STABILIZED INCOME AND EXPENSE ESTIMATE

Potential Gross Rent

Potential gross rent is based on market rent. Income is projected for the 12-month period following the effective date of the appraisal.

Expense Reimbursements

Operating expenses are directly paid by the tenant; therefore, no reimbursement income is due the owner.

Vacancy & Collection Loss

Stabilized vacancy and collection loss is estimated at 15.0% based upon current vacancy rates in the Schaumburg area submarket, first quarter 2006.

Expenses

The subject is owner occupied. Properties of this type are typically leased on a triple net basis. The owner's expense obligations are limited to structural repairs and property management.

Structural repairs are estimated at $0.20 per square foot based on the age, condition, and construction quality of the improvements.

Management is estimated at 3.0% of effective gross income considering the limited managerial responsibilities associated with a single tenant property.

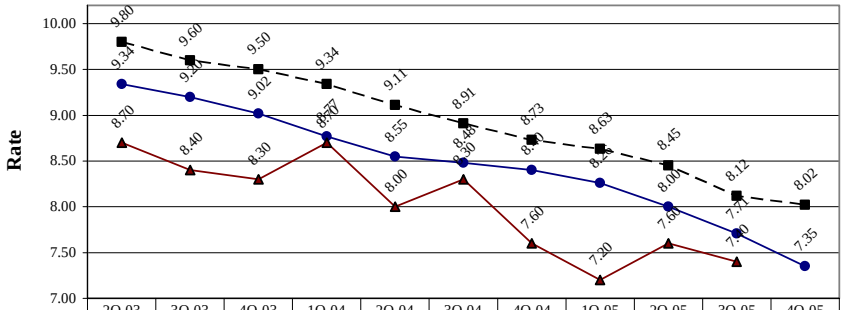
CAPITALIZATION RATE SELECTION

We consider the following data in selecting a capitalization rate for the subject.

CAPITALIZATION RATE COMPARABLES

No.	Property Name	Year Built	Sale Date	Rentable Area	Price /SF	Overall Cap Rate
1	Countryside Office	1982	Mar-06	91,098	$87.82	7.12%
2	Atrium Corporate Center	1969	Jan-06	483,000	$128.52	7.38%
3	Atrium Place	1984	May-05	24,123	$99.90	7.99%
5	120 W. Golf Road	1978	Oct-06	19,401	$92.78	7.78%
	Average (Mean) Cap Rate:					7.57%

CAPITALIZATION RATE TRENDS - OFFICE PROPERTIES



	2Q-03	3Q-03	4Q-03	1Q-04	2Q-04	3Q-04	4Q-04	1Q-05	2Q-05	3Q-05	4Q-05
CBD	9.34	9.20	9.02	8.77	8.55	8.48	8.40	8.26	8.00	7.71	7.35
SUBURB	9.80	9.60	9.50	9.34	9.11	8.91	8.73	8.63	8.45	8.12	8.02
ACLI	8.70	8.40	8.30	8.70	8.00	8.30	7.60	7.20	7.60	7.40	

Quarter/Year

CBD - Korpacz Real Estate Investor Survey - National CBD Office Market
SUBURB - Korpacz Real Estate Investor Survey - National Suburban Office Market
ACLI - American Council of Life Insurers Investment Bulletin - Office Properties

CAPITALIZATION RATE SURVEYS – OFFICE PROPERTIES

	IRR-Viewpoint Year End 2005 National CBD Office	IRR-Viewpoint Year End 2005 National Suburban Office	Korpacz 4Q-2005 National CBD Office	Korpacz 4Q-2005 National Suburban Office	ACLI 3Q-2005 National Office
Range	5.5%-11%	6.25%-9.8%	4.5%-9.5%	5.5%-10.5%	NA
Average	8.00%	8.02%	7.35%	8.02%	7.40%

Source: IRR-Viewpoint 2006; Korpacz Real Estate Investor Survey; American Council of Life Insurers Investment Bulletin.

The above capitalization rate surveys indicate a range of 4.50% to 11.0% with a central tendency of 7.75%. Considering the subject's advanced age we have selected a capitalization rate as indicated below.

CAPITALIZATION RATE CONCLUSION	
Going-In Capitalization Rate	8.00%

DIRECT CAPITALIZATION ANALYSIS

Net operating income is divided by the capitalization rate to indicate the stabilized value of the subject. Valuation of the subject by direct capitalization is shown below.

DIRECT CAPITALIZATION ANALYSIS							
		SF	Type	Rent Applied	$/SF	Annual	$/SF Bldg.
INCOME							
Base Rent							
SBC-Owner Occupied		57,213	Office	Market	$9.50	$543,524	–
Potential Gross Rent		57,213				$543,524	$9.50
Reimbursable Expenses						$377,606	$6.60
Potential Gross Income						$921,129	$16.10
Vacancy & Collection Loss	15.00%					-$138,169	-$2.42
Effective Gross Income						$782,960	$13.69
EXPENSES							
Real Estate Taxes						$228,852	$4.00
Insurance						$5,721	$0.10
CAM						$143,033	$2.50
Management	10.26%					$23,489	$0.41
Replacement Reserves						$11,443	$0.20
Total Expenses						$412,537	$7.21
NET OPERATING INCOME						$370,423	$6.47
Capitalization Rate						8.00%	
Indicated Value						$4,630,284	$80.93
Rounded						**$4,630,000**	**$80.93**

SALES COMPARISON APPROACH

The sales comparison approach develops an indication of value by comparing the subject to sales of similar properties. The steps taken to apply the sales comparison approach are:

- Identify relevant property sales;
- Research and assemble pertinent data for the most relevant sales;
- Analyze the sales for material differences compared with the subject;
- Reconcile the analysis of the sales into a value indication for the subject.

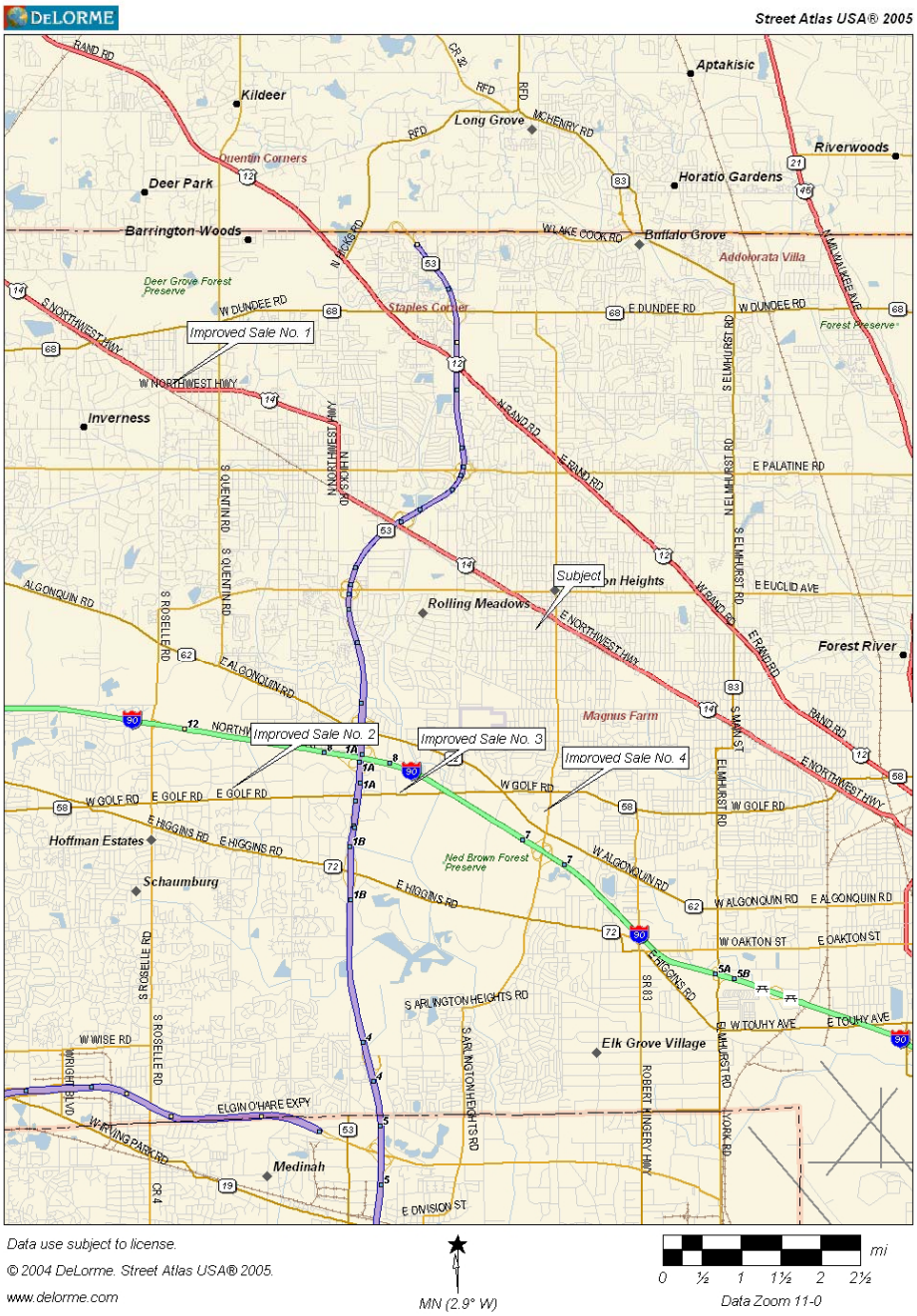
Our search for comparable sales focused on transactions most relevant to the subject in terms of property type, size, location, age, quality, and transaction date.

For this analysis, we use price per square foot of gross building area as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The sales considered most relevant are summarized in the following table.

SUMMARY OF COMPARABLE IMPROVED SALES

No.	Name/Address	Sale Date	Yr. Built; # Stories; % Occ.	Acres; FAR; Parking Ratio	Prop Class; Const Type; Prop Rights	Sale Price	Gross SF	$/Gross SF
1	Countryside Office 1210-1278 W. Northwest Palatine Cook County IL Tax ID: 02-09-315-007; 009 Grantor: American Spectrum Realty, Inc. Grantee: Chicagoland Commercial Realty	Mar-06	1982 1 –	6.44 0.32 –	C Masonry Fee simple	$8,000,000	91,098	$87.82
2	Plum Grove Corporate 1251 N. Plum Grove Schaumburg Cook County IL Tax ID: 07-11-400-038 Grantor: 1251 Plum Grove Road, LLC Grantee: Taurus Plum Grove GP	Jan-06	1986 1 –	3.23 0.31 –	B Masonry Fee simple	$3,347,000	43,301	$77.30
3	Multi-Tenant Low Rise 2900 Golf Road Rolling Meadows Cook County IL Tax ID: 08-08-300-014; 018; 019 Grantor: Kohler Co. Grantee: Kimball Hill, Inc.	Feb-06	1978 2 –	7.29 0.21 –	B Masonry Fee simple	$5,700,000	68,000	$83.82
4	Arlington Executive 2045 S. Arlington Arlington Heights Cook County IL Tax ID: 03-32-421-025 thru 028 Grantor: LaSalle Bank, N.A. Trust # 1725 Grantee: E. Quinn regan 1300 Central, LLC	Jul-04	1980 2 –	3.53 0.17 –	B Masonry Fee simple	$1,675,000	25,500	$65.69

COMPARABLE IMPROVED SALES MAP



Sale 1
Countryside Office

Sale 2
Plum Grove Corporate Center

Sale 3
Multi-Tenant Low Rise

Sale 4
Arlington Executive Court

ADJUSTMENT FACTORS

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

ADJUSTMENT FACTORS	
Effective Sale Price	Accounts for atypical economics of a transaction, such as excess land, non-realty components, expenditures by the buyer at time of purchase, or other similar factors. Usually applied directly to sale price on a lump sum basis.
Real Property Rights	Leased fee, fee simple, leasehold, partial interest, etc.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.
Conditions of Sale	Extraordinary motivation of buyer or seller, such as 1031 exchange transaction, assemblage, or forced sale.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.
Location	Market or submarket area influences on sale price; surrounding land use influences.
Size	Inverse relationship that often exists between building size and unit value.
Building to Land Ratio	Ratio of building area to land area; also known as floor area ratio (FAR).
Building Quality	Construction quality, amenities, market appeal, functional utility.
Age/Condition	Effective age; physical condition.
Economic Characteristics	Non-stabilized occupancy, above/below market rents, and other economic factors. Excludes differences in rent levels that are already considered in previous adjustments, such as for location or quality

Issues requiring elaboration are addressed in the following paragraphs.

Market Conditions

The sales took place from July 2004 to March 2006. Market conditions generally have been strengthening over this period through the effective date of value. As a result, we apply upward adjustments of 3.0% per year to account for this trend.

ANALYSIS AND ADJUSTMENT OF SALES

The analysis and adjustment of the comparable sales is discussed in the following paragraphs.

Sale 1 is Countryside Office, located at 1210-1278 W. Northwest Highway, Palatine, Cook County, IL, a 91,098 square foot office property. The property sold in March 2006 for $8,000,000, or $87.82 per square foot. The subject contains 57,213 square feet; sale No. 1 contains 91,098 square feet. Buildings with greater square footage tend to sell for a lower dollar value per square foot than their smaller counter parts. Therefore an upward adjustment of 10.0% is necessary. The land to building ratio of the subject is .84:1. The land to building ratio of Sale No. 1 is approximately 3:1. The sale comparable is considered superior in this regard and therefore a downward adjustment of 2.5% is necessary. The subject was built in 1956. Sale No. 1 was built in 1982. The sale comparable is considered superior in this regard and therefore a downward adjustment of 5.0% is necessary.

Sale 2 is Plum Grove Corporate Center, located at 1251 N. Plum Grove, Schaumburg, Cook County, IL, a 43,301 square foot office property. The property sold in January 2006 for $3,347,000, or $77.30 per square foot. The subject is located approximately 2 blocks from downtown Arlington Heights – walking distance to the commuter train, shops and restaurants. Its location is superior to the location of Sale No. 2. Therefore an upward adjustment of 5.0% is necessary. The land to building ratio of Sale No. 2 is approximately 3:1. The sale comparable is considered superior in this regard and therefore a downward adjustment of 2.5% is necessary. The subject was built in 1956. Sale No. 2 was built in 1986. The sale comparable is considered superior in this regard and therefore a downward adjustment of 5.0% is necessary.

Sale 3 is a Multi-Tenant Low Rise office building, located at 2900 Golf Road, Rolling Meadows, Cook County, IL, a 68,000 square foot office property. The property sold in February 2006 for $5,700,000, or $83.82 per square foot. The location of the subject is considered superior to the location of Sale No. 3. Therefore an upward adjustment of 5.0% is necessary. The land to building ratio of Sale No. 3 is approximately 4:1. The sale comparable is considered superior in this regard and therefore a downward adjustment of 5.0% is necessary. The subject was built in 1956. Sale No. 3 was built in 1978. The sale comparable is considered superior in this regard and therefore a downward adjustment of 5.0% is necessary.

Sale 4 is Arlington Executive Court, located at 2045 S. Arlington Heights Road, Arlington Heights, Cook County, IL, a 25,500 square foot office property. The property sold in July 2004 for $1,675,000, or $65.69 per square foot. The subject contains 57,213 square feet; sale No. 2 contains 25,500 square feet. Buildings with smaller square footage tend to sell for a higher dollar value per square foot than their larger counter parts. Therefore a downward adjustment of 5.0% is necessary. The land to building ratio of the subject is .84:1. The land to building ratio of Sale No. 4 is approximately 6:1. The sale comparable is considered superior in this regard and therefore a downward adjustment of 5.0% is necessary. The subject was built in 1956. Sale No. 4 was built in 1980. The sale comparable is considered superior in this regard and therefore a downward adjustment of 5.0% is necessary.

IMPROVED SALES ADJUSTMENT GRID					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Property Name	SBC Administrative Office	Countryside Office	Plum Grove Corporate Center	Multi-Tenant Low Rise	Arlington Executive Court
Address	44 S. Vail Avenue	1210-1278 W. Northwest Highway	1251 N. Plum Grove	2900 Golf Road	2045 S. Arlington Heights Road
City	Arlington Heights	Palatine	Schaumburg	Rolling Meadows	Arlington Heights
County	Cook	Cook	Cook	Cook	Cook
State	Illinois	IL	IL	IL	IL
Sale Date		Mar-06	Jan-06	Feb-06	Jul-04
Sale Price		$8,000,000	$3,347,000	$5,700,000	$1,675,000
Effective Sale Price		$8,000,000	$3,347,000	$5,700,000	$1,675,000
Gross Building Area	57,213	91,098	43,301	68,000	25,500
Land SF	48,114	280,526	140,746	317,670	153,767
Year Built	1956	1982	1986	1978	1980
Price Per SF of Gross Building Area		**$87.82**	**$77.30**	**$83.82**	**$65.69**
PROPERTY RIGHTS		Fee simple	Fee simple	Fee simple	Fee simple
% ADJUSTMENT		0%	0%	0%	0%
FINANCING TERMS		0	0	0	0
% ADJUSTMENT		0%	0%	0%	0%
CONDITIONS OF SALE					
% ADJUSTMENT		0%	0%	0%	0%
MARKET CONDITIONS	3/22/2006	Mar-06	Jan-06	Feb-06	Jul-04
ANNUAL % ADJUSTMENT	3%	0%	0%	0%	5%
CUMULATIVE ADJUSTED PRICE		**$87.82**	**$77.30**	**$83.82**	**$68.97**
LOCATION		Similar	Inferior	Inferior	Similar
% ADJUSTMENT		0%	5%	5%	0%
SIZE		Inferior	Similar	Similar	Superior
% ADJUSTMENT		10%	0%	0%	-5%
LAND TO BUILDING RATIO		Superior	Superior	Superior	Superior
% ADJUSTMENT		-2.5%	-2.5%	-5%	-5%
BUILDING QUALITY		Similar	Similar	Similar	Similar
% ADJUSTMENT		0%	0%	0%	0%
AGE/CONDITION		Superior	Superior	Superior	Superior
% ADJUSTMENT		-5%	-5%	-5%	-5%
ECONOMIC CHARACTERISTICS		Similar	Similar	Similar	Similar
% ADJUSTMENT		0%	0%	0%	0%
Net $ Adjustment		**$2.20**	**-$1.93**	**-$4.19**	**-$10.35**
Net % Adjustment		**3%**	**-3%**	**-5%**	**-15%**
Final Adjusted Price		**$90.01**	**$75.36**	**$79.63**	**$58.63**
Overall Adjustment		**3%**	**-2%**	**-5%**	**-11%**
Range of Adjusted Prices		**$58.63 - $90.01**			
Average		**$75.91**			
Indicated Value		**$76.00**			

VALUE INDICATION - SALES COMPARISON APPROACH

Prior to adjustments, the sales reflect a range of $65.69 to $87.82 per square foot. After adjustment, the range is to $56.90 - $87.82 per square foot, with an average of $75.98 per square foot. To arrive at an indication of value, we place primary equal reliance on all of the sales.

Based on the preceding analysis, we arrive at a value indication by the sales comparison approach as follows:

SALES COMPARISON APPROACH INDICATED VALUE	
Indicated Value per SF	$76
Subject Square Feet	57,213
Indicated Value	$4,348,188
Rounded	$4,350,000

RECONCILIATION AND CONCLUSION OF VALUE

The values indicated by our analyses are as follows:

SUMMARY OF VALUE INDICATIONS	
Cost Approach	$4,330,000
Sales Comparison Approach	$4,350,000
Income Capitalization Approach	$4,630,000
Reconciled	$4,500,000

The sales comparison approach is given the greatest weight because the likely purchaser is an owner-user who would negotiate a purchase price in relation to the prices of alternative properties having similar utility. The income capitalization approach is given less weight even though owner-users consider the income-producing characteristics of a property in their decision making. The cost approach is given less weight but provides additional support for the results of the other approaches. Accordingly, our opinion of value is as follows:

VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Fee Simple	March 22, 2006	$4,500,000

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

VALUE OF IMPROVED PARCEL

VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Fee Simple	March 22, 2006	$4,500,000

VALUE OF PARKING LOT (EXCESS LAND)

VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Fee Simple	March 22, 2006	$380,000

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

The value conclusions are subject to the following extraordinary assumptions and hypothetical conditions that may affect the assignment results.

A title policy prepared by Chicago Title Insurance Company and dated March 8, 2006 sites the following two exceptions:

- Terms, provisions and conditions of the easement and parking agreement made by and between the Village of Arlington Heights, An Illinois Municipal Corporation and Banbury Metrolofts, L.L.C., An Illinois Limited Liability Company, recorded September 7, 2005 as document 0525033005.

- Terms, provisions and conditions of the ordinance amending a planned unit development, amending the zoning ordinance of the Village of Arlington Heights and granting variations from Chapter 28 of the Arlington Heights municipal code recorded July 18, 2005 as document 0519939007.

Upon further investigation of these two documents it was discovered that two parcels owned by SBC – 03-29-346-023 and 03-29-346-025 – are erroneously included. SBC management has indicated to us that they are in no way a party to the easement and parking agreement nor are they a party to the ordinance amendment. Mr. Bill Enright of the Planning Commission of the Village of Arlington Heights also provided verbal confirmation that in no way should these two parcels be included on the easement and parking agreement or the ordinance amendment.

For purposes of this valuation we assume that these two parcel numbers are not impacted by the agreement and ordinance described in the documents.

EXPOSURE AND MARKETING TIMES

Our estimates of exposure and marketing times are as follows:

EXPOSURE TIME AND MARKETING PERIOD	
Exposure Time In Months	6-12
Marketing Period In Months	6-12

INSURABLE VALUE

An estimate of insurable value based on Marshall Valuation Service is shown in the following table. In the absence of specific instructions from the client insurable value is based on the replacement cost new of the building improvements. From the total of these amounts we deduct insurance exclusions.

The following are not considered in our insurable value estimate: land value, site improvement costs, entrepreneurial profit, depreciation, and costs to demolish damaged structures.

Methodologies for developing insurable value vary between underwriters; therefore, reliance should not be placed on our insurable value estimate without understanding the terms of the subject's insurance coverage.

ESTIMATE OF INSURABLE VALUE

Replacement Cost New - Building Improvements							
Bldg Name	*Occupancy*	*MVS Class*	*Quality*	*Quantity*	*Unit*	*Unit Cost*	*Cost New*
Above ground space	Single Tenant	C	Average	38,142	SF	$81.86	$3,122,304
Basement	Single Tenant	–	–	19,071	SF	$58.04	$1,106,881
Subtotal - Building Improvements							$4,229,185
Plus:							
Less: Insurance Exclusions							
Basement Excavation					2.5%		$105,730
Foundation Below Ground					2.5%		$105,730
Piping Below Ground					2.5%		$105,730
Architect's fees					2.5%		$105,730
Total Exclusions					10.0%		$422,918
Insurable Value							$3,806,266
Rounded:							$3,810,000

CERTIFICATION

We certify 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 is our personal, impartial, and 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 no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. 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.
7. Our 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, which includes the Uniform Standards of Professional Appraisal Practice (USPAP), and also in conformity with the appraisal regulations issued in connection with the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. Gary K. DeClark, MAI, CRE, FRICS made a personal inspection of the property that is the subject of this report. Karen Dabek has personally inspected the subject.
10. No one provided significant real property appraisal assistance to the person(s) signing this certification.
11. This appraisal is not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
12. We have not relied on unsupported conclusions relating to characteristics such as race, color, religion, national origin, gender, marital status, familial status, age, receipt of public assistance income, handicap, or an unsupported conclusion that homogeneity of such characteristics is necessary to maximize value.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.
14. As of the date of this report, Gary K. DeClark, MAI, CRE, FRICS, has completed the continuing education program of the Appraisal Institute.

Gary K. DeClark, MAI, CRE, FRICS
Certified General Real Estate Appraiser
Illinois Certificate # 153-0000218

Karen Dabek
Real Estate Analyst

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is based on the following assumptions, except as otherwise noted in the report.

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal is subject to the following limiting conditions, except as otherwise noted in the report.

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the person signing the report.
11. Information, estimates and opinions contained in the report, obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
14. No consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the value stated in our appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The value found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual

results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

18. The *Americans with Disabilities Act (ADA)* became effective January 26, 1992. We have not made a specific survey or analysis of any property to determine whether the physical aspects of the improvements meet the *ADA* accessibility guidelines. In as much as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, we cannot comment on compliance to *ADA*. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. A specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property and the person signing the report shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
21. The person signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. Integra Realty Resources – Chicago is not a building or environmental inspector. Integra Chicago does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
23. The appraisal report and value conclusion for an appraisal assumes the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
24. It is expressly acknowledged that in any action which may be brought against Integra Realty Resources – Chicago, Integra Realty Resources, Inc. or their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), arising out of, relating to, or in any way pertaining to this engagement, the appraisal reports, or any estimates or information contained therein,

the Integra Parties shall not be responsible or liable for an incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with gross negligence. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with gross negligence. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.

25. Integra Realty Resources – Chicago, an independently owned and operated company, has prepared the appraisal for the specific purpose stated elsewhere in the report. The intended use of the appraisal is stated in the General Information section of the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).

26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Integra Realty Resources, Inc. and the undersigned are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.

27. All prospective value estimates presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

The appraisal is also subject to the following:

A title policy prepared by Chicago Title Insurance Company and dated March 8, 2006 sites the following two exceptions:

- Terms, provisions and conditions of the easement and parking agreement made by and between the Village of Arlington Heights, An Illinois Municipal Corporation and Banbury Metrolofts, L.L.C., An Illinois Limited Liability Company, recorded September 7, 2005 as document 0525033005.

- Terms, provisions and conditions of the ordinance amending a planned unit development, amending the zoning ordinance of the Village of Arlington Heights and granting variations from Chapter 28 of the Arlington Heights municipal code recorded July 18, 2005 as document 0519939007.

Upon further investigation of these two documents it was discovered that two parcels owned by SBC – 03-29-346-023 and 03-29-346-025 – are erroneously included. SBC management has indicated to us that they are in no way a party to the easement and parking agreement nor are they a party to the ordinance amendment. Mr. Bill Enright of the Planning Commission of the Village of Arlington Heights also provided verbal confirmation that in no way should these two parcels be included on the easement and parking agreement or the ordinance amendment.

For purposes of this valuation we assume that these two parcel numbers are not impacted by the agreement and ordinance described in the documents.

ADDENDUM A

APPRAISER QUALIFICATIONS

PROFESSIONAL QUALIFICATIONS
OF
GARY K. DeCLARK, MAI, CRE, FRICS

EXPERIENCE: Mr. DeClark is the Managing Director for INTEGRA REALTY RESOURCES in Chicago, Illinois and Milwaukee, Wisconsin. He has been actively engaged in real estate valuation and counseling since the mid 1970s. His background includes several years in trust asset management, and life insurance company mortgage underwriting, and 25 years serving the general public. Recent experience is concentrated in major urban and suburban developments. Valuations have been performed on various properties including, but not limited to: special use properties; neighborhood, community and regional shopping centers; apartment complexes; single- and multi-tenanted industrial buildings; low to high rise office buildings; mixed use facilities; and vacant land for different uses. Specialized real estate valued includes golf courses, casinos, self-storage, athletic clubs and congregate care/nursing facilities. Clients served include accountants, investment firms, law firms lenders, private and public agencies. Valuations have been performed for condemnation purposes, bankruptcy estate planning, financing, investment analysis equity participation, due diligence support and re-use development. Valuations and market studies have been done on proposed, partially completed, renovated and existing structures.

He is qualified as an expert witness in: Northern Illinois Federal District Court; Northern and Southern Indiana Federal District Courts; the Circuit Courts of Cook County, Lake County DuPage County, and Kane County; and the Circuit Court of Lake County, Indiana.

PROFESSIONAL ACTIVITIES:

Member:

Appraisal Institute (MAI No. 6362)
(Past President, Chicago Chapter 2001)
(Past Admissions Chairman, Chicago Chapter 1990-1992)
(Past Secretary and Treasurer, Chicago Chapter)

Counselors of Real Estate (CRE No. 1095)
(Past Midwest Chapter Chairman – 1999-2000)

FRICS (Fellow of the Royal Institution of Chartered Surveyors)
(FRICS No.: 1214947)

Licensed:

Certified General Real Estate Appraiser in states noted below:

Illinois – No. 153-000218	Minnesota – No. 4001839
Colorado—CG40027342	Nebraska – No. CG980092
Georgia – No. 254930	New York – No. 46000038089
Indiana – No. CG49300124	Ohio – No. 389977
Iowa – No. CG1640	Wisconsin – No. 261
Michigan – No. 1201002765	

Author:

"Tax Reform Act of 1976," The Atlanta Real Estate Journal, Fall 1978
"Counseling and the Institutional Client," Real Estate Issues, Dec. 1995

EDUCATION: B.S. Degree, Finance, University of Illinois, Champaign/Urbana, Illinois (1975)
M.A. Degree, Real Estate and Urban Development, University of Georgia, Athens, Georgia (1978)

He has successfully completed numerous real estate and related courses and seminars sponsored by the Appraisal Institute, accredited universities and others.

CERTIFICATION: He is currently certified by the Appraisal Institute's voluntary program of continuing education for its designated members.

PROFESSIONAL QUALIFICATIONS
OF
KAREN L. DABEK

EXPERIENCE: Ms. Dabek is a Real Estate Analyst for INTEGRA REALTY CONSULTANTS, USA Chicago, Illinois. She has been actively engaged in real estate valuation and consulting since the early 1990s. Her background includes approximately 14 years serving commercial and industrial taxpayers in the realm of Ad Valorem Tax consultation. Recent experience is concentrated in major urban and suburban areas nationwide. Valuations have been performed on various properties including, but not limited to: special use properties; neighborhood, community and regional shopping centers; apartment complexes; single- and multi-tenanted industrial buildings; low rise office buildings and mixed use facilities. Clients served include national chain auto service centers, regional lumber centers, community shopping centers and numerous individual property owners and lessees.

PROFESSIONAL ACTIVITES: Member: International Organization of Assessing Officials (IAAO)

EDUCATION: B.A. Degree, Liberal Arts & Sciences, University of Illinois at Chicago 1991

She has successfully completed numerous real estate and related courses and seminars sponsored by the IAAO, the Illinois Department of Revenue and accredited universities and others.

INTEGRA REALTY RESOURCES, INC.
CORPORATE PROFILE

Integra Realty Resources, Inc. offers the most comprehensive property valuation and counseling coverage in the United States with 52 independently owned and operated offices in 30 states. Integra was created for the purpose of combining the intimate knowledge of well-established local firms with the powerful resources and capabilities of a national company. Integra offers integrated technology, national data and information systems, as well as standardized valuation models and report formats for ease of client review and analysis. Integra's local offices have an average of 25 years of service in the local market, and each is headed by a Managing Director who is an MAI member of the Appraisal Institute.

The following map shows the locations of Integra's 52 local offices.

Corporate Office

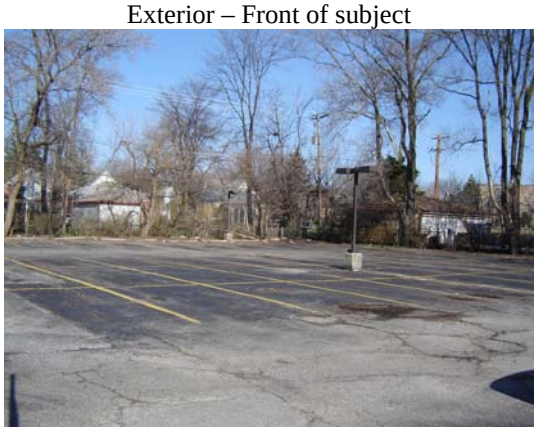
3 Park Avenue, 39th Floor, New York, New York 10016-9502
Telephone: (212) 255-7858; Fax: (646) 424-1869; E-mail Integra@irr.com
Website: www.irr.com

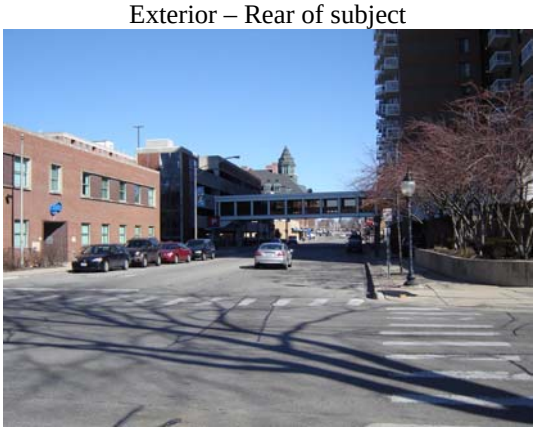
ADDENDUM B

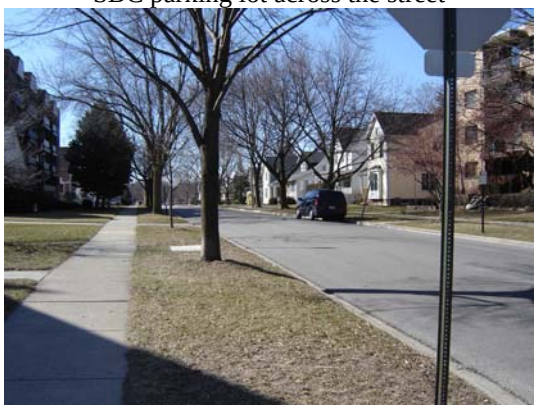
SUBJECT PHOTOGRAPHS

Exterior – Front of subject

Exterior – Rear of subject


SBC parking lot across the street


Street scene looking North

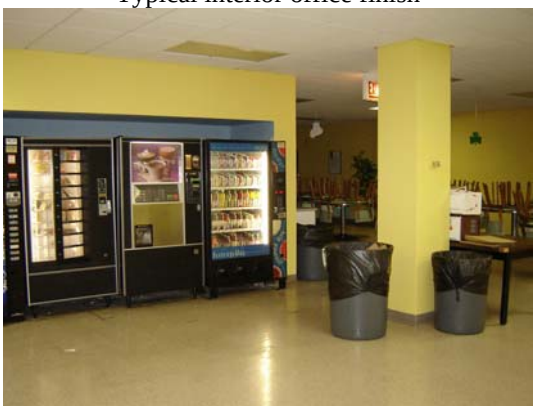

Street scene looking South

Mechanical room

Typical interior finish

Typical interior office finish

Typical basement finish



Break room (lower level)

ADDENDUM C

PROPERTY INFORMATION

APR 06 2006 13:31 FR AMERITECH 312 669 0785 TO 92284908 P.03/10

LEGAL DESCRIPTION 03-29-346-021 023 027

44 SO. VAIL AVENUE, ARLINGTON HEIGHTS, ILLINOIS

LOTS 3,4,5 AND 6 (EXCEPT THE WEST 25 FEET OF LOTS 5 AND 6) OF THE SOUTH HALF OF BLOCK 32 IN TOWN OF DUNTON (NOW ARLINGTON HEIGHTS), A SUBDIVISION OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 29, TOWNSHIP 42 NORTH, RANGE II EAST OF THE 3RD PRINCIPAL MERIDIAN, IN COOK COUNTY ILLINOIS.

PURCHASED DECEMBER 31, 1955 UNDER ESTIMATE 95821

GEO. 6529-000

LEGAL DESCRIPTION

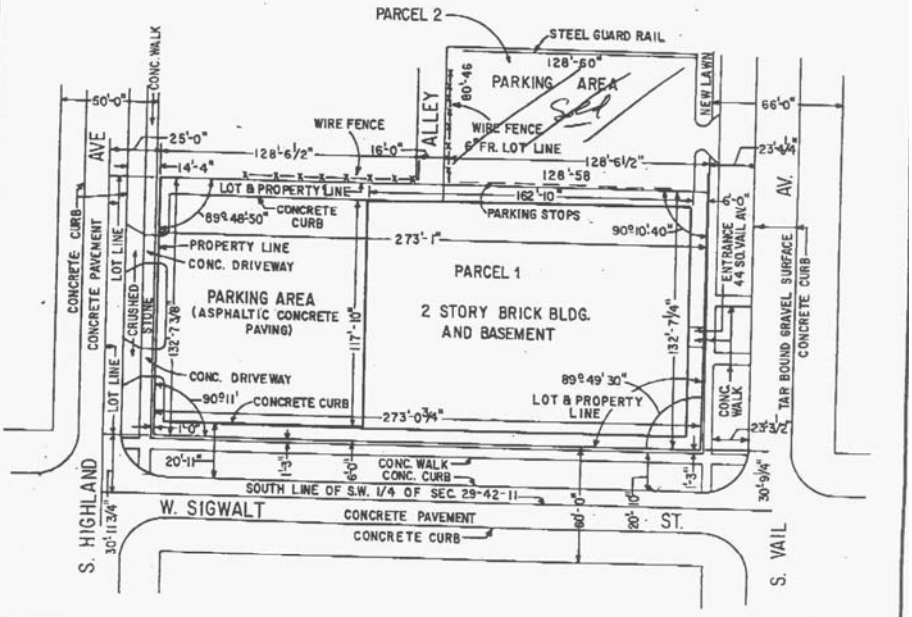
28 SO. VAIL AVENUE, ARLINGTON HEIGHTS, ILLINOIS Sold to Village

PARCEL 2

LOTS 11 AND 12 IN THE NO. 1/2 OF BLOCK 32 IN SIEBURG'S SUBDIVISION OF BLOCK 25 (EXCEPT THE E. 1/2 OF LOTS 1 AND 2) AND THE NO. 1/2 OF BLOCK 32 AND SO MUCH OF ROBINSON ST. AS LIES BETWEEN SAID BLOCKS 25 AND 32 IN THE TOWN OF DUNTON IN THE W. 1/2 OF THE S.W. 1/4 OF SEC. 29, TOWNSHIP 42 N, RANGE II, E. OF THE 3RD. PRINCIPAL MERIDIAN.

PURCHASED AUGUST 28, 1969 UNDER ESTIMATE 14933

Lots 10-11 and portion of vacated alley except for the north 5' thereof
Easement over the north 5' thereof



GO # Q6529

7-9-84	RFL		ILLINOIS BELL TELEPHONE COMPANY PLAT OF SURVEY SCALE: 1"=60'-0" ARLINGTON HEIGHTS DATA PROCESSING CTR. 44 SO. VAIL AVENUE ARLINGTON HEIGHTS, ILLINOIS	D-
				DATE OCT. 15, 1971
				APPROVED
REVISED	DRWN	APPD		DWG SIZE LS I-A-485

MAR 06 2006 13:31 FR AMERITECH 312 669 0785 TO 92284908 P.10/10

ILLINOIS BELL TELEPHONE COMPANY
PLAT OF SURVEY

03-30-425-022 & 023

ARLINGTON HTS. ACCTG. PARKING

... CORNER OF SIGWALT ST. AND HIGHLAND AVE.
ARLINGTON HEIGHTS, ILLINOIS

SCALE: 1" = 30'-0"

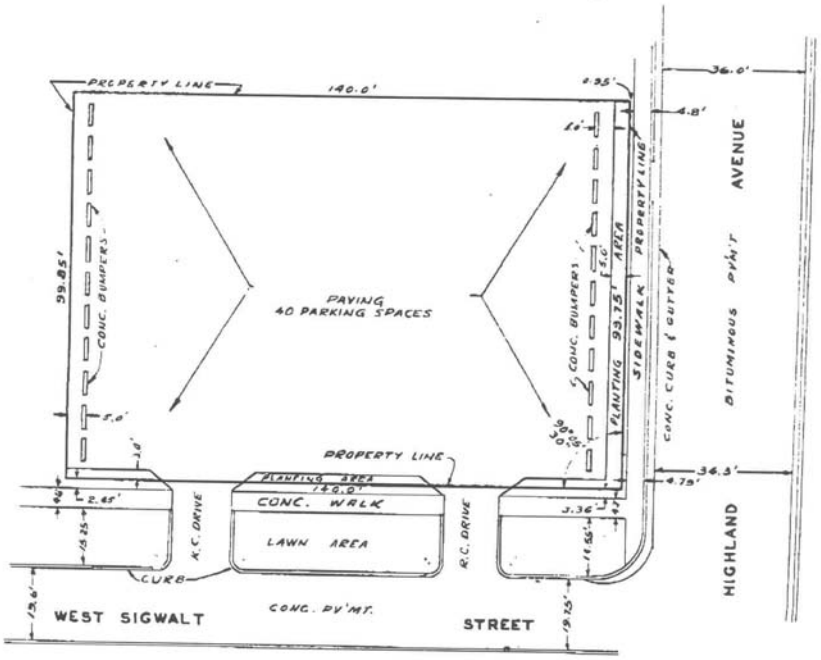
LEGAL DESCRIPTION

LOTS 13 AND 14 IN BLOCK 1 IN A SUBDIVISION OF LOTS 26, 27, 28 AND 29 IN ASSESSOR'S SUBDIVISION OF SECTION 30, TOWNSHIP 42 NORTH, RANGE 11 EAST OF THE 3RD. PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PURCHASED JULY 7, 1958 UNDER EST. [illegible]

I-A-6

N



GOH 6501

JAN 24.1961 W.J.C.
JULY 28, 1959

** TOTAL PAGE.10 **

ADDENDUM D

COMPARABLE DATA