

ERECT FUND II-EQUITY ASSET VALUATION

September 30, 2011

Original Investment	Security	Asset Book Value At 9/30/2011	Asset Market Value At 9/30/2011	Asset Market Value At 6/30/2011
CASH AND EQUIVALENTS				
	Receivables Net of Accrued Expenses	\$4,460,620	\$4,460,620	\$4,138,726
	Receivable Reserve Allowance	(1,129,608)	(1,129,608)	(\$1,258,499)
	ASRV Specialty Trust Money Market	\$3,606,325	\$3,606,325	\$3,604,998
	Fed Prime Obligation Fund #10	<u>\$5,796,685</u>	<u>\$5,796,685</u>	<u>\$5,617,457</u>
	TOTAL	<u>\$12,734,023</u>	<u>\$12,734,023</u>	<u>\$12,102,681</u>
LIMITED PARTNERSHIPS				
\$1,583,372	Airside Business Park	\$275,000	\$5,473,537	\$6,271,485
\$3,105,822	Bath Springside (320 Springside Place)	\$2,095,019	\$1,230,034	\$1,199,396
\$4,185,384	Bridgeside Point II, LTD	\$4,185,384	\$0	\$0
\$500,000	Cranberry 200 Business Park	\$500,000	\$1,098,694	\$1,079,702
\$5,120,000	Cranwoods-Westinghouse LTD	\$5,120,000	\$5,599,937	\$5,876,633
\$1,341,598	Fifth & Craig Street LP (Rand Building)	\$1,024,798	\$1,791,927	\$1,811,191
\$2,720,000	Shops at Kanawha (Kanawha Mall)	\$2,720,000	\$0	\$0
\$4,000,000	North Hills Raquet Club, LP (Oxford Athletic Club)	\$4,000,000	\$3,809,084	\$3,890,655
\$855,268	930 Penn Ave Apts	\$669,049	\$0	\$0
\$200,587	930 Penn Ave Apts II	\$145,123	\$0	\$0
\$250,000	South Negley Associates (Giant Eagle Shadyside)	\$249,045	\$390,896	\$392,407
\$223,782	Stonegate Corporate Center I	\$223,782	\$374,263	\$365,793
\$1,846,667	Turnpike Distribution Center	<u>\$1,846,667</u>	<u>\$1,795,905</u>	<u>\$1,615,176</u>
	TOTAL	<u>\$23,053,866</u>	<u>\$21,564,278</u>	<u>\$22,502,439</u>
REAL ESTATE OWNED				
\$3,250,096	Franklin Park Travel Center	\$3,250,096	\$1,687,761	\$1,787,265
\$2,167,867	North Fayette Business Park II	<u>\$2,167,867</u>	<u>\$1,100,149</u>	<u>\$1,100,149</u>
	TOTAL	<u>\$5,417,963</u>	<u>\$2,787,910</u>	<u>\$2,887,414</u>
	FUND TOTAL	<u>\$41,205,851</u>	<u>\$37,086,210</u>	<u>\$37,492,534</u>
19,432.8729 Units Outstanding with a Unit Value of \$1,908.4265				

An audited annual financial report is available without charge, upon request.

APPROVED PROJECTS NOT CLOSED	
University Circle Courtyard Marriot	<u>\$2,200,000</u>
TOTAL	<u>\$2,200,000</u>

ERECT Fund II- Equity
Profile & Diversification Analysis
9/30/2011

Net Asset Market Value (as of 3Q 2011) \$37,086,210

Property Characteristics: w/cash	Amount	% of Total	Targeted Diversification	# of Properties
Property Type				
Industrial /Warehouse	\$1,795,905	4.84%	10% - 30%	1
Office	\$15,568,392	41.98%	20% - 40%	7
Lodging	\$0	0.00%	5% - 20%	0
Medical	\$0	0.00%	5% - 25%	0
Multi-Family	\$0	0.00%	5% - 25%	2
Retail	\$2,078,657	5.60%	20% - 40%	3
Special Purpose	\$4,909,233	13.24%	5% - 20%	2
Cash/Other	<u>\$12,734,023</u>	<u>34.34%</u>		-
Total	\$37,086,210	100.00%		15

Geographic Distribution*

Allegheny County, PA	\$14,253,354	58.53%	Less than 75%	9
Beaver County, PA	\$1,795,905	7.37%	Less than 20%	1
Butler County, PA	\$6,698,631	27.51%	Less than 30%	2
Kanawha County, WV	\$0	0.00%	Less than 20%	1
Summit County, OH	<u>\$1,604,297</u>	<u>6.59%</u>	Less than 20%	<u>2</u>
Total	\$24,352,187	100.00%		15

Life Cycle*

Construction Phase	\$1,100,149	4.52%		1
Lease-Up Phase	\$1,795,905	7.37%		2
Stabilized Phase	<u>\$21,456,133</u>	<u>88.11%</u>		<u>12</u>
Total	\$24,352,187	100.00%		15

Investment Size*

0 - 2.99 Million	\$11,916,349	41.85%	Less than 50%	11
3 Million - 4.99 Million	\$11,435,480	40.16%	Less than 60%	3
5 Million - 9.99 Million	\$5,120,000	17.98%	Less than 30%	1
10 Million and Greater	<u>\$0</u>	<u>0.00%</u>	Less than 20%	<u>0</u>
Total	\$28,471,829	100.00%		15

Property Size*

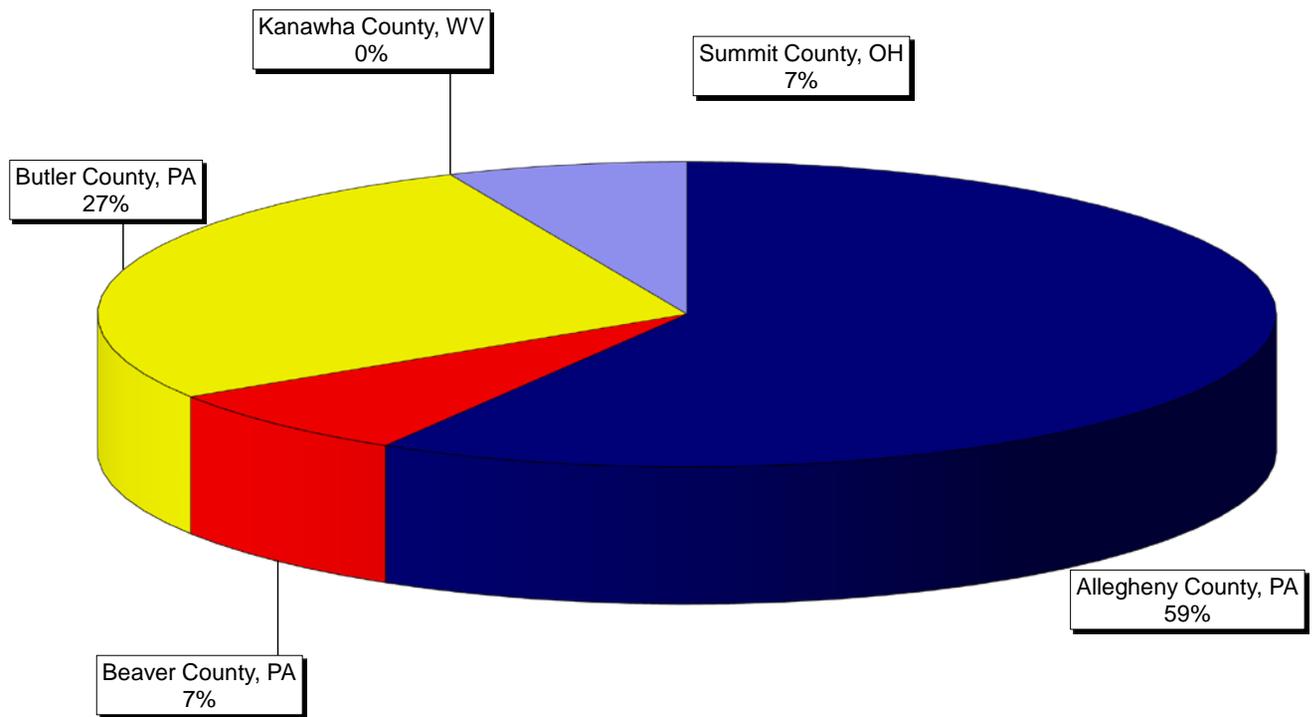
0 - 9.99 Million	\$3,886,604	15.96%		5
10 Million - 19.99 Million	\$12,682,823	52.08%		5
20 Million - 29.99 Million	\$2,182,824	8.96%		3
30 Million and Greater	<u>\$5,599,937</u>	<u>23.00%</u>		<u>2</u>
Total	\$24,352,187	100.00%		15

Investment Structure				
Leveraged Equity	\$21,564,278	58.15%		13
Mortgage Assets	\$0	0.00%		0
Real Estate Owned	\$2,787,910	7.52%		2
Cash/Other	<u>\$12,734,023</u>	<u>34.34%</u>		<u>0</u>
Total	\$37,086,210	100.00%		15

Development Company*				
Elmhurst Group	\$7,265,464	29.83%	Less than 40%	2
CAM Incorporated	\$1,604,297	6.59%	Less than 20%	2
The Ferchill Group	\$5,599,937	23.00%	Less than 40%	2
Chaska Properties	\$1,098,694	4.51%	Less than 20%	1
Simpson Properties	\$0	0.00%	Less than 0%	1
Oxford Development Company	\$3,809,084	15.64%	Less than 20%	1
Rugby Realty	\$0	0.00%	Less than 20%	2
ECHO Developers	\$390,896	1.61%	Less than 20%	1
Castlebrook Development Group	\$1,795,905	7.37%	Less than 40%	1
Real Estate Owned	<u>\$2,787,910</u>	<u>11.45%</u>	Less than 20%	<u>2</u>
Total	\$24,352,187	100.00%		15

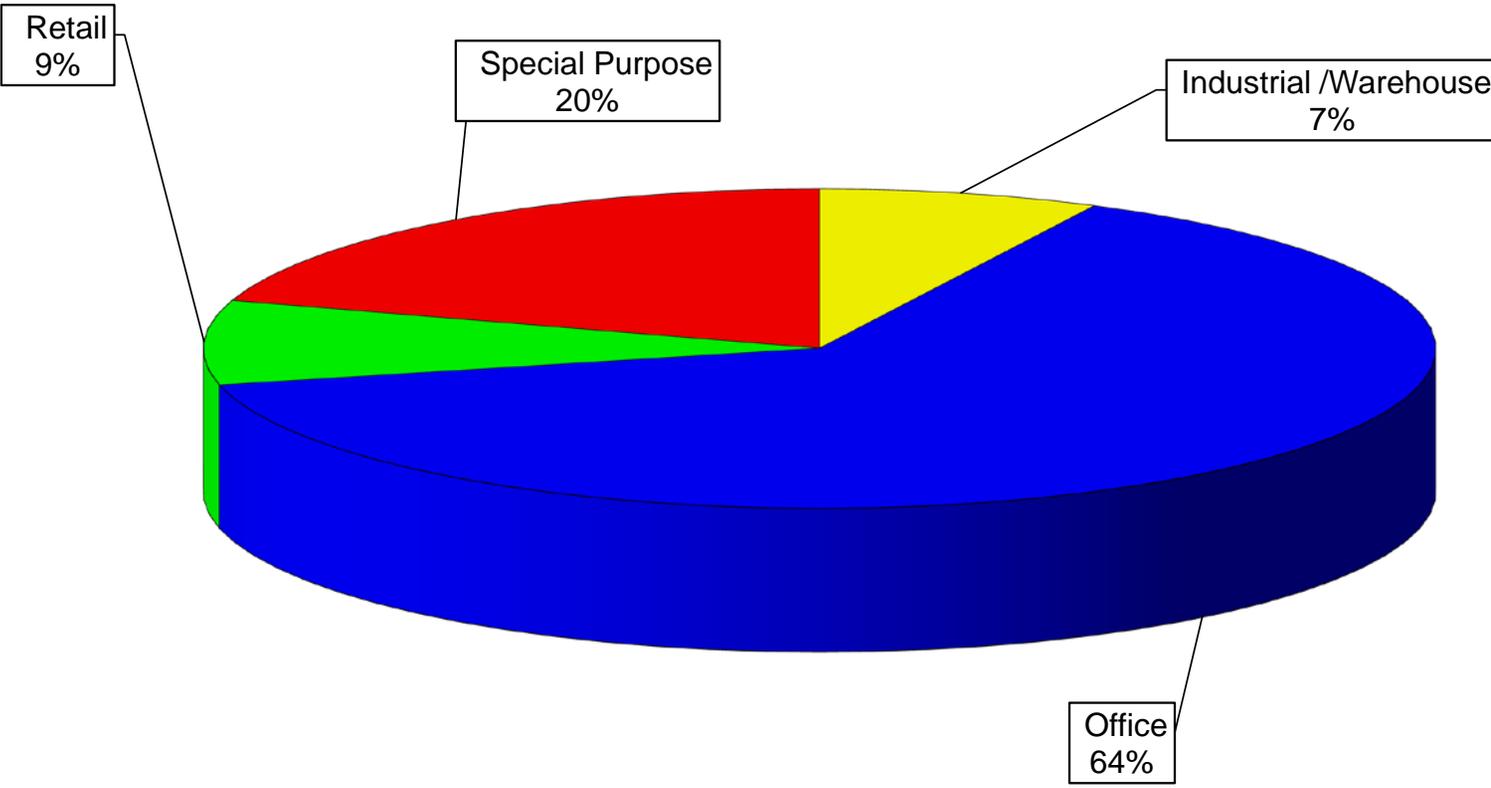
* Note: Cash is not included in this calculation.

ERECT FUND II - EQUITY
PROPERTY TYPE GEOGRAPHICAL AREA



*Kanawha Associates, LLC (Shops at Kanawha), located in West Virginia, is included in the ERECT II Fund but has a current market value of zero.

**ERECT FUND II - EQUITY
PROPERTY TYPE**



*Percentages reflected are based on current market values excluding cash balances.