

HILLTOP RETAIL CENTER GLENDALE HEIGHTS, ILLINOIS

*Property Management & Leasing
Evaluation & Recommendation Report*

January 11, 2006



PROPERTY EVALUATION & RECOMMENDATIONS

Prepared For: CLIENT

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Objective

The Management Team has surveyed the subject property and compiled this report to provide ownership with recommendations intended to increase leasing activity and maximize the overall performance of the property.

The recommendations within this report are based on competitive product within the same market place that the subject property resides. While there may be a need to conduct capital improvements in the future, this report is based more on aesthetic improvements that will assist in attracting potential tenants to assist with the stabilization of the property.

Through years of experience in the commercial leasing and property management industry, the Management Team recognizes that a good first impression is critical when a potential tenant visits a property. The cleanliness, maintenance, and condition of the property exterior, common areas, and vacant suites are great indicators as to ownership's management practice and style. This concept has been confirmed as a result of obtaining feedback from potential tenants throughout the past decade.

In addition to attracting new tenants to a property, the above-referenced theory plays a significant role when attempting to retain existing tenants. The Management Team has been successful in obtaining longer term lease renewals and higher rental rate increases when the subject property appears to be well maintained. Additionally, the Management Team has discovered that when existing tenants realize a positive change in the maintenance and management of a property, they tend to refer potential tenants to the same property.

The criteria and recommendations provided in this report are a matter of opinion and positive knowledge. The suggestions and theories contained in this report are utilized and implemented at most properties within the current Chicagoland Commercial Real Estate management portfolio.

“There is only one chance at a first impression!”

Property Evaluation & Recommendations

General Exterior Property Cleanliness

The overall condition of the exterior grounds was fair on the date of inspection. There was a moderate amount of debris throughout the parking lot and storefront sidewalk areas. The Management Team strongly recommends installing approximately six (6) commercial grade, aggregate garbage can receptacles along the storefront sidewalk. This will provide patrons the option of disposing their debris rather than throwing it on the ground. The initial expense will save a tremendous amount of operating expense to clean the property.

Ownership should consider an initial “clean up” of the exterior grounds, as well as implementing a bi-weekly inspection/debris removal program. A property of this size and nature generally requires a “clean up” two times per week.



General Exterior Building Appearance

The Management Team believes that the general appearance of the building structure is somewhat “Colonial” and/or outdated. The Management Team believes that the following projects should be completed in an attempt to create a slightly more modern appearance and assist the building to remain more competitive in its market place.

1. Remove the iron picketed lattice that runs along the façade roof line.
2. Remove the wood spindles between storefront columns and forty five degree supports at either side.
3. Re-finish and paint all storefront wooden columns. Color should contrast with the front and side elevations. Also, paint all exterior window shutters.
4. Provide a rental abatement to the Village Hut in an amount sufficient enough to purchase a new vinyl entrance canopy system. This should be subject to Landlord approval for design, color, etc. The color should remain consistent with the property’s aesthetic appearance.
5. Rebuild/repair and paint six (6) garbage receptacle enclosures.
6. Paint all brick and block—front and side elevations. The Management Team recommends a Taupe or Beige color so that it remains timeless and neutral.
7. Paint all cedar fascia and soffit to match columns.

Property Evaluation & Recommendations (Continued)

General Exterior Building Appearance Photos



REMOVE



REMOVE

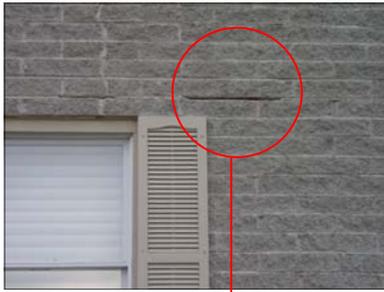


General Repair and Improvement Recommendations

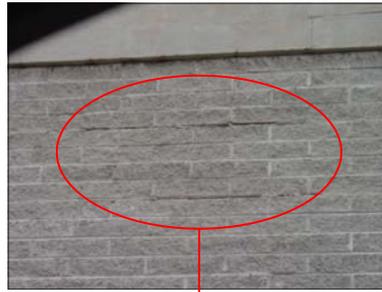
1. There is a moderate amount of tuck-point work that should be conducted to eliminate further damage and cost. The repairs should be conducted on block and brick portions of the property.
2. The marquee pylon sign located in front of the property still displays the previous management/leasing name and contact information. The information should be updated immediately.
3. There are several areas of asphalt that require serious repair. Most areas can be temporarily repaired by installing cold patch material.
4. The Management Team recommends labeling all of the back doors at the property for identity purposes.
5. There is a deteriorated retaining wall constructed of landscape timbers. The Management Team recommends securing the wall before a total collapse.
6. The Management Team recommends cleaning all of the windows at this property.
7. Some moderate repair is needed for the cedar shake roof shingles located on the west and southwest sides of the property.

Property Evaluation & Recommendations (Continued)

General Repair and Improvement Recommendations Photos



Tuck-Point



Tuck-Point



Paint Shutters



Tuck-Point



Asphalt Repairs



Asphalt Repairs



Marquee Sign



Asphalt Repairs

Property Evaluation & Recommendations (Continued)

Vacant Suites Condition

The condition of the vacant suites was very poor at the time of inspection. The Management Team believes that a true “vanilla box” is the best circumstance to procure potential tenants for retail space. The walls should be ready for paint, floors should be ready for carpet, tile, or wood, drop ceilings should be installed, and basic restrooms should be installed. The spaces should be “broom swept” and clear of all debris.

Suite 132-136

1. Demolish and dispose of all carpet and tiles. Patch and prepare concrete floors for new flooring installations.
2. Demolish and dispose of reception/partition walls.
3. Re-install damaged/hanging door.
4. Remove and dispose of all debris.
5. Ensure all lighting is working properly. Replace light bulbs & ballast as required.



Property Evaluation & Recommendations (Continued)

Vacant Suite 148

1. Remove and dispose of all debris.
2. Install two restrooms in back of suite.
3. Install a soffit at the demising wall. The Management Team recommends preparing this in a manner that will allow for one tenant to occupy the suite. If the soffit is installed to just below the suspended ceiling, a demising wall can easily be installed at a later date to create two suites. The existing soffit is already a firewall, so it will not be necessary when and if a demising wall is constructed at a later date.
4. Install a suspended ceiling system.
5. Demolish and remove all flooring.
6. Demolish and remove front wall but leave soffit.
7. Install approximately 67 linear feet of drywall on existing frame.
8. Patch and prepare all wall surfaces for paint.
9. Replace section of collapsed HVAC box air duct.

