, credit risk and sensitivity management, and investment research. Our customers include multinational corporations, governments at all levels, central banks and financial regulators, retailers, mutual funds, financial institutions, utilities, residential and commercial real estate firms, insurance companies, and professional investors.

Our web and print periodicals and special publications cover every U.S. state and metropolitan area; countries throughout Europe, Asia and the Americas; and the world's major cities, plus the U.S. housing market and other industries. From our offices in the U.S., the United Kingdom, the Czech Republic and Australia, we provide up-to-the-minute reporting and analysis on the world's major economies.

Moody's Analytics added Economy.com to its portfolio in 2005. Its economics and consumer credit analytics arm is based in West Chester PA, a suburb of Philadelphia, with offices in London and Sydney. More information is available at www.economy.com.

ADDENDUM H

CLIENT CONTRACT INFORMATION

VALUATION & ADVISORY SERVICES

CBRE, Inc.
311 South Wacker Drive, 4th Floor
Chicago, IL 60606

T (312) 233-8662
F (312) 233-8660

www.cbre.com

Daniel J. Bajadek, MAI
Director

May 10, 2013

John Yep
CADENCE HEALTH
25 N. Winfield Rd.
Winfield, IL 60190
630-933-2000
John.yep@cadencehealth.org

RE: Proposal to Provide Valuation & Advisory Services

- 351 Delnor Medical Office Building, Geneva IL 60134

Dear Mr. Yep:

CBRE, Inc. Valuation & Advisory Services (CBRE) is pleased to provide this proposal and our Terms and Conditions for valuation & advisory services related to the referenced real estate.

PROPOSAL SPECIFICATIONS

Intended Use:	Certificate of Need
Intended User:	Cadence Health

Valuation & Advisory Services

Purpose:	To estimate the Market Value of the referenced real estate
Premise:	As Is
Rights Appraised:	Leased Fee
Scope of Work:	
Extent to Which the Property will be Identified	CBRE will collect the relevant physical characteristics about the subject via a physical identification. The physical property will be legally identified through its postal address, assessor's records, the provided legal description and the provided title report. Economic characteristics of the subject will be identified via an analysis of leases and/or lease briefs between the lessor and lessee, recent rent roll and historical operating statements.
Extent to Which the Property will be Inspected	CBRE will conduct a physical inspection of the site of the subject property, as well as its surrounding environs on the effective date of appraisal.
Type and Extent of the Data to be Researched	CBRE will physically inspect the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process. This knowledge will be expanded through interviews with regional and/or local market participants, available

published data and other various resources. CBRE will also conduct regional and/or local research with respect to applicable tax data, zoning requirements, flood zone status, demographics, income and expense data, and comparable listing, sale and rental information.

Type and Extent of Analysis to be Applied	CBRE will analyze the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. All three traditional approaches to value will be considered and utilized. CBRE will then correlate and reconcile the results into a reasonable and defensible value conclusion, and estimate a reasonable exposure time and marketing time associated with the value estimate presented. An insurable value will also be provided.
Report Type:	Self-Contained
Appraisal Standards:	Client Guidelines/USPAP

General Contract Terms

Fee:	$5,500
Expenses:	Fee includes all associated expenses
Retainer:	Full payment required prior to starting work.
Payment Terms:	Final payment is due and payable upon delivery of the electronic copy of the final report or within thirty (30) days of your receipt of our draft report, whichever is sooner. If a draft report is requested, the fee is considered earned upon delivery of our draft report. An invoice will be issued for the assignment in its entirety at the completion of the assignment.
Start Date:	The Start Date for this assignment will occur upon receipt of the signed agreement and the property-specific data.
Acceptance Date:	These specifications are subject to modification if this proposal is not accepted by May 8, 2013
Delivery Date:	Delivery of the appraisal conclusions and/or report(s) will be completed according to the following Delivery Schedule.
Delivery Schedule:	
Preliminary Value(s):	May 24, 2013
Draft Report(s):	May 24, 2013
Final Report(s):	7 days after completion of Client review and authorization to deliver final reports
Report Copies:	CBRE is committed to becoming carbon neutral. You may join us in achieving this goal by accepting an electronic copy of the report in Adobe PDF format. All draft reports (if required) will be provided in PDF form.
Delivery Instructions:	The draft report will be delivered via email

TERMS AND CONDITIONS

The attached Terms and Conditions are deemed a part of this agreement as though set forth in full herein.

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,

CBRE, INC.
Valuation & Advisory Services

Daniel J. Bajadek

Daniel J. Bajadek, MAI
Director
T 312-233-8688

AGREED AND ACCEPTED

FOR CADENCE HEALTH:

John J. Yep	May 13, 2013
Signature	Date
John J. Yep	Director-Business Development
Name	Title
630-933-2000	630-933-1800
Phone Number	Fax Number
john.yep@cadencehealth.org	
E-Mail Address	

TERMS AND CONDITIONS - VALUATION & ADVISORY SERVICES

1. These Terms and Conditions, between CBRE, Inc.-Valuation & Advisory Services (Appraiser) and the Client for whom the referenced appraisal service will be performed, shall be deemed a part of such Agreement as though set forth in full therein. The Agreement shall be governed by the laws of the state of the CBRE, Inc. office shown on the Agreement.
2. Client is defined as the party signing the Agreement and shall be responsible for payment of the fees stipulated in the Agreement. Payment of the appraisal fee is not contingent upon any predetermined value or on an action or event resulting from the analyses, opinions, conclusions, or use of the appraisal report.
3. Final payment is due and payable upon delivery of the final report or within thirty (30) days of your receipt of our draft report, whichever is sooner. If a draft report is requested, the fee is considered earned upon delivery of our draft report.
4. If we are requested to give court testimony, an additional fee will be charged on an hourly basis at our then-prevailing hourly rate. The hourly billings pertain to court preparation, waiting and travel time, document review and preparation (excludes appraisal report) and all meetings related to court testimony.
5. In the event Client requests additional services beyond the purpose stated in the Agreement, Client agrees to pay an additional charge for such services, plus reimbursement of expenses, whether or not the completed report has been delivered to Client at the time of the request.
6. It is understood that the Client has the right to cancel this assignment at any time prior to delivery of the completed report. In such event, the Client is obligated only for the prorated share of the fee based upon the work completed and expenses incurred, with a minimum charge of $500.
7. Appraiser shall have the right to terminate this Agreement at any time for cause effective immediately by written notice to Client upon the occurrence of the fraud or willful misconduct of Client, its employees or agents.
8. Additional copies of the appraisal reports are available at a cost of $250 per original color copy and $100 per photocopy (black and white), plus shipping cost of $30 per report.
9. In the event Client fails to make payments when due and payable, then from the date due and payable until paid the amount due and payable, shall bear interest at the maximum rate permitted in the state in which the office of Appraiser executing the Agreement is located. If Appraiser is required to institute legal action against Client relating to the Agreement, Appraiser shall be entitled to recover reasonable attorney's fees and costs from Client.
10. Appraiser assumes that there are no major or significant items that would require the expertise of a professional building contractor or engineer. If such items need to be considered in Appraiser's studies, such services are to be provided by others at a cost which is not a part of the fee proposal.
11. In the event of any dispute between Client and Appraiser relating to this Agreement, or Appraiser's or Client's performance hereunder, Appraiser and Client agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of Appraiser executing this Agreement is located. The arbitrator(s) shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar type damages. The prevailing party in the arbitration proceeding shall be entitled to recover from the losing party its expenses, including the costs of arbitration proceeding, and reasonable attorney's fees.
12. Client acknowledges that Appraiser is being retained hereunder as an independent contractor to perform the services described herein and nothing in this Agreement shall be deemed to create any other relationship between Client and Appraiser. This assignment shall be deemed concluded and the services hereunder completed upon delivery to Client of the appraisal report discussed herein.
13. All statements of fact in the report which are used as the basis of the Appraiser's analyses, opinions, and conclusions will be true and correct to the best of the Appraiser's knowledge and belief. Appraiser does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to Appraiser by Client.
14. Appraiser shall have no responsibility for legal matters, questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The report will not constitute a survey of the property analyzed.
15. Client shall provide Appraiser with such materials with respect to the Assignment as are requested by Appraiser and in the possession or under the control of Client. Client shall provide Appraiser with sufficient access to the real property to be analyzed and hereby grants permission for entry, unless discussed in advance to the contrary.
16. The data gathered in the course of the Assignment (except data furnished by Client) and the report prepared pursuant to the Agreement are, and will remain, the property of Appraiser. With respect to data provided by Client, Appraiser shall not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to Appraiser. Notwithstanding the foregoing, Appraiser is authorized by Client to disclose all or any portion of the report and the related data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable Appraiser to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
17. Unless specifically noted in the appraisal, we will not be taking into consideration the possibility of the existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (hazardous material), or the cost of encapsulation or removal thereof. Further, Appraiser understands that there is no major or significant deferred maintenance in

the property which would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, and are not a part of this fee proposal.

18. Client shall indemnify and hold Appraiser fully harmless against any loss, damages, claims, or expenses of any kind whatsoever (including costs and reasonable attorneys' fees), sustained or incurred by a third party as a result of the negligence or intentional acts or omissions of Client (including any failure to perform any duty imposed by law), and for which recovery is sought against Appraiser by that third party; however, such obligation to defend and indemnify shall not apply if the claim or cause of action is based upon or arises in any way out of an act, failure to act or representation of Appraiser. Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party.

19. <u>LIMITATION OF LIABILITY.</u> EXCEPT FOR THE HOLD HARMLESS PROVISION ABOVE, ANYTHING IN THE AGREEMENT TO THE CONTRARY NOTWITHSTANDING, UNDER NO CIRCUMSTANCES WHATSOEVER SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, OR INCIDENTAL DAMAGES OF ANY KIND WHATSOEVER. EXCEPT FOR THE HOLD HARMLESS PROVISION ABOVE, IN NO EVENT WHATSOEVER SHALL EITHER PARTY'S TOTAL LIABILITY TO THE OTHER FOR DIRECT DAMAGES UNDER THE AGREEMENT OR ANY OTHER DAMAGES WHATSOEVER EXCEED IN THE AGGREGATE THE SUM OF TEN THOUSAND DOLLARS ($10,000.00).

20. Please note that Appraiser's consent to allow the appraisal report or portions of the report, to become part of or be referenced in, any offering or other material intended for the review of others, or to be submitted to others, will be at Appraiser's reasonable discretion and, if given, will be on condition that Appraiser will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to Appraiser, by a party satisfactory to Appraiser. Appraiser does consent to Client submission of the complete final report to rating agencies, loan participants or your auditors without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

ADDENDUM I

QUALIFICATIONS

QUALIFICATIONS OF

LES LINDER, MAI, CCIM
Managing Director

CBRE Inc., Valuation and Advisory Services
311 South Wacker, Suite 400
Chicago, IL 60606
(312) 233-8665
Les.Linder@cbre.com

EDUCATIONAL

Bachelors of Science Degree, Business – Real Estate Administration
Indiana University, Bloomington, Indiana

CERTIFICATION

State Certified General Real Estate Appraiser: State of Michigan (No. 1201003343)
State Certified General Real Estate Appraiser: State of Illinois (No. 553.001947)
State Certified General Real Estate Appraiser: State of Indiana (No. CG-40801085)

PROFESSIONAL

Designated Member, Appraisal Institute (MAI), Member No. 37831
Member of the Commercial Investment Real Estate Institute (CCIM), Certificate No. 11264

EMPLOYMENT EXPERIENCE

1987-1994	Oetzel-Hanton-Williams, Inc.	
	Appraiser	Troy, MI
1994-1994	National Realty Advisors	
	Senior Appraiser	Troy, MI
1994-1996	Laurencelle Appraisal Company	
	Senior Appraiser	Birmingham, MI
1996-2004	Bank One Inc.	
	Vice President	Detroit, MI
2004-2008	CB Richard Ellis, Inc	
	Managing Director	Southfield, MI
2008-Present	CBRE, Inc	
	Managing Director	Chicago, IL

Valuation assignments included all types of existing as well as proposed commercial, industrial, multiple-family residential and special purpose properties throughout the mid-west, including apartments, office buildings, industrial manufacturing and warehouse facilities, shopping centers, restaurants, hotels, motels, manufactured home communities and a wide variety of investment and special purpose properties and unimproved land. In addition I have testified as an Expert Witness for US Bankruptcy court.

State of Illinois

Department of Financial and Professional Regulation

Division of Professional Regulation

LICENSE NO.
553.001947

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

EXPIRES:
09/30/2013

CERTIFIED
GENERAL REAL ESTATE APPRAISER

LESLEY J LINDER
4038 CENTRAL AVE
WESTERN SPRINGS, IL 60558

BRENT E. ADAMS
SECRETARY

JAY STEWART
DIRECTOR

The official status of this license can be verified at www.idfpr.com

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QUALIFICATIONS OF

DANIEL J. BAJADEK, MAI
Director

CBRE Inc.
Valuation and Advisory Services
311 S. Wacker Drive, Suite 400
Chicago, IL 60606
(312) 233-8688

EDUCATION

Bachelor of Science Degree, Finance/Real Estate, University of Illinois at Champaign-Urbana - 1979

CERTIFICATION

State Certified General Real Estate Appraiser: State of Illinois (No. 553-000273)

Certified General Appraiser: State of Indiana (No.CG49300081)

PROFESSIONAL

Designated Member, Appraisal Institute (MAI), Certificate (No. 7100)

EMPLOYMENT EXPERIENCE

1979-1981	Joseph J. Blake & Associates/ Appraiser	Chicago, IL
1981-1983	Real Estate Research Corporation/ Senior Appraiser	Chicago, IL
1983-1984	VMS Realty/ Due Diligence Analyst	Chicago, IL
1984-1985	Cushman & Wakefield/ Senior Appraiser	Dallas, TX
1985-1988	Real Estate Research Corporation/ Vice President/Office Manager	Dallas, TX
1988-2002	PricewaterhouseCoopers. Midwest Director	Chicago, IL
2002-Present	CBRE, Inc Director	Chicago, IL

Dan Bajadek leads the Office Valuation Practice for CBRE, Inc.'s Valuation and Advisory department based in Chicago, Illinois. Mr. Bajadek has over thirty years of commercial real estate valuation experience, including fifteen years as the Midwest Director of PricewaterhouseCoopers Real Estate Valuation & Consulting Group. Based in Chicago, Mr. Bajadek has completed assignments across the United States, but now focuses on office projects throughout the Midwest and in particular the downtown and suburban Chicago office markets.

In addition to all types of office buildings, Mr. Bajadek has a wide range of experience, appraising such properties as:

- Industrial properties including, distribution, light and heavy manufacturing, office/warehouse (low to high finish), labs, truck terminals, truck stops, foundries, railcar manufacturing/service facilities, fuel terminals (waterfront and inland), ship yards, cold storage warehouses, and air cargo facilities.
- Special purpose properties such as all the Department of Defense properties worldwide, railroads, pipelines, refineries, ports, stadiums, orchards and vineyards and tire test tracks

State of Illinois

Department of Financial and Professional Regulation
Division of Professional Regulation

LICENSE NO.
553.000273

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

EXPIRES:
09/30/2013

CERTIFIED
GENERAL REAL ESTATE APPRAISER

DANIEL J BAJADEK
337 E 59TH ST
HINSDALE, IL 60521

BRENT E. ADAMS
SECRETARY

JAY STEWART
DIRECTOR

The official status of this license can be verified at www.idfpr.com

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State of Illinois
Department of Financial and Professional Regulation
Division of Professional Regulation

LICENSE NO.
553.000273

CERTIFIED
GENERAL REAL ESTATE APPRAISER

DANIEL J BAJADEK

EXPIRES:
09/30/2013

BRENT E. ADAMS
SECRETARY

JAY STEWART
DIRECTOR

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