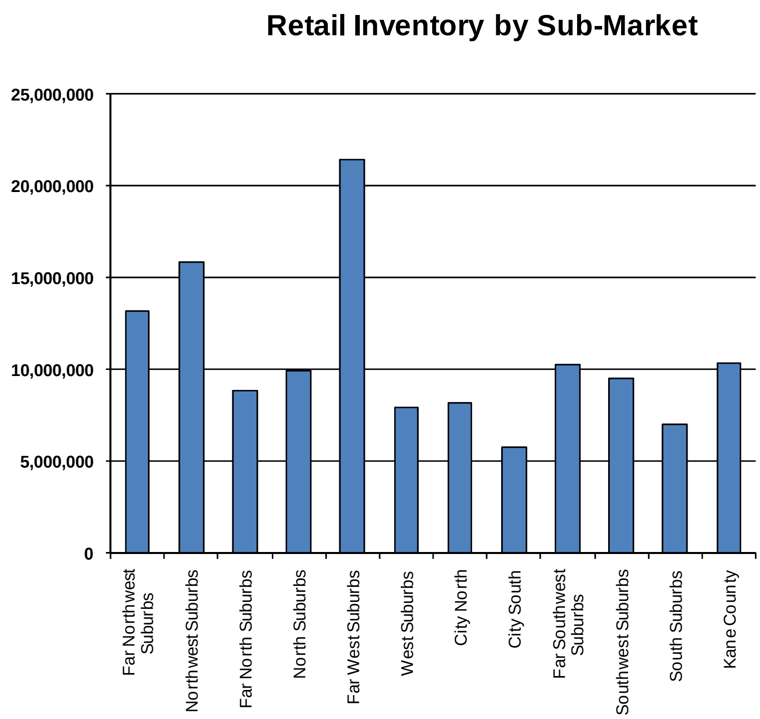
RETAIL MARKET ANALYSIS – CHICAGO

Market Composition & Distribution

According to CBRE, the Chicago retail market is distributed as follows:



Retail Inventory - 4Q09

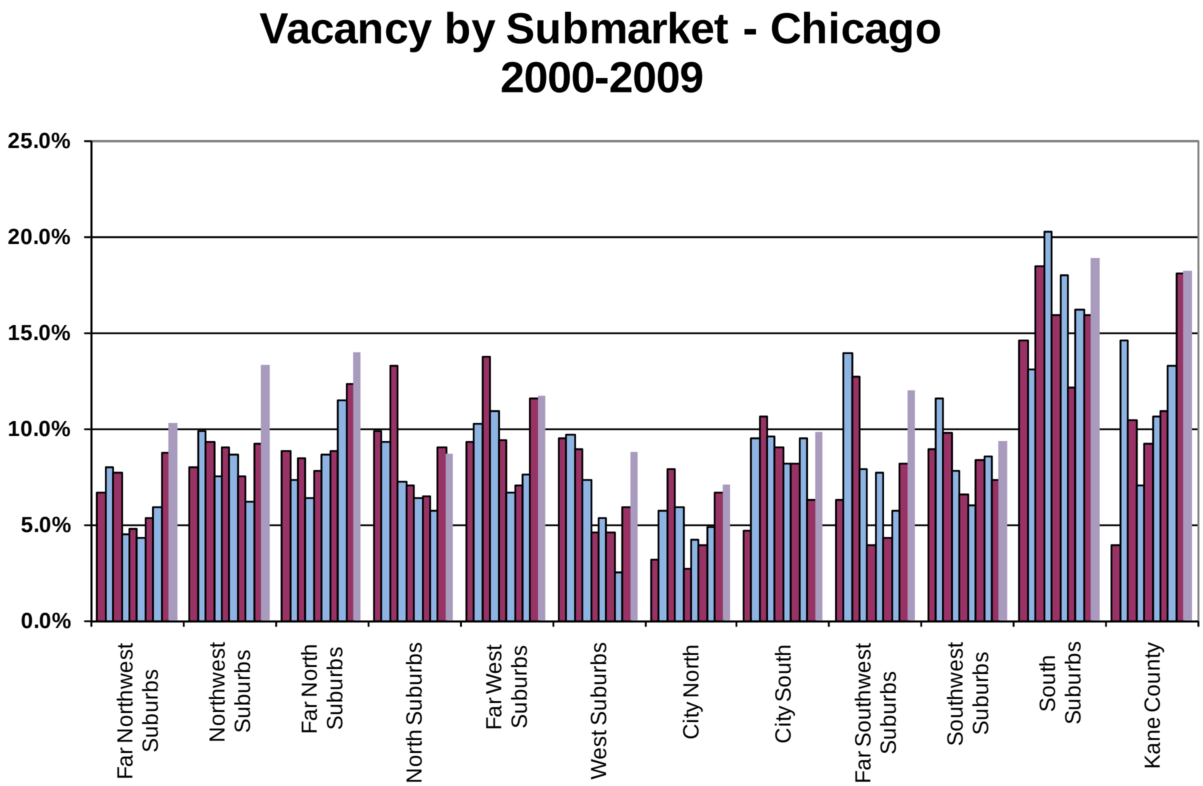
Submarket	Building GLA
Far Northwest Suburbs	13,142,213
Northwest Suburbs	15,874,756
Far North Suburbs	8,851,520
North Suburbs	9,908,367
Far West Suburbs	21,425,946
West Suburbs	7,945,280
City North	8,131,681
City South	5,757,829
Far Southwest Suburbs	10,265,023
Southwest Suburbs	9,490,094
South Suburbs	7,011,322
Kane County	10,374,352
Market Total	**128,178,383**

Source: CB Richard Ellis

The CBRE survey data contains about 128 millions square feet of retail space. The largest submarket is the Far West Suburbs followed by the Northwest and Far Northwest Suburbs. The City North and City South submarkets are among the smaller data sets.

Vacancy

The chart below tracks vacancy by submarket over the period 2000 through 4th Quarter 2009. Vacancy for the fourth quarter is presented for each year from 2000 to 2009.



Source: CB Richard Ellis

Vacancy has risen over the last few periods for most submarkets due to a combination of reduced demand for space and rising deliveries from new construction. The historical and current vacancy rates for each submarket are shown below.

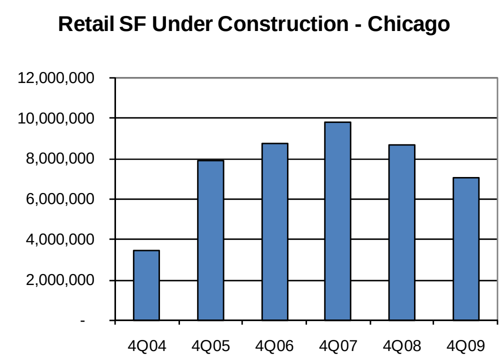
New Construction

New construction increased notably in 2005 as the economy expanded and employment increased resulting in higher consumer spending. Going forward, we expect this trend to reverse until economic conditions improve.

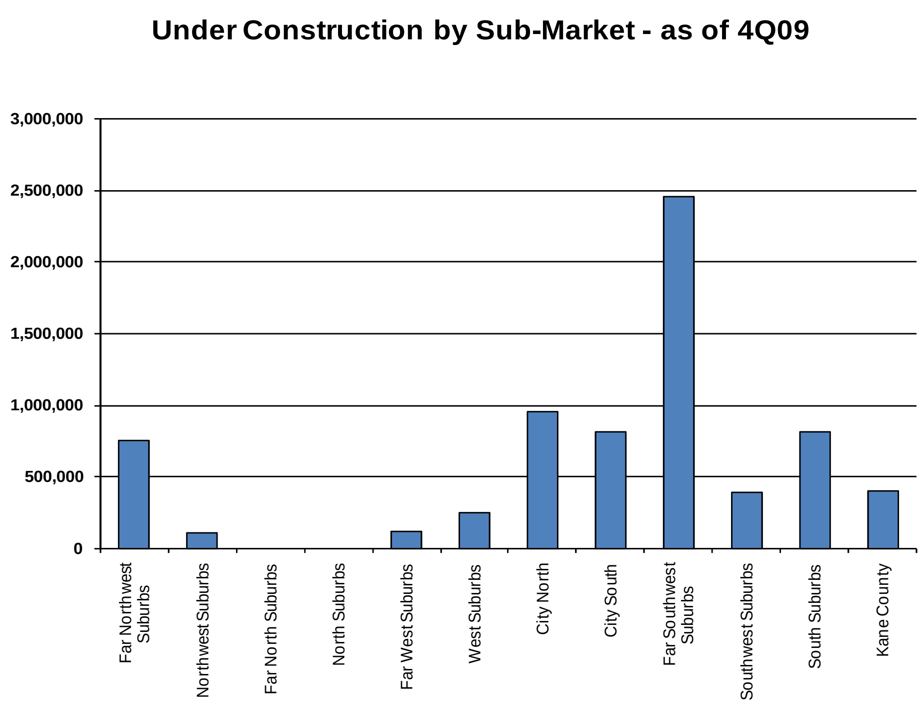
Under Construction - Chicago

Submarket	4Q04	4Q05	4Q06	4Q07	4Q08	4Q09
Far NW Suburbs	170,000	253,000	650,000	480,000	1,055,347	755,347
NW Suburbs	395,000	1,375,100	875,132	820,000	-	110,000
Far North Suburbs	550,000	160,000	260,000	453,000	180,000	-
North Suburbs	-	520,000	410,000	100,000	-	-
Far West Suburbs	250,000	650,000	986,282	166,963	120,000	120,000
West Suburbs	-	340,000	419,214	550,000	250,000	250,000
City North	385,000	971,000	1,016,000	604,470	1,205,000	955,000
City South	-	316,000	605,000	1,641,300	1,261,300	818,300
Far SW Suburbs	660,000	1,177,000	1,094,520	2,397,235	2,630,865	2,454,865
SW Suburbs	728,000	355,000	755,835	621,841	393,080	393,080
South Suburbs	-	415,100	242,402	65,000	815,000	815,000
Kane County	353,000	1,387,800	1,442,000	1,884,000	750,000	400,000
Market Total	3,491,000	7,920,000	8,756,385	9,783,809	8,660,592	7,071,592

Source: CB Richard Ellis



The current level of construction in each submarket is included above and illustrated below. We believe the 4Q09 levels are overstated due to the number of projects that are current stalled and may not actually complete construction.

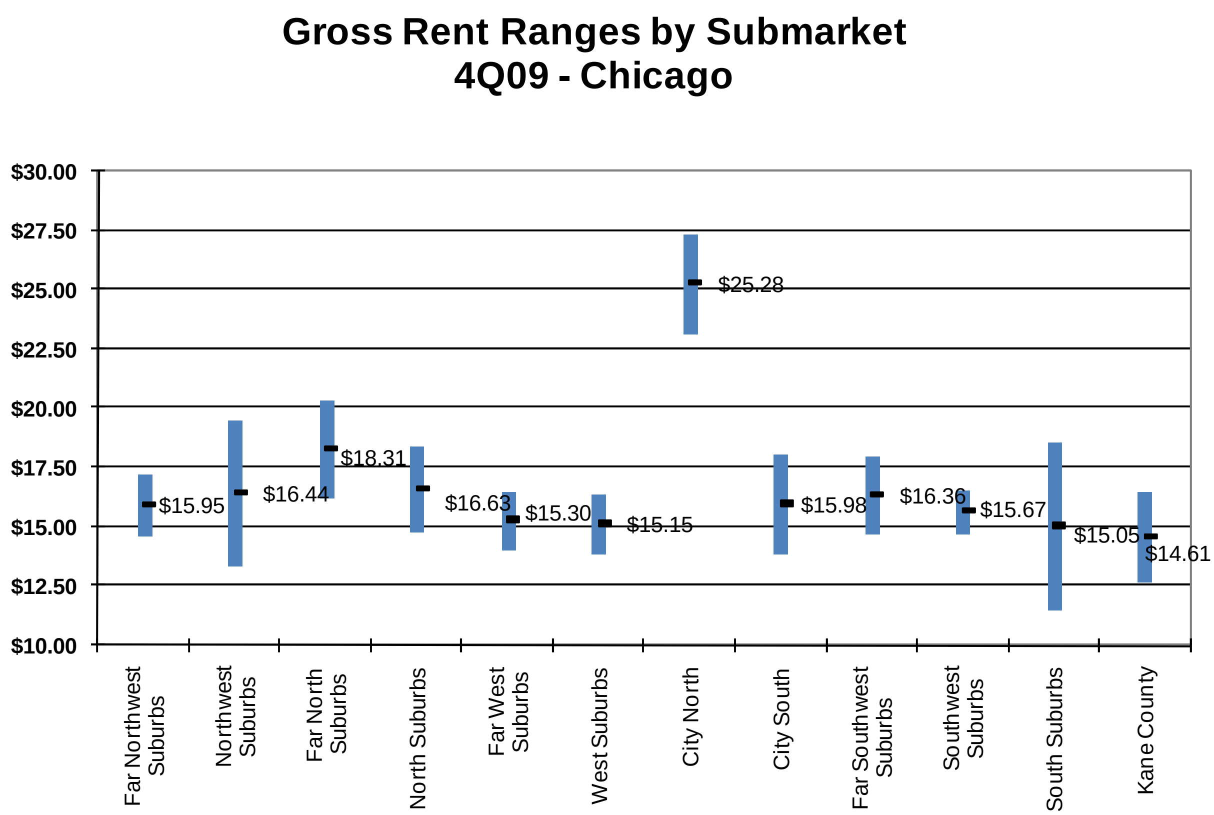


Source: CB Richard Ellis

More recently, the level of construction has declined due to the decline in consumer spending resulting from the weaker employment situation. With the lack of availability of financing for new projects, the amount of space under construction is expected to continue to decline in the near term.

Rental Rates

Rent levels by submarket, including the low, high and midpoint, are illustrated below:



Source: CB Richard Ellis

The vertical bars represent the range of gross rents in each submarket with the horizontal hash mark (and the corresponding value displayed) being the midpoint of the range. Weaker consumer spending leading to lower demand for retail space will ultimately result in lower rents. Expectations are for increased concessions in the form of free rent and increased tenant improvement allowances.

Transaction Market

A substantial run up in transaction volume across all property types occurred from 2004 through 2006 due in large part to very favorable loan terms (high leverage/low rates) and the expectation of increases in net income due to expected growth in demand. Weaknesses in the overall economy became apparent in early to mid 2007. The housing market was cooling in part due to the subprime mortgage market and a general over building in many markets. The collapse of Bear Sterns in March 2008 was followed in mid 2008 with a substantial rise in rates for interbank loans. The ability to obtain financing for real estate was diminishing as banks began to stockpile cash for reserves. Shortly thereafter, failures and bail outs of financial companies such as Lehman Brothers, Merrill Lynch, Fannie Mae and Freddie Mac as well as AIG led to a virtual market shut down by September/October 2008. As financing became more costly with lower loan to values and higher debt coverage ratio requirements, equity investors were requiring higher rates of return resulting in a double hit to returns.

Few transactions have occurred since late 2008 for two primary reasons. First, there remains a significant buy/sell price gap that has not yet been bridged. Sellers remain focused on pricing attained at the peak of the last cycle and buyers are unable to make the numbers work with lower loan to values and higher equity return requirements for their investors. Second, many buyers perceive the market has not reached bottom. With the volume of refinancing activity coming due over the next few years, there is a belief by many that the current financial system simply cannot deliver enough credit to keep the market functioning. Many properties are underwater with debt exceeding the value of the asset requiring substantial equity infusion to stay afloat. Should the government not come up with a workable solution, many market participants believe a wave of foreclosures will result, flooding the market with distressed assets. These buyers therefore believe there is no reason to transact today but would rather wait for the re-pricing of the market to occur. For the most part, the only sellers in the market today are those that are under pressure to sell. This includes institutions needing to raise cash for redemptions, rebalancing of portfolios and private owners who simply need to get out of one deal to fund cash flow for another project.

Overall we do not expect to see transaction volume increase over at least the next six months as there does not appear to be a solution at this point to the lack of liquidity in the market.