

NEW INVESTMENT OPPORTUNITY

Whole Foods Market

3640 North Halsted Street (Halsted & Waveland)

Chicago, Illinois



- Brand New Whole Foods Grocery Store In Premier Location
- Long-Term Net Lease with 12% Rental Escalations Every 5 Years
- 6.42% Projected Average Annual Cash-On-Cash Returns Years 1-10
5.46% Projected Average Annual Cash-On-Cash Returns Years 1-5
- Suitable For Accredited Investors Only
- Accommodates 1031 Exchange Investors

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Information presented in this document about Whole Foods Market, Inc. ("Whole Foods") and its affiliates is provided for informational purposes only. Whole Foods is not a sponsor of the offering described herein and has not verified any of the information contained herein. Whole Foods does not and will not 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 North Star Investment Services, Inc., Member FINRA/SIPC.

Introduction

Syndicated Equities Group, LLC (“Syndicated”) is pleased to advise you of an investment opportunity in the approximately 45,000 square foot retail space leased to **Whole Foods Market** at 3640 North Halsted Street, Chicago, IL (“Whole Foods Halsted”). **Syndicated believes that Whole Foods Halsted possesses a compelling location and best-in-class user, both of which should provide investors with attractive and stable returns for the long-term.**

Tenancy

Whole Foods Market, Inc. (S&P: BB) has leased the property through **2032**, after which it has five, 5-year extension options to renew the lease. **Rental payments increase by 12% every five years** during the term of the lease. The lease also provides for the tenant to reimburse the landlord for certain operating expenses and real estate taxes, thus stabilizing the property’s 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.

Property

Set on 1.03 acres, the property was **newly built in 2006-2007 to accommodate Whole Foods**, and includes a **163-space underground parking garage** that is used by Whole Foods’ customers. Whole Foods Halsted was built in conjunction with the Center on Halsted, which is an adult community center offering athletic, entertainment, and other services for neighborhood residents. According to a property condition report issued during our due diligence, the building is believed to be in very good condition and Syndicated does not anticipate any major capital requirements or expenditures in the near term. Nevertheless, **a \$150,000 working capital reserve will be established at closing** to offset some of the costs that may be associated with possible future requirements.

Investors will be acquiring an undivided tenant-in-common leasehold interest in the property. The leasehold interest is a 99-year prime lease, the lessor of which is an affiliate of Center on Halsted. Base rent under the prime lease has been pre-paid through 2032, and is calculated thereafter based on a percentage of the fair market value of the land.

Location

Whole Foods Halsted is located in Chicago’s Lakeview neighborhood, which is one of the city’s most populous and affluent communities. The Lakeview neighborhood contains **the city’s highest population density** and is comprised mainly of residential, retail, and special use properties. Located three blocks from Wrigley Field, Whole Foods Halsted is bounded by two Chicago bus stops and benefits from significant pedestrian and automobile traffic.

The demographic profile of the surrounding community (segmented into three separate radii surrounding the property) is as follows¹:

Radius	1 Mile	3 Miles	5 Miles
Population	85,502	399,641	994,300
Average Household Income	\$78,850	\$78,971	\$70,458
Median Age	32.9	33.9	33.6

Syndicated believes that this location is ideal for Whole Foods, and recent sales reports suggest that the grocery store is already experiencing successful operations.

Property & Asset Management

Whole Foods, in conjunction with the Center on Halsted, will be responsible for the majority of maintenance and repair obligations at the property. An affiliate of Syndicated will provide experienced asset management services for Whole Foods Halsted investors, including preparation of year-end tax information. Please see www.SyndicatedEquities.com for more information about Syndicated.

Purchase of Whole Foods Halsted & Offering of Interests

Syndicated has purchased a 100% interest in the Whole Foods Halsted and is offering interests to investors at a total price of \$31,802,253 inclusive of all closing costs and fees.

Financing for the property was negotiated in the form of a non-recourse, \$19,000,000 loan with a five-year term. The loan has a fixed interest rate of 5.75% and requires interest-only payments during the five year term. Please note that this loan represents a 59.74% loan-to-value, and investors will be allocated their pro rata share of the debt. The lender will also require 1031 Exchange investors to execute an industry-standard, “bad acts” limited guaranty.

Investors will be offered up to \$12,802,253 of equity for purchase. For 1031 Exchange investors, a \$225,000 minimum investment is required. Other investors should contact Syndicated to discuss their desired investment amount. Principals of Syndicated will make equity investments of up to 5% of the available equity in Whole Foods Halsted on a pari passu basis with all other investors.

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

Return Assumptions & Projections

Syndicated projects that investors will receive a **5.46% average annual cash-on-cash return during the first five years. During the first ten years of ownership (if applicable), Syndicated projects that investors will receive a 6.42% average annual cash-on-cash return, which includes a refinance of the loan in 2013.** A large percentage of the projected returns which will be sheltered by depreciation. Cash flow distributions will be made monthly.

¹ Source: Demographics Now

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 Whole Foods Halsted will be structured to accommodate 1031 Exchange investors and will substantially comply with IRS Revenue Procedure 2002-22 guidelines. 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 1031 Exchange issues. With any type of investment, we always suggest that investors review the transaction with their legal and tax advisors.

Closing

Subject to availability, closings will be scheduled monthly. 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

Matt McCulloch
(202) 821-1541

Jeff Jerrier
Meridian Capital Partners, LLC
(617) 328-6200



Whole Foods Market, 3640 North Halsted Street, Chicago, Illinois

45,050 SF Grocery Store

Pro Forma - Subject To Change

PURCHASE PRICE¹: \$31,802,253
PROPOSED LOAN AMOUNT: \$19,000,000
EQUITY AVAILABLE FOR PURCHASE: \$12,802,253

Avg. Cash Flow Yield Yrs. 1-5: 5.46%
Avg. Cash Flow Yield Yrs. 1-10: 6.42%
w/ Principal Paydown Yrs. 1-10: 6.85%

Loan Terms

Term (yrs): 5
Amortization (yrs): Interest Only
Fixed Interest Rate: 5.75%

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
NET OPERATING INCOME FROM WHOLE FOODS RENT	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Projected Debt Service ²	\$1,749,992	\$1,749,992	\$1,749,992	\$1,749,992	\$1,959,991	\$1,959,991	\$1,959,991	\$1,959,991	\$1,959,991	\$2,195,190
Projected Refinance Proceeds ³	(\$1,092,500)	(\$1,092,500)	(\$1,092,500)	(\$1,092,500)	(\$1,092,500)	(\$1,312,500)	(\$1,312,500)	(\$1,312,500)	(\$1,551,607)	(\$1,551,607)
ANNUAL CASH FLOW⁴	\$0	\$0	\$0	\$0	\$0	\$1,370,000	\$0	\$0	\$0	\$0
PRINCIPAL REDUCTION	\$657,492	\$657,492	\$657,492	\$657,492	\$867,491	\$2,017,491	\$647,491	\$647,491	\$408,384	\$643,583
CASH FLOW YIELD	5.14%	5.14%	5.14%	5.14%	6.78%	16.36%	5.66%	5.66%	3.57%	5.63%
YIELD W/ PRINCIPAL PAYDOWN	5.14%	5.14%	5.14%	5.14%	6.78%	16.36%	5.66%	5.66%	5.66%	7.85%
Capital Reserve Analysis	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Beginning Balance	\$100,000	\$95,918	\$90,418	\$84,918	\$79,418	\$73,918	\$68,418	\$62,918	\$57,418	\$51,918
Funds Added to Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Funds Spent From Reserve ⁴	(\$5,500)	(\$5,500)	(\$5,500)	(\$5,500)	(\$5,500)	(\$5,500)	(\$5,500)	(\$5,500)	(\$5,500)	(\$5,500)
Interest on Reserve (estimated at 1.5%)	\$1,418	\$1,356	\$1,274	\$1,191	\$1,109	\$1,026	\$944	\$861	\$779	\$696
Ending Balance	\$95,918	\$90,418	\$84,918	\$79,418	\$73,918	\$68,418	\$62,918	\$57,418	\$51,918	\$46,418

¹ The purchase price includes a lender funded capital reserve account of \$100,000 and working capital account of \$50,000 that will be used to defray capital costs incurred by ownership. The reserve will also be utilized for annual donations to the Center on Halsted, which is a requirement of the prime lease.

² Loan payments during years one through eight are interest only.

³ The pro forma assumes a refinance of the loan in 2013.

⁴ Annual capital expense estimated by taking 12 year capital budget in Property Condition Report and dividing by 10 years.