

ICC Docket No. 06-_____

**Petition and Request
For Ruling Without Hearing**

**Schedule E
Part 4**

Physical Characteristics

Important physical characteristics include size, view, and condition. Obviously, units that feature a premium view and in good condition tend to sell for a higher price per unit. With respect to size, different sizes of units sell at different unit prices because the optimal size of the unit depends upon its overall utility use (most unit types have an optimal size; if the unit is larger, the value of the excess square footage tends to decline at an accelerating rate). Size is generally less important an element of comparison than location and date of sale. In this instance, we have given more weight to comparables that are approximately the same size as the subject property. The other factors are discussed for each individual property.

Use

The price a buyer is willing to pay for a property may differ depending on the manner in the property is intended to be used. Most of these unit sales were purchased for use and occupancy by the owner. Users normally pay the higher prices in an active market because there is no delay involved in obtaining a return on the investment, and in many cases, there are no alternative properties available to the user due to constraints such as location. Investors typically purchase property for rental income from subsequent users or occupants, adding an element of risk that is usually reflected in a slightly lower purchase price. Furthermore, unlike some users, investors are not normally compelled to buy a specific parcel of real estate, resulting in a somewhat lower price. Speculators represent a third category of buyers. Speculators purchase condominium units to hold for investment purposes, intending to sell the unit at some point in the future when demand for the property matures. These properties typically sell at a discount to reflect the holding costs associated with this type of investment. Speculative condominium unit sales are common in over built markets in which little or no immediate demand for new construction exists. In the case of the subject and comparables, no adjustment has been made for these characteristics.

Analysis of Market Data

The comparable River North sales range in date of sale between December 2003 to September 2005, in size between 9,000 and 53,000 square feet and in price per square foot between \$161 to \$618 per square foot, averaging \$330 per square foot. The following are comments pertaining to each sale.

300 North LaSalle Street is the recent sale of a substantially larger parcel located four blocks southwest of the subject property, along the *Chicago River* and across from the *Loop*. This property is practically a central business district office property and is substantially superior in location to the subject. FAR is 27:1, substantially higher and therefore substantially superior than the subject's permitted FAR. Topography and availability of utilities are similar, and frontage is superior, with a similar corner location. Zoning is superior, with highest and best use superior. Shape is superior. This sale should be substantially above the upper range range per square foot of the subject given its superior location, zoning, highest and best use and shape.

600 North State Street is the older ground lease sale of a substantially larger parcel located three blocks south of the subject property, along State Street, offering substantially superior frontage than the subject property. This property is a ground lease and therefore inferior to the as vacant status of the subject. FAR is improved with a 12 story hotel, FAR is superior to the FAR allowed for the subject property. Topography and availability of utilities are similar, and frontage is superior, with a similar corner location. Zoning is superior, with highest and best use superior. Shape is superior. This sale should set the mid to upper range of value for the subject property given its ground lease status, substantially mitigated by its superior location, zoning, highest and best use and shape.

730 North LaSalle Street is the older sale of a similar size parcel located three blocks northeast of the subject property, along both LaSalle and Superior, offering superior frontages on two streets. Improved with a 14 story condominium, FAR is superior to the FAR allowed for the subject property. The buyer attributed the

high price per square footage to the permits, building plans and change in zoning to having been completed and approved by the city. In addition, this purchase was part of an assemblage of a prior sale in 2000, superior to the non-assemblage status of the subject. Topography and availability of utilities are similar, and frontage is superior, with a superior corner location. Zoning is superior, with highest and best use are superior. Improvements were required to be demolished, inferior to the as vacant status of the subject. Shape is superior This sale should set the upper range of value for the subject property given its superior frontage, shape, corner location, zoning, highest and best use, permits, building plans and change in zoning to having been completed and approved by the city, and status as an assemblage.

530 North LaSalle Street is the older sale of a similar size parcel located three blocks southwest of the subject property, along both Grand and LaSalle and Superior, offering superior frontages on two streets. FAR is superior to the FAR allowed for the subject property. Shape is superior. Topography and availability of utilities are similar, and frontage is superior, with a superior corner location. Zoning is superior, with highest and best use superior. Improvements were required to be demolished, inferior to the as vacant status of the subject. This sale should set the upper range of value for the subject property given its superior frontage, corner location, zoning, shape, highest and best use.

300 West Ontario Street is the older sale of a substantially larger parcel located four blocks southwest of the subject property, along Ontario Street, offering substantially superior frontage/traffic than the subject property. This property was improved with a 160-unit condominium property, a substantially higher FAR than FAR allowed for the subject property. Topography and availability of utilities are similar, and frontage is superior, with a superior corner location. Zoning is superior, with highest and best use superior. Shape is superior. This sale should set the mid to upper range of value for the subject property given its older date of sale, substantially mitigated by its superior location, zoning, highest and best use, frontage, traffic and shape.

Conclusion

The comparable River North sales range in date of sale between December 2003 to September 2005, in size between 9,000 and 53,000 square feet and in price per square foot between \$161 to \$618 per square foot, averaging \$330 per square foot. Due to physical and zoning limitations, the lower end sales are the subject's best comparables; the comparable sales bracket the subject from each direction and are generally similar for location (for most comparables), available utilities, topography, superior for shape, zoning (most comparables) and highest end best use (most comparables), suggesting a value per square foot of \$160 to \$180, or \$170 per square foot. The subject's immediate market has long been a growing area. Purchasers in the subject's broad property class of high-rise lot properties are attracted to the very same features as the prospective consumer, primarily a mix of good quality lots offering amenities that are in high demand, in a very accessible, functional property. With its River North location, adjacent to the Loop central business district, and its status as a growing entertainment/multi-family residential area, the subject location will not need to prove itself over the course of time. In our opinion, the subject's market value is \$160 to \$180, or on average \$170 per square foot, presented as follows:

11,748 Square Feet @ \$170/Square Foot = \$1,997,160 rounded = \$2,000,000

TWO MILLION DOLLARS

(\$2,000,000)

RECONCILIATION AND FINAL VALUE ESTIMATE

Three estimates of value have been derived for the subject property by analysis of all pertinent data. The results of the individual approaches, estimating the market value of the improved property, as of the date of the appraisal, are as follows:

Cost Approach	N/A
Sales Comparison Approach	\$ 2,000,000
Income Capitalization Approach	N/A

Depending on the type of property appraised or the purpose of the appraisal, one of the approaches may be a more reliable indication of value than the others. This can be attributed to the adequacy or availability of data, among other factors. The development of facilities similar to the subject buildings can be reasonably estimated through the cost approach when the subject is fully built out. This approach allows assessing highest and best use feasibility and is reasonably accurate if the improvements are newer.

The cost approach, in this instance, is not considered a reasonable indicator of value because of the marginal contributory value of the improvements on site.

Although not directly comparable to the subject in all characteristics, the properties considered in the sales comparison approach provide appropriate units of comparison. The range of unit indicators in this instance was relatively narrow with respect to property class. This approach is useful for predominantly owner-occupied markets. In this instance, the sales comparison approach has been given substantial consideration in our final conclusion of value.

The income capitalization approach weighs the income producing capacity of a property. There was no rental history available to effectively estimate income, expenses and cash flow for the subject, and the improvements currently on site only marginally contribute to value, therefore, this approach is not applicable.

It is therefore our opinion that the as is market value of the subject property as of the date of this appraisal is

TWO MILLION DOLLARS
(\$2,000,000)

TOBIN REAL ESTATE ADVISORS, INC. VALUEPLUS MANAGEMENT LETTER

In this section, we attempt to include a brief summary of our observations of the property that are designed to improve the profitability or market appeal of the property (or to prevent or minimize any lack of market appeal). Among the major characteristics pertaining to the subject property, the following attributes of the subject can be built upon. They are:

- Commercial real estate professionals will likely be hearing a lot about prospects for shifting to a value-added tax (likely 15%), consumed income tax (20-25%) or national sales tax (23-56%) over the coming months. All the overhaul scenarios may diminish at least some of the current tax advantages real estate interests now enjoy. Tax-deferred exchanges may disappear, the REIT structure might lose its investor appeal, businesses might be more likely to own vs. rent, property taxes may rise, and players profiting from property development and trading might suffer disproportionate disadvantages. Merchant-type developers might face considerable disadvantages under a reformed system. Taxing property trades under a national sales tax would tend to pressure pricing downward, and under a VAT scenario, sales of new buildings would be subject to the value-added tax (presumably passed on to new tenants). Property sales could also be fully taxable in the year sold under the consumed income scheme. The multi-family sector may be particularly threatened under the sales and consumption tax scenarios (LIHTC and mortgage-revenue bonds), and the VAT and sales tax proposals likewise appear to entail potential disadvantages for retail properties. Tax overhaul advantages: for retail properties, tenant improvements' depreciation may be reduced from 39 years to 15 years, and for office and industrial sectors, a consumption-based tax would receive more favorable treatment than under the current tax code because of the immediate deductibility of land and improvements. All changes' impacts are impossible to quantify for real estate until the tax rate is specified and tax changes are passed, and the current consensus appears to be that adjustments to the current income-based system are more likely than a comprehensive overhaul, perhaps with some consumption-related elements also imposed.
- It's insurance renewal time for many commercial property owners, and the news looks good: property-insurance rates have declined, while the rate of increases for liability coverage has slowed. Building owners renewing their property-insurance policies for July 1 should expect to see reductions of 15% to 20% on average, compared with reductions of between 10% to 15% the year before. Liability-insurance rates on average are expected to be flat to 10% higher, compared with 10% to 15% a year ago (economies of scale should particularly benefit larger portfolios).

CERTIFICATION

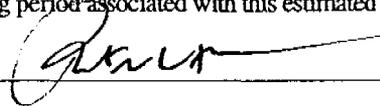
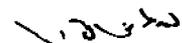
The undersigned do certify on behalf of Tobin Real Estate Advisors, Inc. that to the best of our knowledge and belief:

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, unbiased, professional analyses, opinions and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no interest or bias with respect to the parties involved.
4. Our compensation is not contingent on an action or event resulting from the analyses, opinions or conclusions in, or the use of, this report. This assignment was not based on a requested minimum valuation, specific valuation or the approval of a loan.
5. Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with minimum standards as set forth in the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and with the requirements of the Code of Professional Ethics and the Supplementary Standards of Professional Appraisal Practice of the Appraisal Institute.
6. I, Patrick L. Tobin, MAI, certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.
7. Margaret P. Tobin coordinated the research activities for this engagement.
8. Patrick L. Tobin, MAI, inspected the subject property; Margaret P. Tobin did not inspect the property.

It is our opinion that the value of the fee interest in the underlying real property known as 5-9 West Erie Street, Chicago, Illinois, as of January 1, 2005, is:

TWO MILLION DOLLARS
(\$2,000,000)

A reasonable marketing period associated with this estimated value is six to nine months.

 _____ Patrick L. Tobin, MAI, Principal Illinois Certified General #153-0000220 - 9-30-07 TOBIN Real Estate Advisors, INC.	1/31/06 _____ Date
 _____ Margaret P. Tobin, Principal TOBIN Real Estate Advisors, INC.	 _____ Date

ASSUMPTIONS & LIMITING CONDITIONS

1. Tobin Real Estate Advisors, Inc. cannot assume responsibility for matters of a legal nature. It is assumed that the title is marketable and that the descriptive information furnished is correct. Except as noted, the property is assumed in accordance with applicable local, state and federal ordinances, regulations and laws.
2. The physical condition of the real estate described herein was based upon visual inspection except as noted. It is assumed that there are no hidden conditions that would render the property more or less valuable. Hidden conditions include, but are not limited to, Americans with Disability Act (ADA) requirements, soundness of members, equipment, mold, soil conditions or environmental contamination. Tobin Real Estate Advisors, Inc. cannot assume responsibility for such conditions, their effects or for arranging engineering studies that may be required to discover them. This report does not take into consideration the possibility of the existence of asbestos, PCB transformers, mold or other toxic, hazardous or contaminated substances and/or underground storage tanks (hazardous material), or the cost of encapsulation or removal thereof, unless otherwise noted. Should the client have concern over the existence of such substances on the property, we consider it imperative for the client to retain the services of a qualified, independent engineer or contractor to determine the existence and extent of any hazardous materials, as well as the cost associated with any required or desirable treatment or removal thereof.
3. Any plot plans, diagrams or drawings presented are only to facilitate and aid the reader and are not meant to be used in matters of survey or for any other purpose.
4. Any distribution of value applies only as presented or discussed. Value distributions include, but are not limited to, leased fee and leasehold, and land and building allocations. Portions of this report should not be relied upon except in the context of the whole.
5. All analyses, opinions and conclusions assume responsible ownership and competent management.
6. No persons signing or identified as contributing to this report shall be required to give testimony or appear in court by reason of this report with reference to the property herein described, unless prior arrangements have been made.
7. As used herein, the report is defined to include both the written version and information contained in our files.
8. Neither all or any part of the contents of this report (especially any conclusions, the identity of the persons signing or contributing to this report or the firm with which they are connected, or any reference to the Appraisal Institute or the MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without prior written consent and approval. The terms of our engagement are such that we have no obligation to update or revise the report or our analyses, opinions and conclusions in any manner because of events or transactions occurring subsequent to the date of the report.

V. ADDENDA

ADDENDUM A
LEGAL DESCRIPTION

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1: A PART OF LOTS 1 AND 2 OF ASSESSORS DIVISION OF LOT 16 IN BLOCK 24 IN WOLCOTT'S ADDITION TO CHICAGO AND THE NORTH 1/2 OF BLOCK 37 IN KINZIE'S ADDITION TO CHICAGO DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE NORTH LINE OF SAID LOT 1, 20 FEET 2 INCHES WEST OF THE NORTH EAST CORNER OF SAID LOT 1; RUNNING THENCE SOUTH ON A LINE PARALLEL WITH THE EAST LINE OF SAID LOTS 1 AND 2, 51 FEET TO THE SOUTH LINE OF SAID LOT 2; THENCE WEST ON THE SOUTH LINE OF SAID LOT 2, 19 FEET AND 4 INCHES; THENCE NORTH ON LINE PARALLEL WITH THE EAST LINE OF SAID LOTS 1 AND 2, 51 FEET TO THE NORTH LINE OF SAID LOT 1; THENCE EAST 19 FEET 4 INCHES TO THE PLACE OF BEGINNING IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2: A TRACT OF LAND DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE NORTH LINE OF LOT 1 OF ASSESSORS DIVISION OF LOT 16 IN BLOCK 24 OF WOLCOTT'S ADDITION TO CHICAGO AND THE NORTH 1/2 OF BLOCK 37 OF KINZIE'S ADDITION TO CHICAGO, 39 FEET 6 INCHES WEST OF THE NORTH EAST CORNER OF SAID LOT 1; THENCE RUNNING SOUTH ON A LINE PARALLEL WITH THE EAST LINE OF SAID LOT 1 AND LOT 2 IN SAID ASSESSOR'S DIVISION, 51 FEET TO THE SOUTH LINE OF THE SAID LOT 2; THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 2, 19 FEET 4 INCHES; THENCE NORTH ON A LINE PARALLEL WITH THE EAST LINE OF SAID LOTS 1 AND 2, 51 FEET TO THE NORTH LINE OF SAID LOT 1; THENCE EAST 19 FEET 4 INCHES TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 3: THE WEST 20.66 FEET OF LOTS 1 AND 2 IN ASSESSOR'S DIVISION OF LOT 16 IN BLOCK 24 IN WOLCOTT'S ADDITION TO CHICAGO WITH THE NORTH 1/2 OF BLOCK 37 IN KINZIE'S ADDITION TO CHICAGO, IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4: LOT 14 IN BLOCK 24 IN WOLCOTT'S ADDITION TO CHICAGO IN THE EAST 1/2 OF THE NORTH EAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 5: LOT 15 IN BLOCK 24 IN WOLCOTT'S ADDITION TO CHICAGO IN THE EAST 1/2 OF THE NORTH EAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 5-9 West Erie Street, Chicago, Illinois 60610

PINs:	17-09-227-007-0000	17-09-227-018-0000
	17-09-227-008-0000	17-09-227-019-0000
	17-09-227-017-0000	

ADDENDUM B
RESUMES

Patrick L. Tobin, MAI

Pat is a principal in Tobin Real Estate Advisors, Inc. and business executive with twenty-five years of diverse and extensive experience in real estate and management. Pat has achieved consistent results in increasing profitability and enhancing value by creating systems and strategies to meet the market and accommodate future growth. Pat has directed and interacted with a large and diverse professional staff and institutional organizations, and his contributions have included the formation, development and refinement of major corporate departments and procedures.

Professional Experience

Tobin Real Estate Advisors, Inc.: Pat formed Tobin Real Estate Advisors, Inc. in 1995 to assist clients in appraisal/valuation due diligence, investor advisory services, litigation support, performance improvement and portfolio strategy. Services offered include narrative self contained valuation reports, summary and restricted use documents, valuation reviews, market studies, partial interests in debt/equity, buy/sell negotiation support, concurrence opinions, purchase price allocation, property reviews, cash flow (DIV) creation, market analyses and detailed investor packages, underwriter's letter and verification services, deposition, expert witness testimony, lease audits (*LeaseMax*), cash flow, occupancy and financial performance bench marking, operations, administration and maintenance diagnostics, portfolio performance measurement and diversification assessment, evaluation of individual properties/opportunities to enhance value and economic and market condition risk identification.

Ernst & Young, 1990-1995: Senior Manager and Midwest Region Director of Real Estate Consulting. Pat developed client relationships while recruiting, growing, training and leading a real estate advisory consulting team in performance improvement, investor advisory due diligence and litigation support engagements for worldwide corporate and institutional holders of real estate.

Appraisal Research Counselors, Ltd., 1980-1990: Vice President. Pat developed client relationships while recruiting, growing, training and leading a real estate advisory consulting team in national appraisal/valuation due diligence, counseling and market research engagements for use in financing, planning, syndication, foreclosure, purchase/sale and insurance.

Education and Seminars

Pat graduated from Loyola University of Chicago in 1982 with a Bachelor's of Science degree in Business Administration/Marketing. In 1990, Pat completed the requirements for the Appraisal Institute's MAI designation (#8488). While at *Ernst & Young*, Pat led numerous seminars, including total quality management process improvement teams, financial advisory service education programs and international real estate consulting groups. External seminars include "Master the Game of Restructuring/Bankruptcy in the Lodging Industry," with the law firm of *Jenner & Block* in Chicago, Cincinnati, Kansas City and Minneapolis, and "Trends in Real Estate Consulting from a Lender's Perspective," with *Citigroup*, *Household Finance*, *Pinnacle Mortgage*, *Bank One*, *Bank of America*, *Northern Trust* and *LaSalle National Bank*.

Professional Affiliations

Chicago Real Estate Council, Member; Real Estate Investment Association, Member; Pension Real Estate Association, Member; Member; Urban Land Institute, Associate Member; State of Illinois Certified Real Estate Appraiser, License No. 153-000220.

Margaret P. Tobin

Margie is a principal in Tobin Real Estate Advisors, Inc. and business executive with twenty years of diverse and extensive business experience. Margie coordinates the firm's research activities, and has conducted valuation and consulting studies for various property types in the Chicago metropolitan area and across the United States, including full service and economy hotels, health clubs, resorts, retail centers, industrial properties, office buildings, multi-family condominium, rental apartments and land acreage planned unit developments.

Professional Experience

Tobin Real Estate Advisors, Inc.: Margie formed Tobin Real Estate Advisors, Inc. in 1995 to assist clients in appraisal/valuation due diligence, investor advisory services, litigation support, performance improvement and portfolio strategy. Services offered include narrative self contained valuation reports, summary and restricted use documents, valuation reviews, market studies, partial interests in debt/equity, buy/sell negotiation support, concurrence opinions, purchase price allocation, property reviews, cash flow (DIV) creation, market analyses and detailed investor packages, underwriter's letter and verification services, deposition, expert witness testimony, lease audits (LeaseMax), cash flow, occupancy and financial performance bench marking, operations, administration and maintenance diagnostics, portfolio performance measurement and diversification assessment, evaluation of individual properties/opportunities to enhance value and economic and market condition risk identification.

Appraisal Research Counselors, Ltd., 1990-1995: Senior Real Estate Analyst. Margie provided assistance in national appraisal/valuation due diligence, counseling and market research engagements for use in financing, planning, syndication, foreclosure, purchase/sale and insurance.

PKF Consulting, Inc. 1987-1990: Real Estate Analyst. Margie provided assistance in national appraisal/valuation due diligence, counseling and market research engagements to the firm's hospitality clients or use in financing, planning, syndication, foreclosure, purchase/sale and insurance.

Avondale Federal Savings Bank. 1985-1987: Secondary Mortgage Loan Servicing Department Analyst. Margie serviced loans sold to the secondary loan market.

Education and Seminars

Margie graduated from Mundelein College/Loyola University of Chicago in 1983 with a Bachelor's of Science degree. Margie is currently completing the requirements of the MAI designation.

Professional Affiliations

Associate Member, Appraisal Institute; St. Francis Xavier/Wilmette Women's Club; Chicago Real Estate Council, Member; Real Estate Investment Association, Member; Pension Real Estate Association, Urban Land Institute, Associate Member.