

711 JORIE
OFFICE BUILDING
OAK BROOK, ILLINOIS

Piedmont Realty Advisors, Inc.
650 California Street
Thirty First Floor
San Francisco, California 94108
(415) 433-4100

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July 16, 1984

&name&
&title/o&
&company/o&
&street&
&city&, &state& &zip&

Dear &name1&:

Enclosed for your review is an investment summary for a suburban office building in Oak Brook, Illinois. Piedmont Realty Advisors intends to review the recommendations outlined in this report with the Real Estate Investment Subcommittee on July 16, 1984. A summary of the investment structure is shown as Exhibit I-1.

The Property - 711 Jorie Boulevard is located at the southeast corner of 22nd Street and Jorie Boulevard in Oak Brook, Illinois. The 3-story building contains 213,252 square feet of leaseable area and overlooks the prestigious Butler National Golf Club. The property was completed in 1980 and is currently 100% leased with Continental Can and IBM as the anchor tenants.

The Seller - The sellers who own an 80% interest in the property are the co-executors of the Estate of Paul Butler, Deceased. Farnsworth, McKoane, the developer of the building, will remain a 20% partner in the property and will continue to manage the building after the Plan's investment.

Investment Structure - As shown in Appendix A, the Plan will be purchasing the Butler interest for \$7,500,000 plus a \$400,000 brokerage fee, making the total investment \$7,900,000. The Plan will also assume an existing loan of \$10,500,000 to "leverage" its equity position in the property. With a total investment of \$7,900,000 and an assumption of the existing loan, the Plan will own 80% of an asset currently valued at \$20,500,000.

&name&
July 16, 1984
Page Two

The projected 15.2% yield presented in this report is based on a \$7,900,000 investment, the assumption of the existing loan and a 15-year ownership period. We believe that this yield is exceptionally high for the low level of risk the Plan is assuming. IBM and Continental Can supply 90% of the building's cash flow, expenses are fixed by "expense stops" and the locational characteristics of the building are very favorable for continued appreciation.

This investment opportunity is within all of the Plan's real estate investment policy guidelines. The equity investment is \$7,900,000 and the proforma real return after adjusting for inflation is in excess of 9%. The addition of this property to the Plan's real estate investment portfolio will reduce the portfolio's risk profile because of the security of its cash flow and the high probability that the building will increase in value as the Oak Brook market area matures.

If you have any questions, please feel free to call Bob Zerbst or myself.

Sincerely,

Stephen L. Grant
Vice President

Enclosures

SLG/jb

Exhibit I-1
INVESTMENT SUMMARY
711 JORIE

Property Description: The 213,252 square foot office building contains 142,000 square feet on three office floors and 71,252 square feet of laboratory space below grade. The building is located at the southeast corner of 22nd Street and Jorie Boulevard adjacent to the Butler National Golf Course. The building was completed in 1980 and has been 100% leased since opening.

Seller: Co-executors of the Estate of Paul Butler, Deceased.

Purchase Price: \$7,900,000. (The Plan will also be assuming 80% of a \$10,500,000 mortgage.)

Contingencies:

- 1) The Butler Company assigns its current leasehold rights in 10,894 square feet on the third floor to the property.
- 2) The existing Aetna mortgage is fully assumable at closing without changes in terms or conditions of the note.
- 3) Legal, engineering and economic review of the property.

II. THE PROPERTY

1. Introduction

711 Jorie is located in the Village of Oak Brook. The 711 building is one of the last Oak Brook real estate holdings of the Butler family which, at one time, owned over 5,100 acres in the Village. The Butler family was responsible for the master plan that created Oak Brook in the late 1950s. Today Oak Brook is Chicago's premier western suburban community and has many attributes which act as a magnet for both industry and residential growth.

Oak Brook is situated at the hub of a major freeway network. The Village lies approximately 18 miles west of the Chicago Loop and approximately 14 miles southwest of the O'Hare Airport (Exhibit II-1). Oak Brook's location at the intersection of three major freeways is one of the important factors in the community's success. As shown in Exhibit II-1, Route 5, the East-West Tollway, connects Oak Brook with the Naperville area. Interstate 290 provides Oak Brook with access to the Loop and the Schaumburg area. Interstate 294 is Chicago's main north-south freeway providing Oak Brook with access to the O'Hare Airport, Wisconsin and Indiana.

The area surrounding the 711 Jorie building is an ideal suburban office environment. Access to the property is excellent from all major traffic arteries (See Exhibit II-2). Shopping and restaurants are located at the Oak Brook Mall, 1/2 mile west of the property. Over 800 class A hotel rooms can be found within a one mile radius of the property. Finally, the property abuts the Butler National Golf Course providing the tenants with views unequalled in the Oak Brook market.

2. Property Profile

a. The Land - The 711 Jorie site is 14.73 acres. 12% of the lot is covered by the building and 50% of the lot is covered by the building and parking area (Exhibit II-3). The remaining 7.50 acres are utilized for landscaping. The site has curb cuts at Jorie Boulevard and 22nd Street providing tenants with direct north-south and east-west highway access. There is landscaped surface parking for 620 cars indicating a parking ratio of 2.9 spaces per 1,000 square feet of total building area and 4.4 spaces per 1,000 square feet of office area.

b. The Building - 711 Jorie is a three-story building with a precast concrete and tinted glass exterior (See Exhibit II-4). The building contains 220,266 gross square feet of which 213,252 are rentable square feet. The three office floors above grade contain 142,000 rentable square feet and are leased and occupied by four tenants (See Exhibit II-5). Tenant improvements on the office floors include large areas

47,000/floor

of open space with concentrations of executive offices which are generally oriented toward large tenants (Continental Can and IBM). While this floor plan provides the landlord with leasing flexibility, the Plan will probably invest additional capital in 1986 to upgrade IBM's space for releasing should IBM decide not to renew its lease. The economics of this upgrade process will be discussed in the risk and return section.

The basement level of the building contains 71,252 rentable square feet. Continental Can occupies 100% of the basement area and uses the space for laboratory and research operations. Continental has invested in excess of \$10 million here for a security system, laboratory space and equipment.

3. Conclusion

The architectural design of 711 Jorie is institutional in nature - large floor sizes (48,000 square feet), better than average office parking ratio (4.4 parking spaces per 1,000 square feet of leaseable area), excess electrical capacity and high density load bearing floor for computer installation. The exterior building material is precast concrete which can be easily repaired or rehabilitated. Buildings such as 711 Jorie have traditionally been in high demand in both the tenant and investment market because their physical features are simple and efficient and they are relatively inexpensive to maintain.

Exhibit I-1
REGIONAL LOCATION MAP
711 JORIE

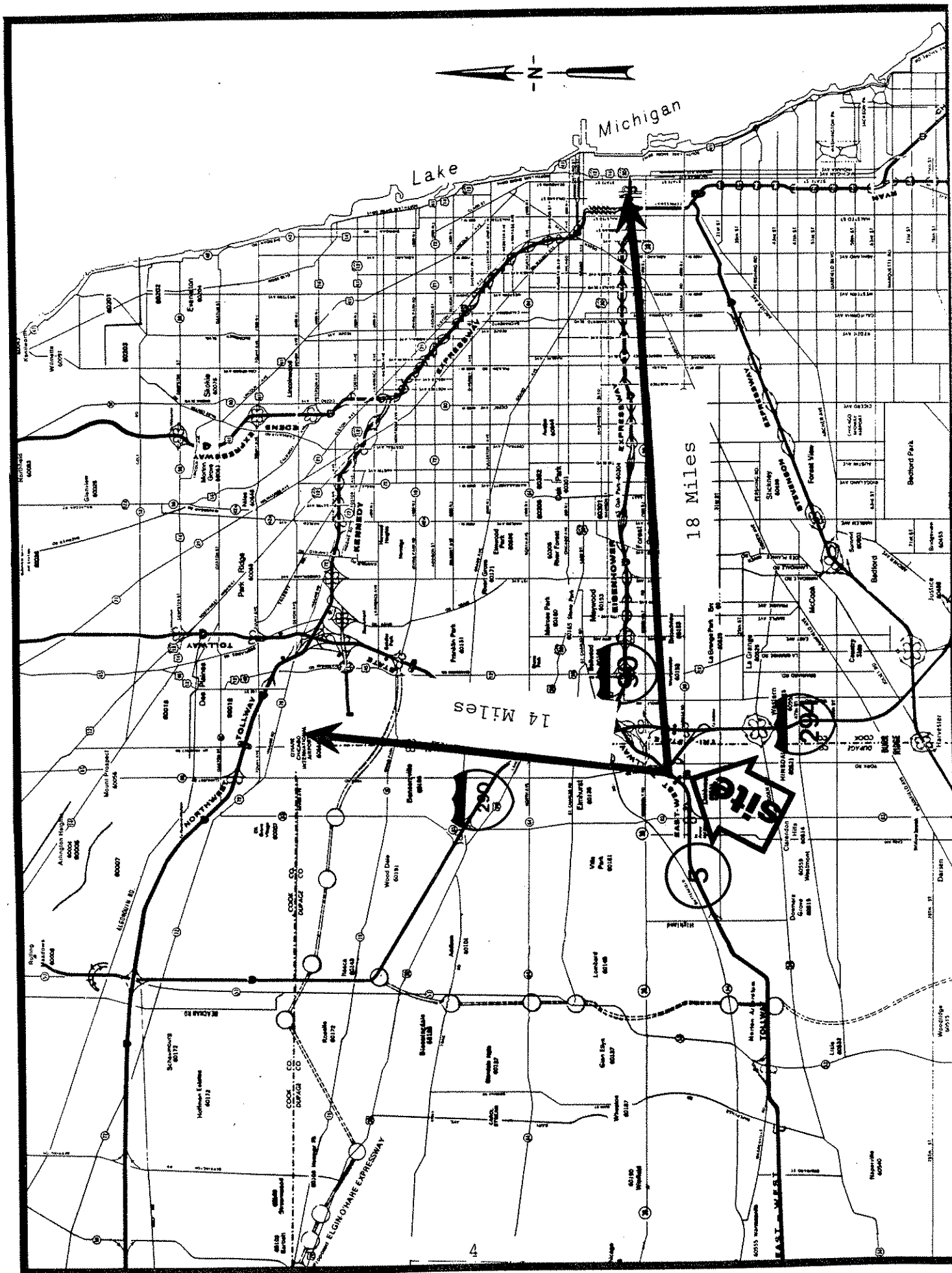


Exhibit II-2
SITE ACCESS MAP

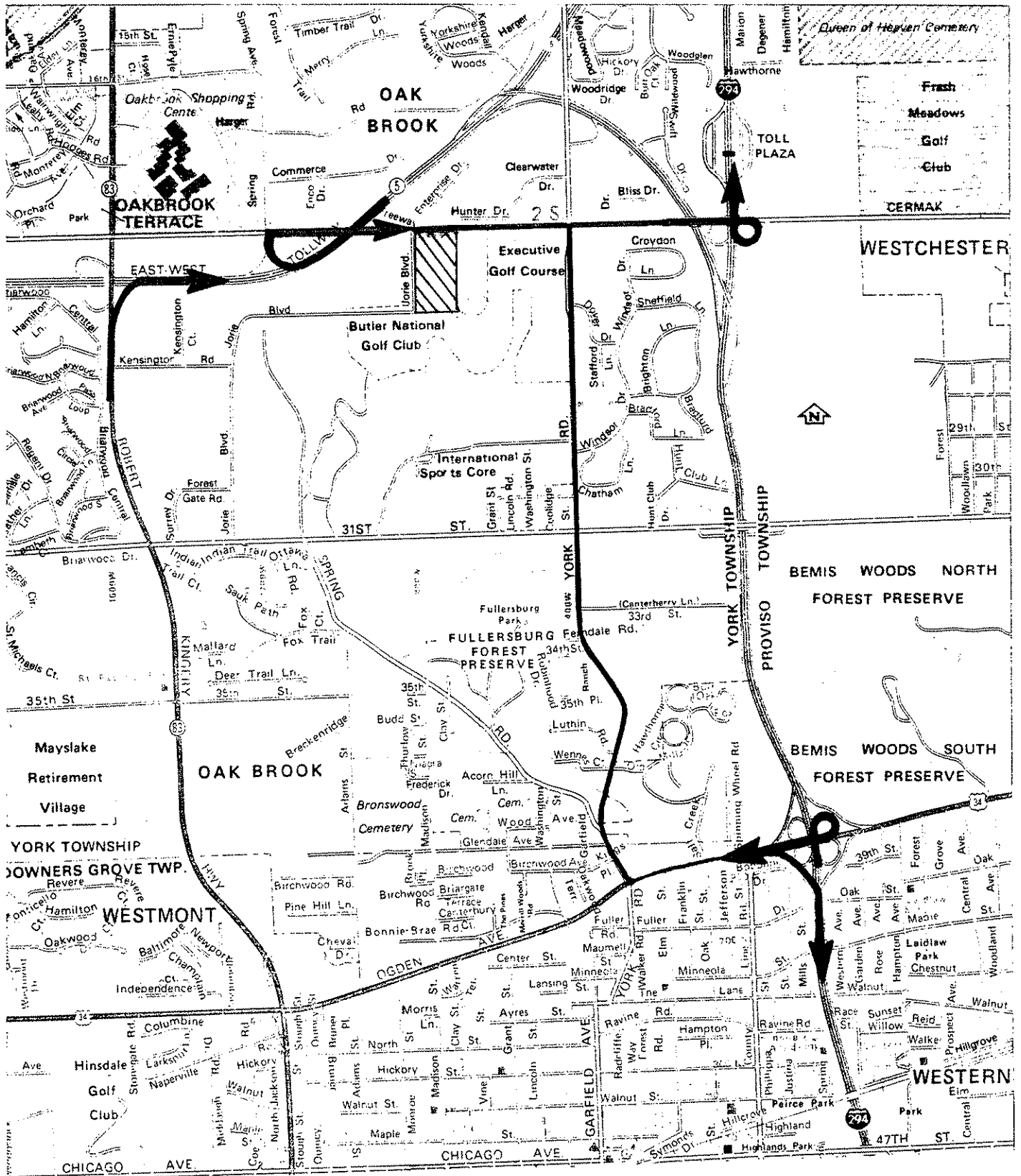


Exhibit II-3
 SITE PLAN
 711 JORIE

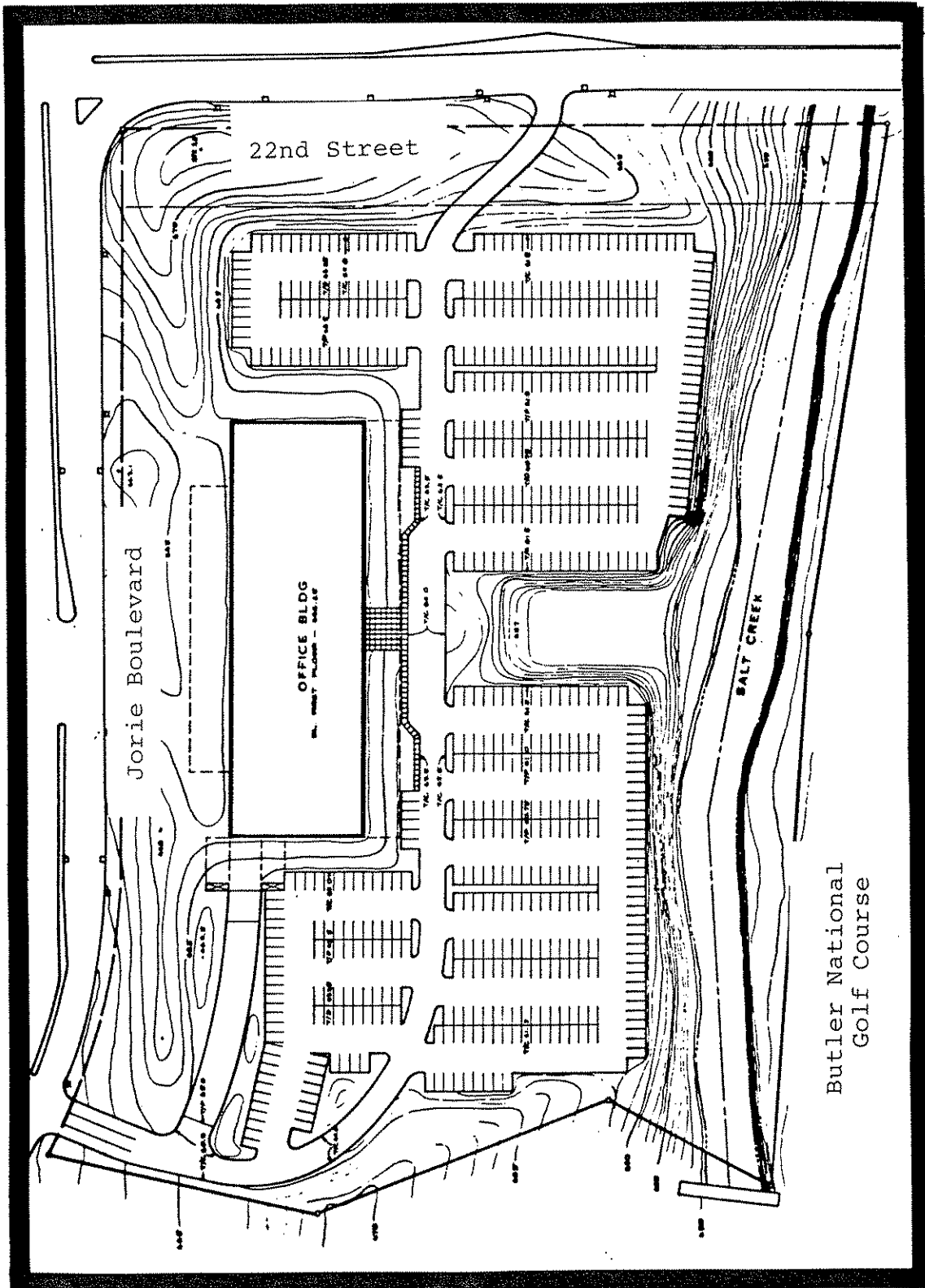


Exhibit II-4
711 JORIE



Exhibit II-5
FIRST FLOOR PLAN
711 JORIE

49,242

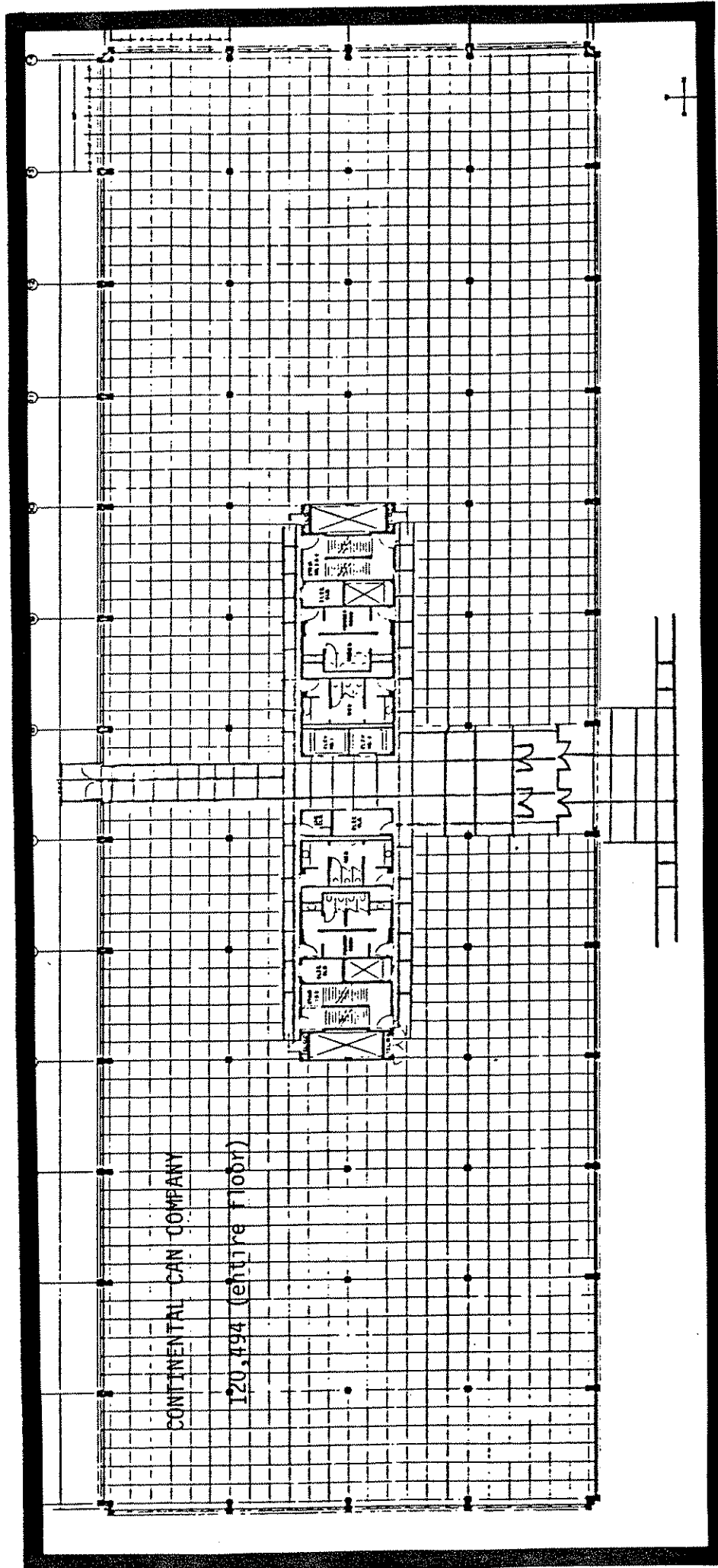


Exhibit II-5
 49,384
 SECOND FLOOR PLAN
 711 JORIE

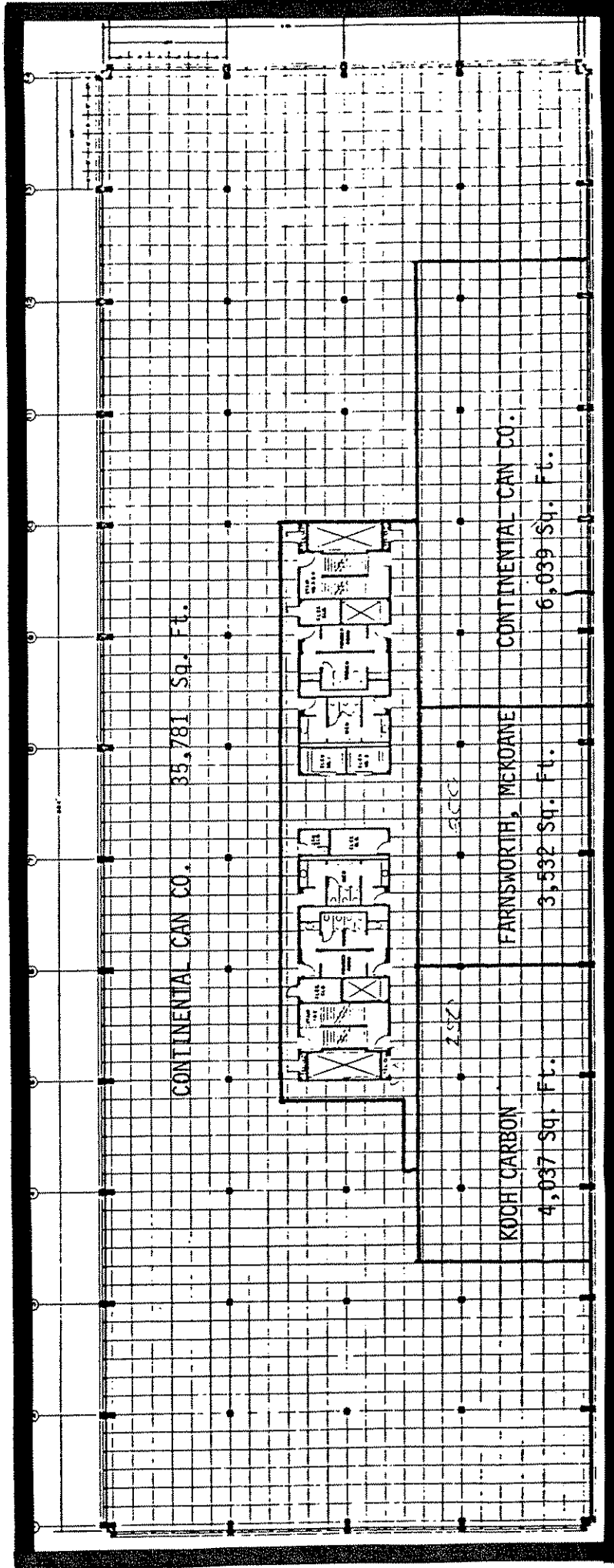
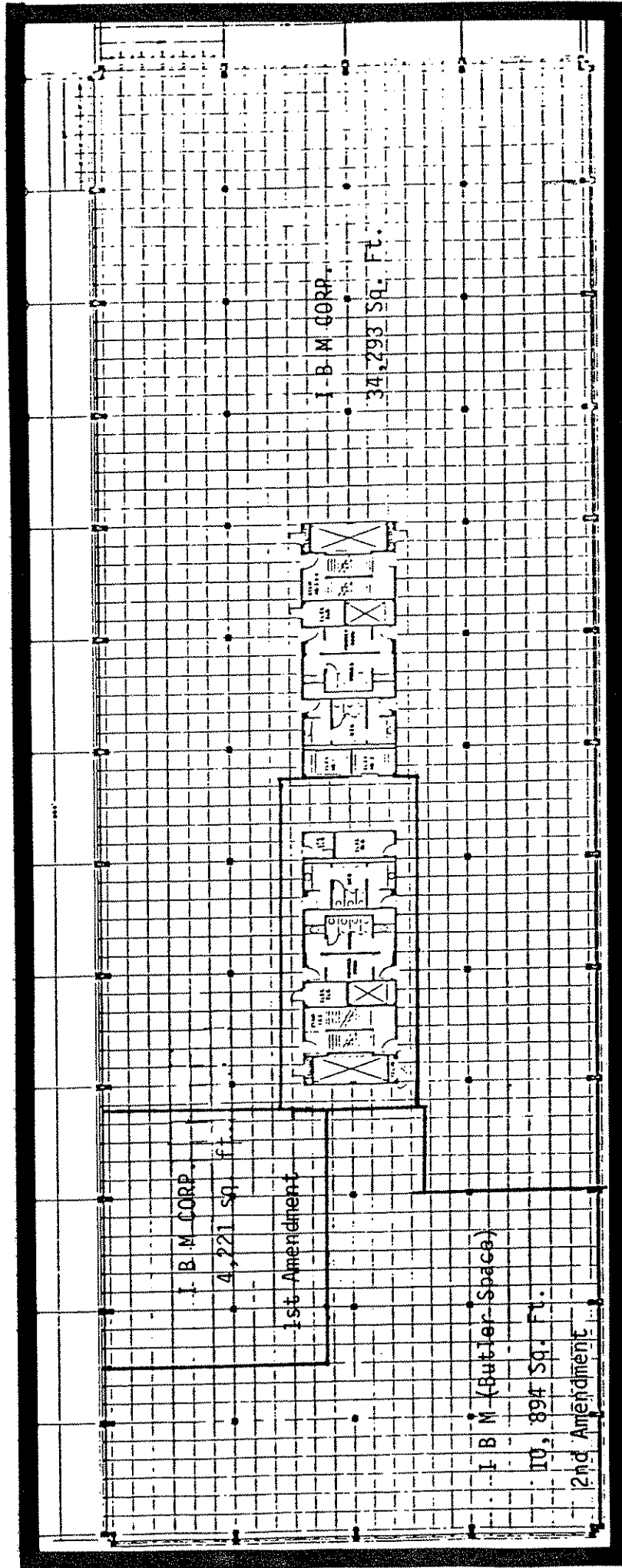


Exhibit II-5 49,158
 THIRD FLOOR PLAN
 711 JORIE



III. MARKET OVERVIEW

1. Introduction

The Oak Brook area is one of the major suburban office markets in metro-Chicago (See Exhibit III-1). The Oak Brook market area is centered on the Oak Brook Mall and extends to Naperville on the west and Interstate 294 on the east. This "corridor" (generally within one mile north and south of the Route 5 Tollway) contains over 10 million square feet of class "A" office space and serves as world headquarters for McDonalds, Bunker-Ramo, Nalco Chemical and many others.

2. The Office Market

The Oak Brook corridor contains four distinct concentrations of office development: Oak Brook/Oak Brook Terrace, Downers Grove, Naperville/Lisle and Hinsdale. The corridor is the healthiest suburban office market in Chicago. The office concentration immediately surrounding the Oak Brook Mall is the premier location within the corridor. Its current vacancy rate is only 8.1% compared to 14.5% for the Oak Brook Corridor and 16% for the suburbs generally.

From 1979 through 1983, 4.3 million square feet of office space was completed in the Oak Brook corridor. During the same period 2.8 million square feet of office space was absorbed. With almost 100% of the 1.5 million square feet of space under construction vacant, the Oak Brook market area faces an oversupply of office space.

711 Jorie should not be affected by the oversupply for the following reasons:

- 1) The building is currently 100% leased and will remain so at least until February, 1986.
- 2) 711 Jorie has one major lease (IBM) coming up for renewal in February, 1986. Piedmont estimates that there will be no other large blocks of office space available in the Oak Brook core area at that time. In our investment evaluation we have also priced the 48,000 square foot third floor at \$18.00 per square foot in 1986, a rate which should be extremely competitive.
- 3) There is adequate evidence that 711 Jorie is among the office market leaders in Oak Brook. Sublease space from Continental Can and the Butler Company was on the market less than one week and the signed lease rate was equal to the asking lease rate. The Drake, a building situated at the opposite end of the Butler National Golf Course from 711 Jorie, recently leased 16,000 square feet of office space at \$19.50 per square foot. The 8%

increase over its previous asking rate of \$18.00 is evidence that tenants value the golf course location.

3. Competitive Office Space

711 Jorie is 1/2-mile west of the Oak Brook Mall, the center of the Oak Brook corridor. Within a one mile radius of the mall, there are 14 existing office buildings containing almost 3.5 million square feet of space. A survey of these buildings is shown in Exhibit III-2 and their locations are plotted on the map in Exhibit III-3.

As shown in Exhibit III-2, competitive rental rates range from \$15.00 to \$21.50 per square foot in existing buildings and from \$17.00 to \$23.50 in buildings under construction. Average rents are \$17.20 and \$20.20 respectively. Lease terms in Oak Brook are generally five years with the tenant paying all of the building's operating expenses above an expense stop which generally averages \$3.50 to \$4.00 per square foot. Most building owners attempt to achieve annual rental rate increases by adjusting the initial rental rate by a proportion of the increase in the consumer price index.

4. Summary

Based on Piedmont's evaluation of the Oak Brook office market, a conservative estimate of the current market rental rate for 711 Jorie if vacant space was available is \$16.00 per rentable square foot with a \$3.50 per square foot expense stop. Leases signed at 711 Jorie would also feature annual escalations equivalent to 35% of the increase in the consumer price index. We are very confident that the market rent for 711 Jorie will increase at a rate averaging at least 6% annually during the holding period.

Exhibit III-1

OFFICE SPACE INVENTORY
CHICAGO, ILLINOIS
MARCH, 1984

Office District	Total Sq.Ft.	% Dist	Vacant Sq.Ft.	% Vacancy	Rate	Net Absorption 1983
Downtown	82,146,258	68.2	9,244,526	60.7	11.25%	2,223,291
Edens Corr	7,855,381	6.5	1,220,610	8.0	16.37	359,141
Woodfield	10,397,912	8.6	1,762,069	11.6	16.90	1,481,828
Oak Brook Corr	10,503,913	8.7	1,524,941	10.0	14.50	1,012,804
O'Hare	7,115,499	5.9	1,169,786	7.7	16.44	548,940
Southside	1,504,263	1.3	222,450	1.5	14.79	122,750
Libertyville	929,733	0.8	88,810	0.5	9.55	14,990
TOTAL	120,452,959	100.0%	15,233,192	100.0%	12.65%	5,763,744

12.31.83

1982

275

604,880

81
554,910

30
359,630

4-3 QTY
22,645

Source: Coldwell Banker, Piedmont Realty Advisors

	<u>Total</u>	<u>Vacant</u>		<u>1st Half</u>
D.T.	83,544,745	9,038,680	10.82	827,846
- Lake Shore	2,996,640	460,592	15.37	572,953
- N. Suburbs	4,042,916	489,735	12.11	511,372
- Schaumburg	10,627,112	1,481,977	13.94	469,122
- O'Hare (52)	7,183,499	1,283,845	17.87	(46,059)
- Oak Brook	10,644,905	1,112,185	10.4	567,192
- West Cook County	946,733	103,820	10.97	(6,610)
- South Suburbs	7,362,763	1,304,415	9.5	720,355

Exhibit III-2

SUMMARY OF COMPETITIVE OFFICE BUILDINGS
OAK BROOK OFFICE SUBMARKET
MARCH, 1984

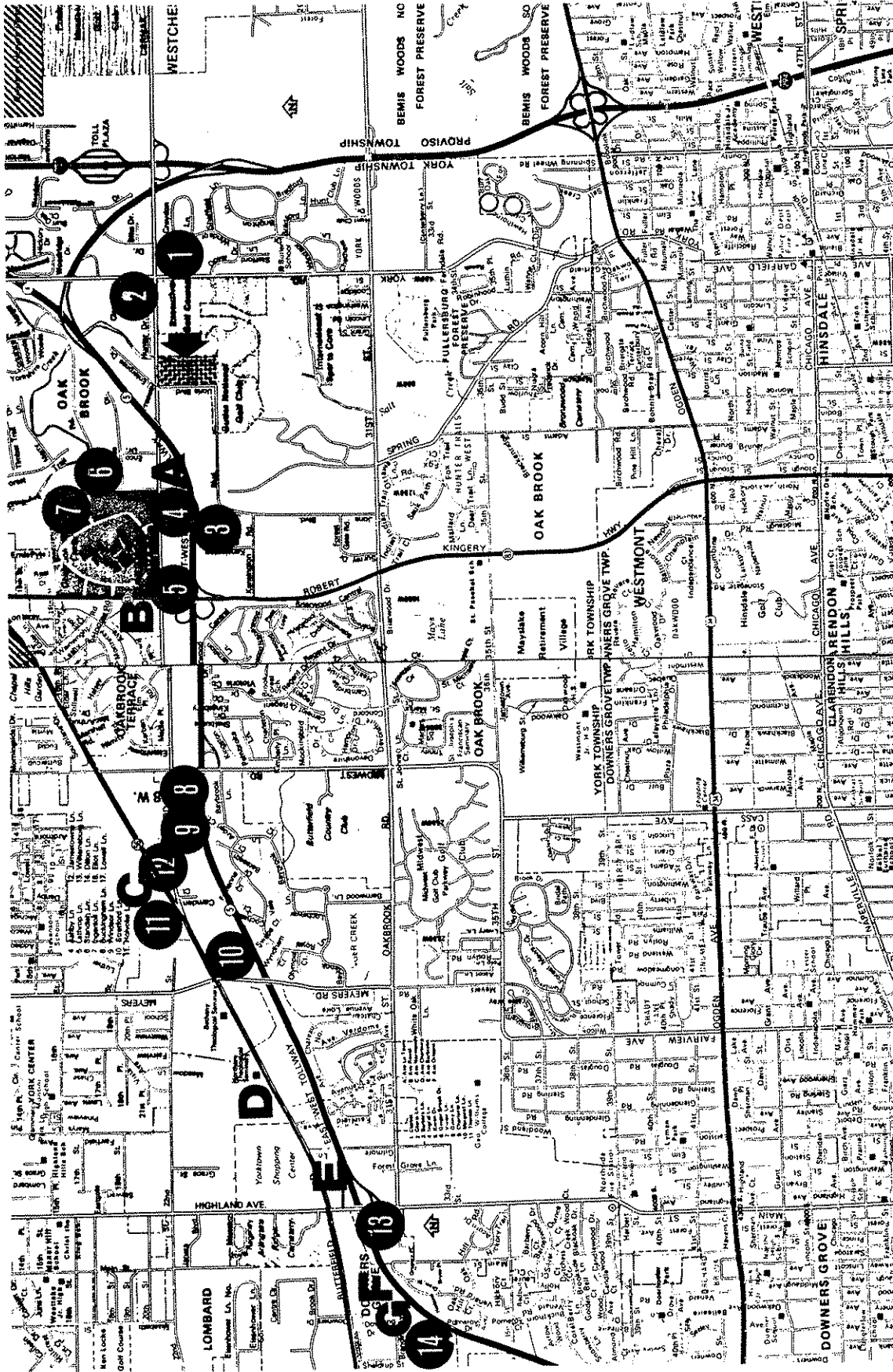
Map No.	Building Name	Bldg Age	# of Stories	Total Sq.Ft.	Vacant Sq.Ft.	Rental Rate (1)	Adjustments (2)
<u>Existing Buildings</u>							
1	The Drake	1981	5	244,000	5,200	\$21.50	\$4.00 Stop, 30% CPI
2	2122 York	1978	3	124,000	4,968	16.50	CY, 40% CPI
3	2200 Kensington	1974	3	201,000	0	16.00	CY, 30% CPI
4	Oak Brook Exec	1968	11	375,000	10,200	16.00	CY, 35% CPI
5	Oak Brook Regency	1975	13	372,000	1,500	17.00	CY, 60% CPI
6	Commerce Plaza	1974	7	450,000	20,600	19.50	CY, 35% CPI
7	First Federal	1979	5	100,000	5,200	19.50	CY, 35% CPI
8	Oak Brook Place	1980	3	178,068	0	15.00	\$3.50 Stop, 25% CPI
9	Waste Management	1979	3	180,286	0	15.00	\$3.50 Stop, 25% CPI
10	Oak Brook International	74-79	3	515,000	0	16.00	\$3.50 Stop, 25% CPI
11	Transam I	1983	5	116,705	60,000	17.50	\$4.00 Stop, 4% Fixed
12	Hiffman/Schaeffer	1983	8	164,594	110,000	17.00	\$4.00 Stop, 3% Fixed
13	Highland Oaks	1982	6	217,000	0	16.00	\$4.00 Stop, 35% CPI
14	Opus West I	1983	6	204,000	70,000	17.00	\$4.50 Stop, 35% CPI
TOTAL EXISTING				3,491,653	282,468	\$17.20 (3)	
<u>Buildings Under Construction</u>							
A	1111 West 22nd	9/84	8	225,943	225,943	\$23.50	\$4.50 Stop, 4% Fixed
B	MidAmerica	6/85	10	430,000	430,000	22.50	\$4.50 Stop, 35% CPI
C	Transam II	10/84	5	116,705	116,705	19.00	\$4.50 Stop, 4% Fixed
D	Butterfield Center	10/84	4	145,962	145,962	17.50	\$4.50 Stop, 35% CPI
E	Homart I	3/85	9	185,000	185,000	19.85	\$4.50 Stop, 35% CPI
F	Woodland Tower	10/84	6	169,000	163,000	17.00	\$4.35 Stop, 35% CPI
G	Opus West II	6/84	6	225,110	225,110	17.50	\$4.00 Stop, 35% CPI
TOTAL UNDER CONSTRUCTION				1,497,720	1,491,720	\$20.20 (3)	
TOTAL MARKET AREA				4,989,373	1,774,188	\$18.10 (3)	
711 Jorie				213,252	0	\$16.00 (4)	\$3.50 Stop, 35% CPI

Source: Piedmont Realty Advisors

Exhibit III-2
(Continued)

- (1) Annual quoted rental rate per rentable square foot.
- (2) Lease terms which result in adjustments in the annual rental income generated by leases.
\$ Stop = Tenant will pay its share of future operating expense increases over the per square foot figure specified.
CY = Tenant will pay its share of future operating expense increases over the current year's operating budget.
% CPI = Annual rental rate adjustments based on the change in the Consumer Price Index.
% per # year = Annual rental rate adjustments based on a fixed percentage increase.
- (3) Average rental rate weighted by square feet.
- (4) Market rental rate and lease terms if space were available at 711 Jorie.

COMPETITIVE OFFICE SPACE
LOCATION MAP



1-14 Correspond to Exhibit III-2

A-G Correspond to Exhibit III-2

711 Jorie

IV. THE SELLER/OWNER

1. Introduction

The present owner of 711 Jorie is a joint venture between Farnsworth, McKoane and the Butler Company. The Butler Company developed Oak Brook as a village and Farnsworth, McKoane is one of Oak Brook's largest developers.

2. The Seller

The Butler Company is selling the Plan their interest in a general partnership which owns the property. At closing, the Plan will control an 80% interest in 711 Jorie. The Plan would then have the power to initiate and execute any decisions relative to the management and operations of the property.

3. The General Partner/Property Manager

Farnsworth, McKoane will remain the property manager of 711 Jorie. The Farnsworth, McKoane organization is one of the largest property managers in Oak Brook and has done an outstanding job at 711 Jorie. (See Exhibit IV-1). 711 Jorie is the headquarters location of Farnsworth, McKoane and they retain an additional 800 square foot office for on-site property management (no rent is paid on this space).

Exhibit IV-1

OFFICE BUILDINGS DEVELOPED AND MANAGED
BY FARNSWORTH, MCKOANE & COMPANY

<u>Building Address</u>	<u>Net Rentable Square Feet</u>	<u>Construction Completion</u>	<u>Current Occupancy (3/84)</u>
O'Hare Centre 1350 E. Touhy Avenue Des Plaines, Illinois	220,000	Fall, 1980	100%
711 Jorie Boulevard Oak Brook, Illinois	213,000	Spring, 1980	100%
3001-3003 Butterfield Rd. Oak Brook, Illinois	180,000	Summer, 1980	100%
400-440 Executive Drive Brookfield, Wisconsin	100,000 70,000	Spring, 1980 Fall, 1981	100%
2122 York Road Oak Brook, Illinois	124,000	May, 1978	100%
230 W. Monroe Street Chicago, Illinois	565,000	Winter, 1970	99%
2200-2222 Kensington Ct. Oak Brook, Illinois	201,000	Fall, 1974	100%
Woodfield Executive Plaza 600 Woodfield Drive Schaumburg, Illinois	190,000	Winter, 1973	100%
Brookfield Executive Office Center 200 Executive Drive Brookfield, Wisconsin	120,000	Fall, 1974	98%
Valley Plaza Office Center 655 Big Timber Road Elgin, Illinois	60,000	Fall, 1974	100%
915 Harger Road Oak Brook, Illinois	68,000	Winter, 1973	100%
*900 Commerce Drive Oak Brook, Illinois	80,000	Fall, 1971	100%
	<hr/> 2,191,000		

* Not currently managed by Farnsworth, McKoane & Co.

V. THE RISK AND RETURN

1. Introduction

711 Jorie will be the Plan's first equity investment. The property is a fully leased, existing office building in a prime Oak Brook location. The Plan will be assuming an existing 9.8% interest rate \$10,500,000 loan in the transaction. The Plan will be using this existing mortgage to "leverage" their investment position. With a \$7.9 million equity investment, the Plan will own 80% of an asset with a current appraised value of at least \$20.5 million.

2. Return

The detailed terms of the recommended purchase are summarized in Exhibit V-1.

The cash flows which contribute to the yield include:

- * 80% of the cash flow generated by the property; and,
- * A preferred return of \$2,100,000 at the sale of the property plus 80% of the remaining sales proceeds.

Safeguards for the Plan include:

- * The property is currently 100% leased with 90% of the income stream secured by leases to credit tenants (See Exhibit V-2);
- * The Plan receives a first priority preferred cash distribution of \$231,000 during every property operating year prior to the 80/20 split;
- * All of the legal aspects of the transaction are being handled by Burke, Griffin, Chomicz and Wienke; and,
- * McDonough Associates, Inc. will inspect the property from an engineering perspective and will review all plans and specifications.

Cash flows from the operation of the property were estimated using the assumptions outlined in Exhibit V-3. The cash flows are shown in Exhibit V-4.

The yield for this investment, given a 15-year holding period, is 15.2% (See Exhibit V-5).

3. Risk

The office market in Oak Brook is entering a period of oversupply. One investment risk associated with the purchase of 711 Jorie relates to the market supply/demand relationship when the IBM lease (48,000 square feet) comes up for renewal in February, 1986. The probabilities are low that 711 Jorie will have competition for a block of space as large as IBM. While demand for prime full floor space in Oak Brook has historically been very high, there is no certainty that it will continue in the future. We have therefore assumed a rental rate of \$18.00 per square foot for the IBM space in 1986, a rate which should be very competitive in the Oak Brook market.

Efficient, effective management is necessary to insure appreciation in property value and continued 100% occupancy in 711 Jorie. The property will be managed by Farnsworth, McKoane, the firm that has developed, leased and managed the building prior to the Plan's acquisition. Farnsworth, McKoane manages over one million square feet of office space in Oak Brook and has taken great care in managing 711 Jorie, its corporate headquarters.

Based on Piedmont's evaluation of 711 Jorie, the building has a current market value of at least \$20.5 million (See Appendix B). The Plan is acquiring the property at an indicated sales price of \$20,225,000, slightly less than current appraised value. The level of risk in this investment is therefore low.

Another risk of this transaction which is common to all equity purchases relates to the existing mortgage on the property. The mortgage holder retains a first lien security position on 711 Jorie. The lender is entitled to debt service prior to the distribution of cash flow to the Plan. The amount of debt, however, is very conservative. The loan to value ratio is approximately 50%.

Capital improvements made to the building or tenant space will be the responsibility of the owners of the property. While these improvements are additional investments, the cost will be offset by the additional cash flow and value enhancement which result from the proper maintenance of the property.

4. Conclusions

Investment in 711 Jorie is consistent with the Plan's investment policies. The addition of the office building in the western suburbs helps to accomplish the Plan's objectives of diversification of product type, geographic location, investment size and ownership position.

The Plan's direct investment portfolio will now consist of five assets:

*	Land Mortgage - Lake Shore Drive	\$ 4.1M
*	Residential Mortgage - Western Suburbs	\$ 9.7M
*	Office Mortgage - Loop	\$12.0M
*	Industrial Equity - Northwest Suburbs	\$ 8.0M
*	Office Equity - Western Suburbs	\$ 7.9M

Although the Plan will be responsible for major decisions related to the operation of 711 Jorie, the property will be managed on a day to day basis by Farnsworth, McKoane, the company which developed the property. Farnsworth, McKoane will retain a minority ownership position in the property and will maintain its headquarters in the building. These factors will be sufficient incentive for Farnsworth, McKoane to properly manage the property.

By assuming the existing 711 Jorie mortgage, the Plan can leverage their equity investment of \$7,900,000 and control 80% of an asset currently valued at \$20.5 million. The 9.8% interest rate on the mortgage is an extremely competitive rate in the current market. The leveraging of money which costs only 9.8% makes it possible for the Plan to achieve a 15.2% yield on their investment over a 15-year holding period.

The initial cash return on the equity invested is 5.4%, increasing to 7.8% in February, 1986. This compares to 10.0% on the Woodfield properties. The major difference between the two returns is due to the higher quality of the building, location and tenants.

711 Jorie is considered one of the highest quality investment grade properties in suburban Chicago. It has an excellent mix of credit and service-oriented tenants, a prime location in Chicago's premier suburban office market and it will be managed by the minority partner, Farnsworth, McKoane which owns and manages more than one million square feet of office space in the Oak Brook market. In conclusion, it is Piedmont's opinion that this investment is consistent with all of the Plan's stated investment policies and also with our investment strategy of achieving a diversified portfolio of direct real estate investments in the Chicago area.

Exhibit V-1
INVESTMENT SUMMARY
711 JORIE

Property Description: The 213,252 square foot office building contains 142,000 square feet on three office floors and 71,252 square feet of laboratory space below grade. The building is located at the southeast corner of 22nd Street and Jorie Boulevard adjacent to the Butler National Golf Course. The building was completed in 1980 and has been 100% leased since opening.

Seller: Co-executors of the Estate of Paul Butler, Deceased.

Purchase Price: \$7,900,000. (The Plan will also be assuming 80% of a \$10,500,000 mortgage.)

Contingencies:

- 1) The Butler Company assigns its current lease rights to the property.
- 2) The existing Aetna mortgage is fully assumable at closing without changes in terms or conditions of the note.
- 3) Legal, engineering and economic review of the property.

Exhibit V-2

LEASE SUMMARY
711 JORIE OFFICE BUILDING

Tenant Name	Leased Sq.Ft.	Primary Lease Term	Base Rental Rate	Expense Stop	Rent Adjustment	Options
Continental Can	120,494	1/ 1/80- 12/31/94	\$ 9.00	\$ 3.00	1% annually 1985-1994	4,5year (1)
Continental Can	35,781	9/ 1/83- 8/31/90	12.00	3.00	1% annually 1985-1994	1,5year @ market rent
IBM	34,293	2/ 1/81- 1/31/86	11.95	2.95	None	2,3year @ market rent
IBM	4,221	5/ 1/81- 1/31/86	11.95	2.95	None	2,3year @ market rent
Koch Carbon	4,037	10/ 1/83- 9/30/86	16.00	3.00	35% CPI annually	None
Farnsworth, McKoane (2)	3,532	1/ 1/81- 12/31/85	12.00	3.00	None	None
Butler Company (3)	10,984	5/ 1/81- 4/30/91	11.70	2.70	None	None

Source: Farnsworth, McKoane, Piedmont Realty Advisors

- (1) Rental rates for each option period are determined by the following formula:
The rate will equal the lesser of:

Option No.	Change In The C.P.I.	OR	Rental Rate
1	1979 - 1994 X \$9.00		\$ 14.00
2	1994 - 1999 X Option 1 Base		\$ 16.25
3	1999 - 2004 X Option 2 Base		\$ 19.12
4	2004 - 2009 X Option 3 Base		\$ 22.62

Basement and first floor space only.

- (2) 800 square feet is the office of the building and no rent is charged.
- (3) The Butler Company currently subleases all their space to IBM for \$13.00 per square foot. As a part of this transaction, the Butler Company will assign their lease to the partnership. This will open the entire third floor for single tenancy.

Exhibit V-3

CASH FLOW ASSUMPTIONS
711 JORIE

Income
Assumptions (1):

Continental I	Year 1:	\$ 1,084,450	(\$9.00/sf)
	Years 2-12:	1% annual increase	
	Year 13:	\$ 1,675,000	(\$14.00/sf)
	Years 14-15:	1% annual increase	
Continental II	Year 1:	\$ 429,372	(\$12.00/sf)
	Years 2-8:	1% annual increase	
	Year 9:	\$ 864,100	(\$24.00/sf)
	Years 10-13:	1% annual increase	
	Year 14:	\$ 1,156,400	(\$32.50/sf)
	Year 15:	1% annual increase	
IBM	Years 1-2:	\$ 460,242	(\$11.95/sf)
	Years 3-5:	\$ 693,250	(\$18.00/sf)
	Years 6-8:	\$ 828,050	(\$21.50/sf)
	Years 9-11:	\$ 986,220	(\$25.50/sf)
	Years 12-14:	\$ 1,174,677	(\$30.50/sf)
	Year 15:	\$ 1,405,761	(\$36.50/sf)
Koch Carbon	Year 1:	\$ 64,592	(\$16.00/sf)
	Years 2-3:	1.5% annual increase	
	Year 4:	\$ 77,150	(\$19.20/sf)
	Years 5-6:	1.5% annual increase	
	Year 7:	\$ 92,850	(\$23.00/sf)
	Years 8-9:	1.5% annual increase	
	Year 10:	\$ 111,020	(\$27.50/sf)
	Years 11-12:	1.5% annual increase	
	Year 13:	\$ 132,220	(\$32.75/sf)
	Years 14-15:	1.5% annual increase	
Farnsworth, McKoane	Years 1-2:	\$ 32,784	(\$12.00/sf)
	Years 3-5:	\$ 49,200	(\$18.00/sf)
	Years 6-8:	\$ 58,750	(\$21.50/sf)
	Years 9-11:	\$ 69,940	(\$25.50/sf)
	Years 12-14:	\$ 83,325	(\$30.50/sf)
	Year 15:	\$ 99,035	(\$36.50/sf)
Butler Company	Years 1-2:	\$ 142,792	(\$13.00/sf)
	Years 3-5:	\$ 197,700	(\$18.00/sf)
	Years 6-8:	\$ 236,150	(\$21.50/sf)
	Years 9-11:	\$ 281,190	(\$25.50/sf)
	Years 12-14:	\$ 335,000	(\$30.50/sf)
	Year 15:	\$ 398,170	(\$36.50/sf)

Exhibit V-3
Continued

Miscellaneous (2)	Year 1:	\$ 40,000
	Years 2-15:	6% annual increase

Occupancy Assumptions:

Continental Can:	100%
IBM:	100% Years 1-2, 97% Years 3-15
Koch Carbon:	95%
Farnsworth:	100%
Butler Companies:	100% Years 1-2, 97% Years 3-15

Expense Assumptions:

Expense assumptions are based on the anticipated expense stop at the time leases are renewed. Expense stops are set at the level of operating expenses which exist the year prior to the lease renewal. During the lease term, the tenants are responsible for any increase in expenses over the expense stop. The current expense stop for the building is \$3.50 per square foot, increasing 6% per year.

Mortgage Payments: \$ 1,080,000 per year

Capital Expenditures for the Refitting of Tenant Spaces:

Year 3 (entire 3rd Floor):	\$ 480,000
Year 8 (35,000 sf 2nd Floor):	\$ 352,000
Year 9 (entire 3rd Floor):	\$ 450,000

Sales Assumptions:

- * 15th year's income capitalized at (divided by) 8%. 2.5% of the gross sales price as selling expenses. This is equivalent to a 6% annual increase in the value of the property using \$20.5 million as the current value.
- * The Plan receives the first \$2,100,000 from the sale of 711 Jorie. Thereafter, the proceeds are divided 80% to the Plan and 20% to Farnsworth, McKoane.

Source: Piedmont Realty Advisors

- (1) Market rents are generally calculated by using a current rent of \$16.00 per rentable square foot and increasing it 6% annually during the holding period.
- (2) Miscellaneous rent includes interest earned on security deposits, late rent fees, storage income service fee income and rebillable expense income. This figure was \$48,000 in 1982 and \$39,000 in 1983.

Exhibit V-4

SUMMARY OF CASH FLOWS
(In Thousands of Dollars)
711 JORIE

	1	2	3	4	5	6
Gross Potential Income	\$ 2,254	\$ 2,273	\$ 2,596	\$ 2,625	\$ 2,644	\$ 2,847
Less: Vacancy	8	8	30	31	31	36
Effective Gross Income	2,246	2,265	2,566	2,594	2,613	2,811
Less: Expenses	634	634	746	749	749	799
Net Operating Income	1,612	1,631	1,820	1,845	1,864	2,012
Less: Debt Service	1,080	1,080	1,080	1,080	1,080	1,080
Total Cash Flow	\$ 532	\$ 551	\$ 740	\$ 765	\$ 766	\$ 932
Net Cash Flow						
To Plan (1)	\$ 426	\$ 441	\$ 208 (2)	\$ 612	\$ 613	\$ 746

Source: Pension Real Estate Services, Inc.

- (1) The Plan receives 80% of the total cash flow of the property.
- (2) Includes an 80% allocation of a tenant improvement expenditure of \$480,000 for the entire 3rd floor to the Plan's net cash flow.
- (3) Includes an 80% allocation of a tenant improvement expenditure of \$352,000 for 35,000 sf on the 2nd floor to the Plan's net cash flow.
- (4) Includes an 80% allocation of a tenant improvement expenditure of \$450,000 for the entire 3rd floor to the Plan's net cash flow.
- (5) 15th year's income capitalized at 8.0% (\$47,118,000) less 2.5% of gross sales price as selling expenses (\$1,178,000) less outstanding loan balance at the time of sale (\$8,487,000) equals net sales proceeds (\$37,453,000).
- (6) Includes a preferred return of \$2,100,000 and 80% of the remaining net sales proceeds.

7	8	9	10	11	12	13	14	15	Sale
\$ 2,879	\$ 3,304	\$ 3,544	\$ 3,583	\$ 3,610	\$ 4,357	\$ 4,654	\$ 4,689	\$ 5,035	
37	37	43	44	44	51	52	52	61	
2,842	3,267	3,501	3,539	3,566	4,306	4,602	4,637	4,974	
803	916	973	978	978	1,050	1,122	1,122	1,205	
2,039	2,351	2,528	2,561	2,588	3,256	3,480	3,515	3,769	
1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	
\$ 959	\$ 1,271	\$ 1,448	\$ 1,481	\$ 1,508	\$ 2,176	\$ 2,400	\$ 2,435	\$ 2,689	
\$ 767	\$ 735(3)	\$ 798	\$ 1,185	\$ 1,206	\$ 1,741	\$ 1,920	\$ 1,948	\$ 2,151	\$30,382,000(6)

Exhibit V-5

INVESTOR'S YIELD SUMMARY
FIFTEEN YEAR HOLDING PERIOD

Year	Annual Income	Sales Proceeds	Total Cash Flow
1	\$ 425,600		\$ 425,600
2	440,800		440,800
3	208,000		208,000
4	612,000		612,000
5	612,800		612,800
6	745,600		745,600
7	767,200		767,200
8	735,200		735,200
9	798,400		798,400
10	1,184,800		1,184,800
11	1,206,400		1,206,400
12	1,740,800		1,740,800
13	1,920,000		1,920,000
14	1,948,000		1,948,000
15	2,151,200	\$ 30,382,000 (1)	32,533,200

Yield (2)15.2%

Note: The Plan receives 80% of all cash flow during the holding period. At sale, the Plan receives the first \$2,100,000 and 80% of the amount remaining.

- (1) Sales price is calculated by capitalizing the net operating income in the 15th year at 8.0%. This is equivalent to a 6% annual increase over the current value of \$20,500,000. Selling expenses of 2.5% of the gross sales price are assumed.
- (2) Internal rate of return calculated using \$7,900,000 (\$7,500,000 to the Butler's, \$400,000 sales commission to Coldwell Banker) as the investor's initial investment.

Appendix A

SIGNED MEMORANDUM OF INTENT

MEMORANDUM OF INTENT

This Memorandum of Intent (this "Memorandum") is made this 26th day of March, 1984, by and between Jorie Ford Butler, a/k/a Jorie Butler Kent, Michael Butler, and Frank O. Butler, II, as Co-Administrators of the Estate of Paul Butler, Deceased, ("Seller") and Pension Real Estate Services, Inc. ("Company") for the purpose of expressing the interest of Seller in selling and conveying, and the intent of Company in recommending to Continental Illinois National Bank and Trust Company of Chicago, not personally, but solely as Trustee of the Retirement Plan for Chicago Transit Authority Employees Trust ("Trustee") the purchase of, all but not less than all of "Butler's Joint Venture Interest" (as such term is herein defined), substantially upon the following terms, conditions and provisions which shall not be binding upon or enforceable against the parties, unless and until the "Contract" (as such term is herein defined), incorporating, among others, such terms, conditions and provisions, is executed and delivered by Seller and Trustee.

1. Definitions.

Each of the following terms, whenever herein used, shall have the meaning set forth below:

(a) "Joint Venture" means that certain Joint Venture formed pursuant to the Joint Venture Agreement.

(b) "Joint Venture Agreement" means that certain Joint Venture Agreement dated July 1, 1978, by and between The Jorie Boulevard Partnership, Ltd., an Illinois limited partnership, and Butler Company.

(c) "Property" means that certain land described on Exhibit A attached to and made a part of this Memorandum, together with (i) the office building and all other improvements now located thereon, (ii) all fixtures, equipment and personal property now owned by the Joint Venture and located on, attached or appurtenant to, or used in connection with the operation, maintenance and management of, the said land, office building and other improvements and (iii) all interests, claims and appurtenances thereto belonging or appertaining in any way.

(d) "time of the first closing" means the 45th day after delivery of the Notice to Proceed or if such 45th day is a Saturday, Sunday or legal holiday, then the next business day thereafter, provided that Seller is otherwise in compliance with the Contract.

(e) "time of the second closing" means the business day immediately next following the first anniversary of the time of the first closing.

(f) "Notice to Proceed" means the written notice given to Seller of Trustee's intent to proceed to consummate the transaction contemplated by and in accordance with the Contract.

(g) "Aetna Mortgage Loan" means that certain loan in the original principal sum of \$10,650,000.00 made by Aetna to the Joint Venture and secured by a mortgage on the Property.

(h) "Aetna" means Aetna Life & Casualty Company.

(i) "Butler's Joint Venture Interest" means and is equal to 80% of the entire interest in and under the Joint Venture Agreement including, without limitation, the Property held subject thereto.

(j) "Contract" has the meaning specified in the penultimate grammatical paragraph of this Memorandum.

2. Sale/Purchase.

Seller would agree to sell and transfer to Trustee, and Trustee would agree to purchase from Seller, Butler's Joint Venture Interest as follows:

(a) 61.25% of Butler's Joint Venture Interest [said 61.25% being equal to an undivided 49% of the whole of the interest] in the Joint Venture Agreement, including the Property held subject thereto, at the time of the first closing; and

(b) 38.75% of Butler's Joint Venture Interest [said 38.75% being equal to 31% of the whole of the interest] in the Joint Venture Agreement, including the Property held subject thereto, at the time of the second closing.

3. Purchase Price.

A. The aggregate price for the purchase, in two phases, of Butler's Joint Venture Interest would be the sum of \$7,500,000 (the "purchase price").

B. \$4,593,750.00 (i.e., 61.25% of the purchase price) would be payable at the time of the first closing in the form of cashier's or certified check or immediately available funds; and

C. \$2,906,250.00 (i.e., 38.75% of the purchase price) would be payable at the time of the second closing in the form of cashier's or certified check or immediately available funds.

4. Documentary Review and Property Inspection.

A. Within fifteen (15) days after the execution of the Contract by Seller, Seller would furnish or cause to be furnished to Trustee or Trustee's counsel the documents set forth on Exhibit B attached to and made a part of this Memorandum (collectively, the "Property Documents").

B. During the period commencing on the date of execution of the Contract by Seller and terminating on the earlier of (i) the date of expiration of "con-

tingency period" (as such time is defined below) or (ii) the date of delivery to Seller of the Notice to Proceed, Trustee, its employees, agents and independent contractors, would have the right to enter upon the Property at any time, and from time to time, for the purpose of conducting, at Trustee's expense, studies, inspections and tests pertaining to the structure and condition of the Property, including, without limitation, all components and systems thereof.

C. Unless, within the period ending thirty days after receipt of the last of the Property Documents (said period being herein referred to as the "contingency period"), Trustee would give to Seller the Notice to Proceed, the Contract would forthwith terminate and be of no further force and effect and Seller and Trustee would be released and discharged from all further obligation and liability under the Contract.

5. Escrow.

The phases of the transaction contemplated to occur at the time of the first closing and at the time of the second closing would be closed through escrow with Chicago Title and Trust Company ("escrowee") in accordance with a separate escrow agreement, which would be in the usual form of Deed and Money Escrow Agreement (including the customary post-recording title clearance and reconveyance provisions) then in use by the escrowee; modified, however, to conform to the provisions of the Contract. All costs and fees incurred in connection with the escrow would be divided and paid as follows: one-half (1/2) by Seller and one-half (1/2) by Trustee.

6. Prorations and Adjustments.

All items of revenue, cost, expense and charge in connection with the operation, maintenance, ownership and management of the Property and all other items of revenue, expense and charge received or incurred by the Joint Venture would be apportioned as follows:

A. Seller would be entitled to and obligated for (i) 80% all such revenues, costs, expenses and charges incurred or accrued to the time of the first closing, and (ii) 31% of all such revenues, costs, expense and charges from and after the time of the first closing to and including the time of the second closing; and

B. Trustee would be entitled to and obligated for (i) 49% of all such revenues, costs, expenses and charges incurred or accrued from and after the time of the first closing and (ii) 80% of all such revenues, costs, expenses and charges from and after the time of the second closing; provided that if the Property were sold, refinanced or condemned prior to the time of the second closing, then Trustee would, at its option, have the right, but not the obligation, to acquire forthwith the balance (i.e., 38.75%) of Butler's Joint Venture Interest at the balance of purchase price herein set forth, and, if Trustee were to so acquire the same, would be entitled to all proceeds of such sale, refinancing or condemnation allocable to Butler's Joint Venture Interest.

7. Brokerage Commission.

Trustee would pay or cause to be paid to Coldwell Banker Company a brokerage commission in accordance with a separate agreement between Trustee and said broker.

8. Transfer.

A. At the time of the first closing, Seller would, by instrument in form and content satisfactory to Trustee, assign to Trustee 61.25% of Butler's Joint Venture Interest free and clear of all liens, claims, rights, interests, charges and encumbrances, and concurrently therewith, Trustee would, with the written confirmation of Seller and The Jorie Boulevard Partnership, Ltd., be admitted, to the extent of the interest therein assigned, as a joint venturer to the Joint Venture pursuant to the Joint Venture Agreement, as the same may be amended as required by the Contract.

B. At the time of the second closing, Seller would, by instrument in form and content satisfactory to Trustee, assign to Trustee the balance (i.e., 38.75%) of Butler's Joint Venture Interest free and clear of all liens, claims, rights, interests, charges and encumbrances, and concurrently therewith, Trustee would, with the written confirmation of The Jorie Boulevard Partnership and all other permitted joint venturers, if any, be admitted, to the extent of the interest therein assigned, as a joint venturer to the Joint Venture pursuant to the Joint Venture Agreement, as then amended.

9. Title Evidence.

A. The consummation of the phase of the transaction contemplated to occur at the time of the first closing would be expressly conditioned upon the delivery by Seller, at their expense, of:

- (i) a commitment for a policy of title insurance, with and including an ALTA Extended Coverage Endorsement insuring over general or standard exceptions normally contained in title commitments, issued by Chicago Title Insurance Company ("CTI") in an amount equal to 61.25% of the purchase price (with a commitment for an endorsement as provided in Paragraph 9B(i) below), showing title to the Property to be vested in the Joint Venture or an Illinois land trust under which the Joint Venture is the sole beneficiary, subject only to such exceptions to title as may be approved by Trustee or its counsel;
- (ii) a current survey prepared by an Illinois registered land surveyor (the "surveyor") retained by Seller and reasonably acceptable to Trustee, certified to CTI, the owner of record title to the Property, Seller, Trustee and the Joint Venture, as having been made in compliance with Illinois Land Survey Standards covering the Property and showing, in the judgment of Trustee, no physical matters adversely affecting title thereto; and

Appendix A
(Continued)

- (iii) such other searches as would be required by Trustee to determine and confirm that the portion (i.e., 61.25%) of Butler's Joint Venture Interest to be transferred at the time of the first closing is then free and clear of all liens, claims, rights, interests, charges and encumbrances.

B. The consummation of the phase of the transaction contemplated to occur at the time of the second closing would be conditioned upon the delivery by Seller, at their expense, of:

- (i) an endorsement to the policy of title insurance issued in connection with the closing of the initial phase, increasing the amount of title insurance coverage to an amount equal to the purchase price and showing no changes in the condition of title to the Property adverse to the interest of Trustee, as determined in the discretion of Trustee;
- (ii) a recertification by the surveyor of the survey delivered in connection with the closing of the initial phase, showing that since the date of such survey, no changes had occurred in the physical characteristics of the Property, except for such changes approved by Trustee; and
- (iii) such other searches as would be required by Trustee to determine and confirm that the portion (i.e., 38.75%) of Butler's Joint Venture Interest to be transferred at the time of the second closing is then free and clear of all liens, claims, rights, interests, charges and encumbrances.

10. Voting in Joint Venture.

In all cases requiring the affirmative vote of a majority in interest under the Joint Venture Agreement, Seller would, until consummation of the phase of the transaction contemplated to occur at the time of the second closing, vote the balance (i.e., 38.75%) of Butler's Joint Venture Interest as directed by Trustee.

11. IRC Compliance.

A. The consummation of the transaction hereby contemplated would be subject to the condition that the transaction would comply, as to Trustee, with all the requirements of Section 514(c)(9) of the Internal Revenue Code.

B. Among other representations, Seller would, in the Contract, represent that neither Seller nor any of the beneficiaries of the Estate of Paul Butler, Deceased, are, as to Trustee, disqualified persons within the meaning of Section 4975 of the Internal Revenue Code.

It is acknowledged that the obligation of Seller to sell and transfer, and, if the recommendation of Company is accepted, the obligation of Trustee to purchase, Butler's Joint Venture Interest are subject to the following express conditions precedent which shall be pursued and satisfied in the order set forth below:

Appendix A
(Continued)

- (i) the consent of Aetna to, and waiver of its right to accelerate the Aetna Mortgage Loan by reason of, the transaction hereby contemplated;
- (ii) the consent of The Jorie Boulevard Partnership, Ltd. to the transaction hereby contemplated and to such changes in the Joint Venture Agreement as may be stipulated in the Contract;
- (iii) the procurement by Trustee of an appraisal of the Property by an appraiser engaged by Trustee, which appraisal shall state that the fair market value of the Property is equal to or greater than \$19,275,000.00 and shall otherwise be in form and content satisfactory to Trustee;
- (iv) the negotiation by Seller and Trustee of a definitive contract (the "Contract") containing the foregoing terms and conditions, with such deviations therefrom and such other and additional terms and conditions, including representations and warranties, as may be mutually satisfactory to Seller and Trustee;
- (v) the approval of the Contract, and all terms and conditions thereof, by Seller;
- (vi) the approval of the Contract, and all the terms and conditions thereof, by Trustee after consultation and recommendation by the Advisory Committee to Retirement Plan for Chicago Transit Authority Employees Trust;
- (vii) the execution and delivery by Seller and Trustee of the Contract as so negotiated and approved.

This Memorandum is merely an expression of the interest of Seller and the intent of Company, on behalf of Trustee, in the transaction outlined above and, if the recommendation of Company is accepted by Trustee, to conduct in good faith negotiations in furtherance thereof, provided that the consents and waivers referred to in clauses (i) and (ii) of the penultimate grammatical paragraph hereof are first obtained, and does not, nor should be construed to,

Appendix A
(Continued)

constitute in any way an offer by one party to the other or an agreement binding Seller, on one hand, or Company or Trustee, on the other hand.

SELLER:

COMPANY:

Jorie Ford Butler
Jorie Ford Butler, a/k/a Jorie Butler
Kent

PENSION REAL ESTATE SERVICES, INC.

Michael Butler
Michael Butler

By: Robert H. Zerbst

Frank O. Butler, II
Frank O. Butler, II

all as Co-Administrators aforesaid
and not personally

Appendix A
(Continued)

Parcel 1: Lot 1 in 711 Jorie Boulevard Subdivision, being a Subdivision of part of the Northeast quarter of Section 26, and part of the Northwest quarter of Section 25, Township 39 North, Range 11, more particularly described as follows:

That part of the Northeast quarter of Section 26 and that part of the Northwest quarter of Section 25, all in Township 39 North, Range 11, East of the Third Principal Meridian, in the Village of Oak Brook DuPage County, Illinois, described as follows: Beginning at a point on the Northeast corner of Jorie Boulevard, as shown on Corporate Plaza Subdivision Unit One recorded in the Recorder's Office of DuPage County, Illinois as Document Number R70-37311, said point being also on the South line of Lot 14 as shown on Northern Illinois Gas Company's York Township Assessment Plat No. 1 recorded in the Recorder's Office of DuPage County, Illinois as Document Number R64-28042, said point being also on the Southerly line of a Tract of land described in Document Number 991700 recorded in the Recorder's Office of DuPage County, Illinois; thence North 00 degrees, 07 minutes, 59 seconds West along the Easterly line of Jorie Boulevard, extended as shown on said Document Number R70-37311 for a distance of 75.00 feet to a point on the Southerly line of (State Bond Issue Route 55, 22nd Street, Cermak Road) as shown on Document Numbers 333637 and R62-22071 recorded in the Recorder's Office of DuPage County, Illinois, said point being also the Northerly line of said Lot 14 as shown on Document Number R64-28042, said point being also on the Northerly line of the Tract of land described in Document Number 991700; thence North 89 degrees, 37 minutes, 00 seconds East along said Southerly line of 22nd Street, as shown on Document Numbers 333637 and R62-22071, being said Northerly line of Lot 14 as shown on Document Number R64-28042, also being said Northerly line of the Tract of land described in Document Number 991700, for a distance of 707.28 feet; thence South 08 degrees, 09 minutes, 30 seconds West along a line for a distance of 489.82 feet; thence South 03 degrees, 38 minutes, 31 seconds West along a line for a distance of 523.54 feet; thence North 61 degrees, 53 minutes, 15 seconds West along a line for a distance of 174.11 feet; thence South 68 degrees, 11 minutes, 47 seconds West along a line for a distance of 289.97 feet; thence North 77 degrees, 30 minutes, 42 seconds West along a line for a distance of 254.41 feet to the Easterly line of Jorie Boulevard, as shown on said Document Number R70-37311; thence Northerly along said Easterly line of Jorie Boulevard, being a curve concave Westerly, having a tangent bearing of North 28 degrees, 14 minutes, 22 seconds East, having a radius of 574.00 feet for a distance of 284.24 feet to a point of tangency; thence North 00 degrees, 07 minutes, 59 seconds West along said Easterly line of Jorie Boulevard, for a distance of 625.34 feet to said point of beginning; except that portion thereof lying North of the South line of Lot 14 as shown on Northern Illinois Gas Company's York Township Assessment Plat No. 1 recorded in DuPage County, Illinois, as Document Number R64-28042, according to the Plat of said 711 Jorie Boulevard recorded November 14, 1978 as Document R78-109620, in DuPage County, Illinois.

Parcel 2:

Easement for the benefit of and appurtenant to Parcel 1, aforesaid as created by instrument recorded in DuPage County, Illinois as Document Number 991700 for the perpetual use of the surface of that portion of the following described premises lying North of the South line of Lot 14 as shown on Northern Illinois Gas Company's York Township Assessment Plat No. 1 recorded in DuPage County, Illinois as Document No. R64-28042:

That part of the Northeast quarter of Section 26 and that part of the Northwest quarter of Section 25, all in Township 39 North, Range 11, East of the Third Principal Meridian in the Village of Oak Brook, DuPage County, Illinois, described as follows:
Beginning at a point on the Northeast corner of Jorie Boulevard, as shown on Corporate Plaza Subdivision Unit One recorded in the Recorder's Office of DuPage County, Illinois as Document Number R70-37311, said point being also on the South line of Lot 14 as shown on Northern Illinois Gas Company's York Township Assessment Plat No. 1 recorded in the Recorder's Office of DuPage County, Illinois as Document Number R64-28042, said point being also on the Southerly line of a Tract of land described in Document Number 991700 recorded in the Recorder's Office of DuPage County, Illinois; thence North 00 degrees, 07 minutes, 59 seconds West along the Easterly line of Jorie Boulevard, extended as shown on said Document Number R70-37311 for a distance of 75.00 feet to a point on the Southerly line of (State Bond Issue Route 55, 22nd Street, Cermak Road) as shown on Document Numbers 333637 and R62-22071 recorded in the Recorder's Office of DuPage County, Illinois, said point being also the Northerly line of said Lot 14 as shown on Document Number R64-28042, said point being also on the Northerly line of the Tract of land described in Document Number 991700; thence North 89 degrees, 37 minutes, 00 seconds East along said Southerly line of 22nd Street as shown on Document Numbers 333637 and R62-22071, being said Northerly line of Lot 14 as shown on Document Number R64-28042, also being said Northerly line of the Tract of land described in Document Number 991700, for a distance of 707.28 feet; thence South 08 degrees, 09 minutes, 30 seconds West along a line for a distance of 489.82 feet; thence South 03 degrees, 38 minutes, 31 seconds West along a line for a distance of 523.54 feet; thence North 61 degrees, 53 minutes, 15 seconds West along a line for a distance of 174.11 feet; thence South 68 degrees, 11 minutes, 47 seconds West along a line for a distance of 289.97 feet; thence North 77 degrees, 30 minutes, 42 seconds West along a line for a distance of 254.41 feet to the Easterly line of Jorie Boulevard, as shown on said Document Number R70-37311; thence Northerly along said Easterly line of Jorie Boulevard, being a curve concave Westerly, having a tangent bearing of North 28 degrees, 14 minutes, 22 seconds East, having a radius of 574.00 feet for a distance of 284.24 feet to a point of tangency; thence North 00 degrees, 07 minutes, 59 seconds West along said Easterly line of Jorie Boulevard, for a distance of 625.34 feet to a said point of beginning.

EXHIBIT B

PROPERTY DOCUMENTS

- (i) Copies of all the leases, licenses, concessionaire agreements and other agreements for use or occupancy, including without limitation, all riders, exhibits, amendments and supplements thereto (the same, together with all oral tenancies and rights for use or occupancy, being herein collectively referred to as "leases and tenancies");
- (ii) A rent roll, as of a date not more than thirty (30) days prior to the date of acceptance of the Contract by Seller, setting forth all pertinent financial and business terms, in summary form, of all the leases and tenancies, including without limitation: the name of each tenant; the space occupied; the rents and other sums and charges payable by each tenant and the date through which such rents and other sums and charges have been paid; the date of expiration of the term of each of the leases and tenancies; options to renew or extend the leases and tenancies and all the terms thereof, including rents and terms; the security and other deposits held under or pursuant to the leases and tenancies; options to purchase all or any part of the Property; any delinquencies and defaults by tenants under the leases and tenancies and the nature and amounts thereof; and any notices of bankruptcy, insolvency or other impairment of credit in respect of tenants under the leases and tenancies;
- (iii) Copies of all service, maintenance, utility, scavenger and management and other similar contracts and agreements, including without limitation, all riders, exhibits, amendments and supplements thereto, related or pertaining to the operation, maintenance and management of the Property, other than "labor agreements" (as such term is defined in subparagraph (iv) below) [all such contracts and agreements, other than labor agreements, being herein referred to as "operating contracts"];
- (iv) Copies of all payroll records and of all union, employment, compensation and other similar contracts and agreements, including without limitation, all riders, exhibits, amendments and supplements thereto (all such contracts and agreements being herein referred to as "labor agreements");
- (v) Copies of all mortgages and other instruments of lien or security interest for borrowed money, all evidences of indebtedness thereby secured and all other documents and instruments securing, guaranteeing, or perfecting the security interest therein created to secure, such borrowed money, including without limitation, all renewals, extensions, amendments and supplements thereto (collectively, the "existing financing documents");

Appendix A
(Continued)

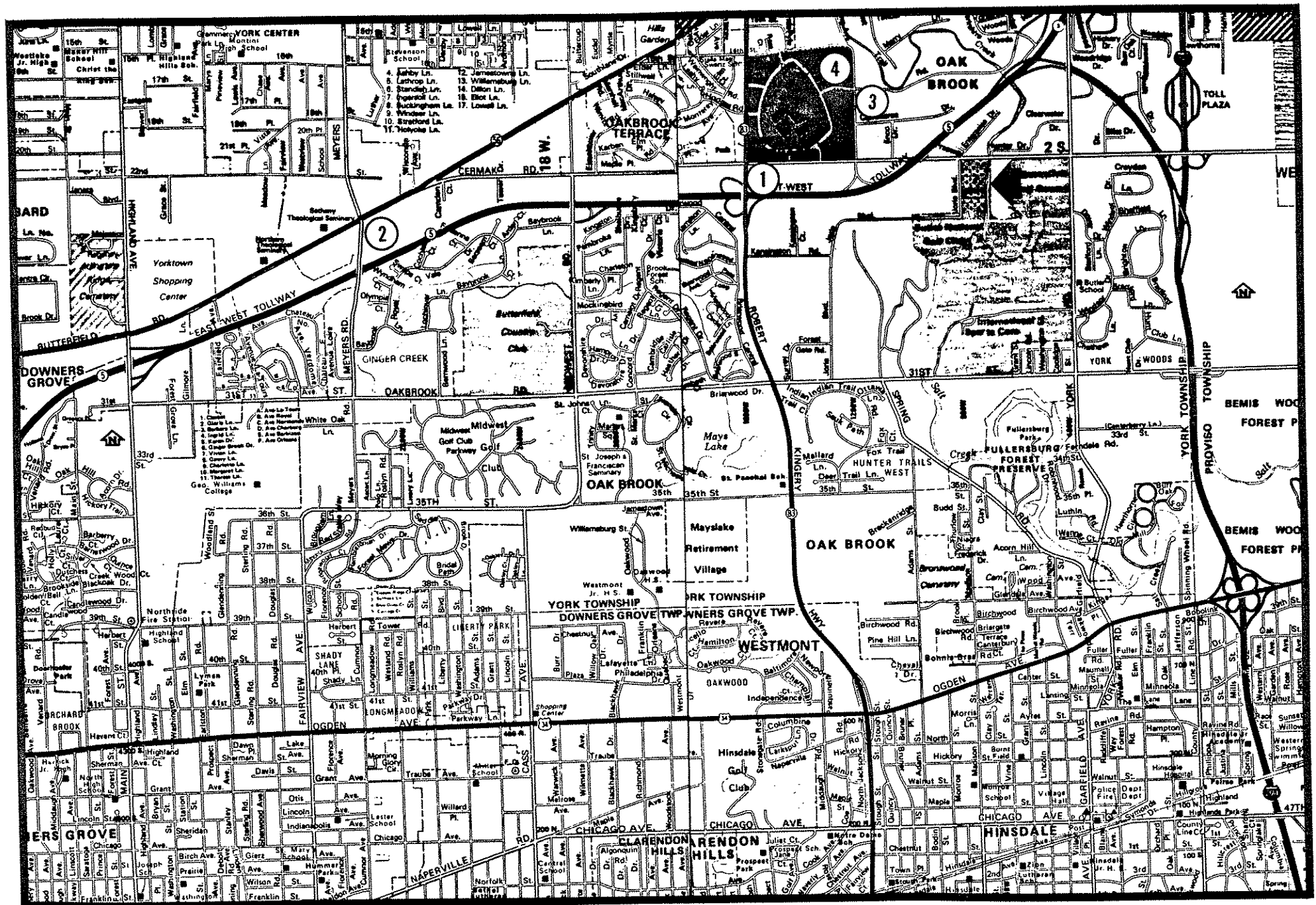
- (vi) Financial statements of the operation of the Property for the calendar years 1981, 1982 and 1983, showing in reasonable detail all income and expenses of the Property for each of the aforementioned periods, prepared by an independent public accountant, together with copies of the 1980, 1981 and 1982 real estate tax bills, the most current statements for water and sewer, and all policies of insurance;
- (vii) Copies of all certificates of occupancy or use and all other permits, licenses, consents and authorizations required or held in connection with the ownership, use, occupancy and operation of the Property;
- (viii) Copies of all warranties, guaranties and agreements relating or pertaining to the Property;
- (ix) Reproductions of all drawings, plans, specifications and renderings in respect of the Property;
- (x) Copy of the most recent policy of title insurance and of the most recent plat of survey covering the Property;
- (xi) Copies of all notices, complaints, answers, interrogatories, depositions and other papers and documents filed in or pertaining to any suit, action or proceeding by or against the Property, the Joint Venture, or any of the joint venturers thereof in respect of or affecting the Property; and
- (xii) Copies of all notices, citations and other papers from any Federal, state or local governmental authority or agency, or from any insurer or underwriters fire protection agency, of violations of zoning, building, fire, safety, environmental, health or other laws, ordinances, rules, regulations or requirements or of rules or requirements for insurance coverage, in respect of the Property, its operation, leasing, maintenance, use and management, whether or not heretofore corrected or otherwise resolved.

Appendix B

COMPARABLE SALES
OAK BROOK OFFICE MARKET

<u>Map No.</u>	<u>Property Name</u>	<u>Date of Sale</u>	<u>Sales Price</u>	<u>Price Per SF</u>	<u>Capitalization Rate</u>
1	Regency Towers	5/79	\$ 30,850,000	\$ 83.01	8.42%
2	Oak Brook Intntl	2/81	31,000,000	99.26	7.10
3	Commerce Plaza	5/82	54,000,000	108.32	8.34
4	First Federal	2/84	11,200,000	111.58	7.53
1	Regency Towers	For sale	38,000,000	102.25	7.38
	SUBJECT	Offer	\$ 20,225,000	\$ 94.84	7.97%

Apper x C
COMPARABLE SALES
LOCATION MAP



① ④ Correspond to Appendix B



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