



## SYNDICATED EQUITIES

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### *New Investment Opportunity*



## **Cahaba Village Shopping Center Mountain Brook (Birmingham), Alabama**

2700-3100 Cahaba Road, Birmingham, AL

- **Brand New, Whole Foods Anchored, Multi-Tenant Shopping Center**
- **Approximately \$170,000 Average Household Income in Mountain Brook**
- **8.83% Projected Average Annual Return, Including Principal Paydown**  
**6.00% Projected Average Annual Cash-On-Cash Return**
  - **Suitable For Accredited Investors**
  - **Accommodates 1031 Exchange Investors**

## **Securities Offered Through Meridian Capital Partners, L.L.C. Member FINRA/SIPC**

**This summary is for informational purposes only and is not intended as an offer or solicitation. An investment in the property described in this summary may only be made pursuant to the terms of a Private Placement Memorandum to be issued by an affiliate of Syndicated Equities Group, LLC (the "Sponsor"). Investments in securities involve risks and prospective investors should carefully review the Private Placement Memorandum. All information and disclosures in the Private Placement Memorandum shall supersede information in this summary and any other information, written or oral, that has been provided with respect to this investment. This material is not intended to address the particular circumstances or needs of any specific person or entity. Prior to making an investment decision, investors should independently evaluate the relevant risks involved and ensure that such investment is appropriate and suitable for the investor in light of the investor's investment objectives, experience, time horizon, financial resources and other relevant circumstances. The material contained in this summary is directed only at qualified persons or entities in any jurisdiction where such access to information and its use is not contrary to local law or regulation. By accepting this information, you agree to maintain its confidentiality and not reproduce, publish, or distribute it, in whole or in part, for any purpose. In that regard, all information set forth herein regarding the property described herein or any tenant shall not be disclosed by you to any person other than your financial and legal advisors and such persons shall be likewise bound by this confidentiality agreement. By accepting and reading this summary you agree to be bound by the terms hereof and agree to inform your financial and legal advisors of the fact that they are bound by the terms hereof. If you do not wish to be bound by the terms of this confidentiality agreement, please destroy this summary. The numbers, projections and statistical data contained herein are based upon information that have been obtained by sources believed to be reliable and accurate, but are not necessarily complete, cannot be guaranteed, and no representations or warranty, express or implied, are made by the Sponsor or any other person as to their accuracy, completeness or correctness. Errors and omissions are expected. The projections regarding the likelihood of various investment outcomes are not guarantees of future results. Further, all opinions and estimates contained herein constitute the judgment of the Sponsor as of the date of this summary and are subject to change without notice. Prospective investors are not to construe the contents of this summary as legal, investment, tax or other advice. Each prospective investor must rely on his, her or its own representatives, including his or her own legal counsel and accountants, as to legal, economic, tax and related aspects.**

**Information presented in this document about any tenant and its affiliates is provided for informational purposes only. No tenant is a sponsor of the offering described herein and none have verified any of the information contained herein. No tenant will make any representation or warranty or provide any assurance to prospective investors that the objectives of any offering will be realized or that any historical performance record of the property will be realized in the future.**

**Securities offered by the Sponsor pursuant to the Private Placement Memorandum will be sold through Meridian Capital Partners, L.L.C., Member FINRA/SIPC.**

**Syndicated Equities Group, LLC (“Syndicated”)** is pleased to advise you of an investment opportunity in Cahaba Village (“Cahaba”), an upscale, Whole Foods anchored retail center located in the affluent city of Mountain Brook (Birmingham), AL. Developed in 2007, Cahaba contains approximately 106,000 square feet and is **100% leased**. Situated along Highway 280, Cahaba benefits from significant traffic volume and is surrounded by the State’s wealthiest communities, with an **average household income of approximately \$170,000**. Cahaba possesses both a compelling location and an excellent tenancy, which should provide investors with stable and attractive returns.

**Syndicated believes that Cahaba is an ideal replacement property for investors who wish to complete a Section 1031 exchange.** In order to accommodate Section 1031 exchange investors, ownership of the property will be held in a Delaware Statutory Trust; an affiliate of Syndicated (as “Master Tenant”) will lease the property from investors (as “Landlord”) on a triple net basis.

**Because Syndicated expects a strong response to this offering from its existing investors, please call Syndicated starting on September 24 to express your level of interest.**<sup>1</sup> As always, we recommend that you speak with your tax advisors regarding a Section 1031 exchange, including what level of investment in Cahaba is required to fully defer capital gain and avoid taxable boot.

#### *Tenancy*

**Cahaba is 100% leased to 19 tenants and is anchored by a 50,000 square foot, brand new Whole Foods Market (S&P: BB). The Whole Foods lease contains 8% rental rate increases every 5 years and runs through 2028,** after which Whole Foods has four, 5-year extension options to renew. The lease also provides for Whole Foods to reimburse for certain operating expenses and real estate taxes, thus helping to stabilize the property’s overall net operating income. Whole Foods, the largest U.S. retailer of natural and organic foods with approximately 270 stores, operates the property as a grocery store and is already experiencing sales in excess of \$500 per square foot. Please note that Whole Foods represents less than 40% of Cahaba’s rental revenue; the remaining rental revenue is derived from 18 other tenants.

Other tenants at Cahaba include **FedEx Kinko’s, Wolf Camera, LensCrafters Inc., Massage Envy, Diamonds Direct** and a free-standing **Bryant Bank**, among others. A full listing of Cahaba’s retail tenants and lease terms is attached for your review. **In the event that any space in Cahaba requires releasing, a \$450,000 reserve will be established at closing by the “Master Tenant” to fund new tenant improvements, leasing commissions, and related working capital.**

#### *Property*

Set on 13.05 acres, Cahaba was **newly constructed in 2006-2007 as a mixed-use community, offering high-end retail shopping and 22 luxury, residential condominiums** (the condominiums are not included as part of the offering). The retail component of Cahaba includes a free-standing, 50,000 square foot building for Whole Foods, approximately 45,000 square feet

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of ground floor retail space occupied by 17 tenants and located below the residential condominiums, and an approximately 3,000 square foot outparcel that is improved with a 9,100 square foot building leased to Bryant Bank (per a ground lease). Cahaba provides 566 parking spaces, including spaces that are used exclusively by Whole Foods' customers. According to a property condition report issued during our due diligence, this new development was found to be in very good condition and Syndicated does not anticipate any major capital requirements or expenditures in the near term. Nevertheless, **the Master Tenant will establish a \$110,000 working capital reserve at closing** to offset some of the costs that may be associated with possible future requirements.

#### *Location*

Cahaba is located in the city of Mountain Brook, which is among the most affluent suburbs of Birmingham, AL. Birmingham has experienced significant economic growth over the past thirty years and now enjoys the lowest unemployment rate among all national metropolitan areas with more than 1 million persons. The city's top employers include AT&T, Regions Bank, Honda, Mercedes-Benz, and the University of Alabama, which boasts an extensive and highly regarded system of hospitals and health research facilities. As the city's largest employer, the University of Alabama provides Birmingham with a stable economic base. Mountain Brook, and the neighboring communities of Homewood and Vestavia, comprise Birmingham's upscale suburbs and include retailers such as Saks Fifth Avenue, Nordstrom (under construction in nearby Hoover), Barnes & Noble, Macy's, and Williams-Sonoma.

Situated along Highway 280, a major thoroughfare connecting the suburbs to downtown Birmingham, **Cahaba benefits from high visibility as approximately 80,000 vehicles pass in front of the shopping center on a daily basis.** Such visibility and access make Cahaba a desirable location for retailers and attracts a strong tenant roster.

The demographic profile of the surrounding community (segmented into four separate radii surrounding the property) is as follows:

<b>Radius</b>	<b>1 Mile</b>	<b>3 Miles</b>	<b>5 Miles</b>	<b>10 Miles</b>
<b>Population</b>	4,671	68,845	169,001	440,693
<b>Average Household Income</b>	\$147,479	\$93,745	\$76,024	\$66,697

*Source: Demographics Now*

**Additionally, Mountain Brook has an average household income of approximately \$170,000 and its median household income exceeds that of Bethesda, MD, Greenwich, CT, Palm Beach, FL and Northbrook, IL.**

Syndicated believes that this location is ideal for Whole Foods, and recent sales reports suggest that the grocery store is already experiencing strong sales. The remainder of Cahaba's tenants benefit from the appeal of Whole Foods and the overall demographics of the surrounding community, both of which create a strong customer base for the center. **Based on Cahaba's compelling location, excellent surrounding demographics, and strong tenancy, Syndicated believes that Cahaba will continue to succeed in today's economic environment and will provide investors with stable and attractive returns.**

*Property and Asset Management*

Bayer Properties, the developer and seller of Cahaba, will be retained as the center's property manager and leasing agent pursuant to a management agreement with the Master Tenant. Located in Birmingham, Bayer Properties has been a prominent developer of retail properties for 25 years and currently manages and leases four million square feet, which includes 21 retail properties. Please see [www.BayerProperties.com](http://www.BayerProperties.com) for more information about Bayer Properties. An affiliate of Syndicated will provide experienced asset management services for Cahaba investors, including preparation of year-end tax information. Please see [www.SyndicatedEquities.com](http://www.SyndicatedEquities.com) for more information about Syndicated.

*Purchase of Cahaba and Offering of Interests*

An affiliate of Syndicated is purchasing a 100% interest in Cahaba and is offering interests to investors at a total price of \$33,061,245 inclusive of all closing costs and fees.

Financing for the property is currently being negotiated in the form of a non-recourse, \$22,500,000 loan with a five-year term; \$455,000 of the loan will be allocated to the Master Tenant (the Master Tenant will also be capitalized with approximately \$105,000 of equity). **Syndicated projects that the loan will have a fixed interest rate of approximately 6.375% and a principal pay-down (amortization) schedule of 28.5 years. Please note that this loan represents approximately a 66% loan-to-value, and investors will be allocated their pro rata share of the debt for tax purposes.**

**Investors will be offered up to \$11,016,245 of equity for purchase.** Principals of Syndicated will make equity investments of up to 2% of the available equity in Cahaba on a pari passu basis with all other investors. Syndicated's principals' investment will be subject to reduction based on the need to accommodate existing investors who wish to trade into this property.

**Please note that this transaction will be structured to accommodate accredited investors only.**

*Return Assumptions and Projections*

Syndicated projects that investors will receive a **6.00% average annual cash-on-cash return during the next five years. Including principal paydown, Syndicated projects that investors will receive an 8.83% average annual return during the next five years.** Depending on each investor's carryover basis, depreciation will be available to shelter a portion of projected returns. Current investor returns will be paid to the investors by the Master Tenant in the form of a monthly fixed rent and a quarterly percentage rent, which will be based on the gross revenues of the property.

*Please consult the Private Placement Memorandum for detailed projections. There is no assurance that these projections or those attached and related assumptions will be realized, and each prospective investor should exercise his or her own judgment as to the reasonableness of the same.*

*1031 Exchange Investors*

The acquisition and ownership of Cahaba will be structured as a Delaware Statutory Trust in order to accommodate investors completing a Section 1031 exchange. An affiliate of Syndicated

will act as Trustee and investors will become beneficial owners of the Trust. To comply with guidelines pertaining to the Delaware Statutory Trust, the beneficial owners will lease their interest in the property, on a triple net basis, to the Master Tenant. The Master Tenant will be responsible for (1) paying monthly fixed rent and quarterly percentage rent to the beneficial owners, and (2) maintaining the property. The structure of the Delaware Statutory Trust will provide for a sale of the property after 5 years, at which point the Trust will terminate.

Levenfeld Pearlstein LLC, a nationally recognized Chicago-based legal firm experienced in these types of transactions, will issue an appropriate legal opinion to Syndicated that addresses relevant Section 1031 exchange issues and IRS Revenue Ruling 2004-86 guidelines. With any type of investment, we always suggest that investors review the transaction with their legal and tax advisors.

*Closing*

Given the limited equity available for this transaction, we urge you to call us promptly if you are interested. **We will accept expressions of interest starting on October 6<sup>2</sup>. Closing is scheduled for October 20, 2008.** As always, we are pleased to discuss this transaction with you and/or with your investment advisor. Please call any of the Syndicated Equities acquisition professionals at the telephone numbers listed below.

Jill Sickle  
(312) 640.9023

Russell Brenner  
(312) 640.9025

Joey Lansing  
(312) 640.9028

Matthew McCulloch  
(202) 821.1541

Grant Gussin  
(305) 375.6056

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<sup>2</sup> **This request for an expression of your level of interest is for informational purposes only and is not intended as an offer or solicitation. Your expression of interest is not binding on you or the Sponsor. An investment in Cahaba may only be made pursuant to the Private Placement Memorandum to be issued by the Sponsor.**

**Cahaba Village Shopping Center, 2700-3100 Cahaba Road, Birmingham, AL**  
**Whole Foods Anchored, Multi-Tenant Shopping Center**

Projected Average Annual Cash-On-Cash Returns Years 1-5: **6.00%**  
 Projected Average Annual Returns Including Principal Paydown Years 1-5: **8.83%**

**INVESTORS' INVESTMENT IN REAL ESTATE (VIA DST)**

Investor Equity	\$11,016,245
Investor Loan	<u>\$22,045,000</u>
<b>Total Investment</b>	<b>\$33,061,245</b>

**MASTER TENANT'S INVESTMENT IN LEASEHOLD**

Master Tenant Equity	\$105,000
Master Tenant Loan	<u>\$455,000</u>
<b>Total Investment</b>	<b>\$560,000</b>

**Master Tenant's Revenue and Expense Projections**

	Year 1 2008-2009	Year 2 2009-2010	Year 3 2010-2011	Year 4 2011-2012	Year 5 2012-2013
<b>Rental Revenue Projections</b>					
Whole Foods	\$975,000	\$975,000	\$975,000	\$1,033,500	\$1,053,000
Mountain High	\$172,290	\$173,726	\$189,519	\$190,955	\$206,748
Diamonds Direct	\$149,259	\$149,259	\$153,028	\$158,305	\$158,305
Bryant Bank	\$145,000	\$145,000	\$145,000	\$152,250	\$159,500
Paper Affair	\$118,830	\$118,830	\$118,830	\$118,830	\$126,752
Newk's Express Cafe	\$107,688	\$107,688	\$107,688	\$107,688	\$118,265
The Wine Loft	\$105,786	\$105,786	\$105,786	\$105,786	\$109,052
Massage Envy	\$95,670	\$95,670	\$103,643	\$105,237	\$107,895
Jilbere, Aveda Salon	\$77,500	\$79,063	\$83,750	\$84,063	\$85,000
Lenscrafters, Inc.	\$70,000	\$70,000	\$70,000	\$70,000	\$74,583
Suite 180 (Subject to Seller Master Lease)	\$69,060	\$69,060	\$69,060	\$69,060	\$69,060
Fedex Kinko's	\$68,600	\$68,600	\$68,600	\$69,825	\$73,500
Wolf Camera	\$62,238	\$62,238	\$62,238	\$62,238	\$67,424
Face Logic	\$59,040	\$59,040	\$59,040	\$59,040	\$62,976
Peterbrooke Chocolatier	\$58,928	\$58,928	\$58,928	\$59,436	\$65,024
Fleet Feet Sports	\$56,392	\$57,063	\$64,448	\$64,783	\$68,476
Manhattan South Clothiers	\$50,808	\$52,122	\$56,064	\$56,064	\$56,064
Maki Fresh	\$43,950	\$43,950	\$43,950	\$43,950	\$43,950
Jennifer Hunt Gallery	\$25,704	\$25,942	\$22,848	\$22,848	\$22,848
Projected Rental Loss due to Vacancy & Lease Turnover	(\$41,752)	(\$41,909)	(\$43,123)	(\$68,787)	(\$135,847)
<b>Total Projected Rental Revenue</b>	<b>\$2,469,991</b>	<b>\$2,475,056</b>	<b>\$2,514,297</b>	<b>\$2,565,071</b>	<b>\$2,592,575</b>
Projected Reimbursement Revenue	\$739,420	\$753,984	\$768,851	\$770,257	\$771,286
<b>Total Projected Revenue</b>	<b>\$3,209,411</b>	<b>\$3,229,040</b>	<b>\$3,283,148</b>	<b>\$3,335,328</b>	<b>\$3,363,861</b>
<b>Expense Projections</b>					
Operating Expenses	(\$379,270)	(\$386,856)	(\$394,591)	(\$402,484)	(\$410,534)
Taxes	(\$325,252)	(\$331,757)	(\$338,392)	(\$345,160)	(\$352,063)
Insurance	(\$26,504)	(\$27,034)	(\$27,574)	(\$28,126)	(\$28,689)
Master Tenant Debt Service	(\$34,668)	(\$34,668)	(\$34,668)	(\$34,668)	(\$34,668)
Property Management	(\$128,376)	(\$129,162)	(\$131,326)	(\$133,413)	(\$134,554)
<b>Total Projected Expenses</b>	<b>(\$894,070)</b>	<b>(\$909,477)</b>	<b>(\$926,551)</b>	<b>(\$943,851)</b>	<b>(\$960,508)</b>
Projected Leasing Expenses	\$0	\$0	(\$7,141)	(\$31,645)	(\$223,369)
Projected Leasing Expenses Funded by Master Tenant	\$0	\$0	\$7,141	\$31,645	\$223,369
<b>Gross Operating Profit (Before Master Lease Rent Expense)</b>	<b>\$2,315,341</b>	<b>\$2,319,563</b>	<b>\$2,356,597</b>	<b>\$2,391,477</b>	<b>\$2,403,353</b>
<b>Investors' Cash Flow Projections</b>					
INVESTORS' FIXED RENT	\$2,180,000	\$2,180,000	\$2,180,000	\$2,180,000	\$2,180,000
INVESTORS' PROJECTED PERCENTAGE RENT <sup>1</sup>	\$125,998	\$126,910	\$171,188	\$198,768	\$205,644
<b>TOTAL PROJECTED RENT PAYMENT</b>	<b>\$2,305,998</b>	<b>\$2,306,910</b>	<b>\$2,351,188</b>	<b>\$2,378,768</b>	<b>\$2,385,644</b>
PROJECTED DEBT SERVICE <sup>2</sup>	(\$1,679,690)	(\$1,679,690)	(\$1,679,690)	(\$1,679,690)	(\$1,679,690)
TRUSTEES FEES <sup>3</sup>	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)
<b>INVESTORS' PROJECTED NET CASH FLOW<sup>4</sup></b>	<b>\$621,309</b>	<b>\$622,221</b>	<b>\$666,499</b>	<b>\$694,078</b>	<b>\$700,954</b>
<b>INVESTORS' PRINCIPAL PAYDOWN</b>	<b>\$274,321</b>	<b>\$291,809</b>	<b>\$310,412</b>	<b>\$330,200</b>	<b>\$351,251</b>
<b>INVESTORS' PROJECTED CASH FLOW YIELD</b>	<b>5.64%</b>	<b>5.65%</b>	<b>6.05%</b>	<b>6.30%</b>	<b>6.36%</b>
<b>INVESTORS' PROJECTED RETURN WITH PRINCIPAL PAYDOWN</b>	<b>8.13%</b>	<b>8.30%</b>	<b>8.87%</b>	<b>9.30%</b>	<b>9.55%</b>

Projected tenant vacancy, rollover, or early lease termination.

<sup>1</sup>Percentage rent is determined by a percentage of Rental Revenue above annual hurdle rates and will be paid quarterly during the lease term.

<sup>2</sup>Debt service of the DST is determined by fixed payments on a \$22,045,000 loan with an amortization schedule of 28.5 years and an interest rate calculated at 6.375%. The Master Tenant will make debt service payments based on a \$455,000 loan with the same terms.

<sup>3</sup>The Trustees Fees are paid to an affiliate of the Sponsor and to the Capital Trust Company of Delaware.

<sup>4</sup>Please note that the DST will pay standard third-party investment related expenses, such as state entity registration fees, and legal, banking, and accounting fees.