



Property Profile	
<b>Name:</b>	Algonquin Galleria
<b>Address:</b>	1515 Randall Road, Algonquin, Illinois 60102
<b>Type:</b>	Retail Property
<b>Built:</b>	2008
<b>Total SF:</b>	83,441 SF
<b>% Leased</b>	100% Economic Occupancy 81.9% Physical Occupancy
<b>Reserves:</b>	\$350,000
<b>Offering Price Per SF:</b>	\$306.00

Offering Summary	
<b>Offering Purchase Price:</b>	\$25,540,000
<b>Investor Equity:</b>	\$9,540,000
<b>Minimum Investment:</b>	\$275,000
<b>1<sup>st</sup> Year Cash Flow:</b>	\$7.94%
<b>Offering LTV:</b>	62.65%
<b>Loan Terms:</b>	30 amortization, 3 year IO period, 5 yrs fixed at 5.80% with a 5 yr option



### Property Summary

Algonquin Galleria is a retail shopping center built in 2007/08 located in Algonquin (Chicago "MSA"), Illinois. The 83,441 square foot center presents an opportunity to acquire a "trophy" specialty center in one of the fastest growing suburban markets of the Chicago metropolitan area. The property is anchored with long-term leases from Best Buy and La-Z-Boy. These anchor tenants are complemented by a strong line-up of restaurants including Potbelly Sandwich Works, Jamba Juice, Famous Dave's, and Golden Corral (separately owned). Algonquin Galleria features significant consumer traffic attracted by its location at the intersection of the Randall Road corridor, a highly successful retail trade zone. The Algonquin Galleria also consists of three additional big box retailers separately owned but contributing to the draw of the Galleria, including Ethan Allen, Brunswick Zone XL, and Dania Furniture.

### Property Demographics

- 43,000 Daily Traffic Count
- Algonquin - 18.4% expected Population Growth through 2011
- \$102,000 Average Household Income (3-mile radius)
- Algonquin-28% population growth since 2000
- Trade area occupancy-97%

Major Tenants		Sq. Ft.	%	Lease Exp.
	Best Buy	30,078	36%	01/2018
	La-Z-Boy	20,018	24%	03/2023
	Famous Dave's	6,500	7.8%	08/2023
	2 <sup>nd</sup> Wind Exercise Equipment	3,819	4.6%	12/2017
	Massage Envy	3,000	3.6%	08/2013
	Potbelly Sandwich Works	2,470	3%	09/2017
	Jamba Juice	1,709	2%	12/2017

For More Information Please Contact:

Pat Nelson, MBA  
(949) 916.7300 ext. 201  
pnelson@wp1031.com

Brian Nelson, MBA  
(949) 916.7300 ext. 202  
bnelson@wp1031.com

Brandon Pyper, Internal Wholesaler  
(949) 916.7300 ext. 204  
brandonp@wp1031.com

Brandon Pierce, Internal Wholesaler  
(949) 916.7300 ext. 207  
bpierce@wp1031.com



# ALGONQUIN



## MAJOR TENANTS



**Best Buy Co., Inc.** (Lease Expires Jan.-2018) operates a global portfolio of brands with a commitment to growth and innovation. The company is a specialty retailer of consumer electronics, home-office products, entertainment software, appliances, and related services.

- Stock Symbol/Exchange: BBY / NYSE
- Moody's Credit Rating: Baa3
- Market Cap (as of 12/01/07): \$21.33 billion
- Sales (Fiscal 2007): \$35.9 billion
- Net Income (Fiscal 2007): \$1.4 billion
- Net Worth (Fiscal 2007): \$6.2 billion
- Number of Stores: 1,200 stores in the U.S., Canada & China



**La-Z-Boy Incorporated** (Lease Expires Mar.-2023\*) is one of the world's leading residential furniture producers, marketing furniture for every room of the home and office, as well as for the hospitality, health care, and assisted-living industries.

- Stock Symbol/Exchange: LZB / NYSE
- Moody's Credit Rating: No Rated Issues
- Market Cap (as of 12/01/07): \$280.73 million
- Sales (Fiscal 2007): \$1.6 billion
- Net Income (Fiscal 2007): \$4.1 million
- Net Worth (Fiscal 2007): \$485.4 million
- Number of Stores: 402 stores worldwide



**Famous Dave's of America, Inc.** (Lease Expires Aug.-2023) develops, owns, operates, and franchises barbeque restaurants. As of October 31, 2007, the company owned 41 locations, franchised 116 additional units and had signed development agreements for an additional 167 franchised locations.

- Stock Symbol/Exchange: DAVE / NASDAQ
- Moody's Credit Rating: No Rated Issues
- Market Cap (as of 12/01/07): \$135.31 million
- Sales (Fiscal 2006): \$116.6 million
- Net Income (Fiscal 2006): \$4.9 million
- Net Worth (Fiscal 2006): \$35.8 million
- Number of Stores: 157 restaurants in 35 states



**2<sup>nd</sup> Wind Exercise Equipment**, (Lease Expires Dec.-2017) a privately owned company headquartered in Minneapolis, MN, is passionate about fitness solutions for their clients and continually changes the way the world looks at exercise.



**Massage Envy Limited, LLC**, (Lease Expires Aug.-2013) a privately owned company headquartered in Scottsdale, Arizona, is a national franchise of massage clinics dedicated to providing professional and affordable therapeutic massage services to consumers with busy lifestyles at convenient times and locations.



**Potbelly Sandwich Works**, (Lease Expires Sept.-2017) a privately owned company headquartered in Chicago, IL, is a unique neighborhood sandwich joint with toasty-warm, made-to-order sandwiches and extra-thick, hand-dipped shakes; refreshingly quick service; and a genuine fun-filled atmosphere, complete with live music.



**Jamba, Inc.** (Lease Expires Dec.-2017) is a holding company and through its wholly-owned subsidiary, Jamba Juice Company, owns and franchises Jamba Juice stores. Founded in 1990, Jamba Juice is the category-defining leader in healthy blended beverages, juices, and good-for-you snacks. The company has grown its concept and brand through 470 company-owned and operated stores and 202 franchise locations.

- Stock Symbol/Exchange: JMBA / NASDAQ
- Moody's Credit Rating: No Rated Issues
- Market Cap (as of 12/01/07): \$179.90 million
- Sales (Fiscal 2006): \$23.1 million
- Net Income (Fiscal 2006): (\$59.0 million)
- Net Worth (Fiscal 2006): \$285.9 million
- Number of Stores: 672 stores in 23 states, the District of Columbia & the Bahamas

\*La-Z-Boy has right to terminate after year 10.

# ALGONQUIN GALLERIA



## LOCATION & MARKET

Algonquin Galleria is well located in the heart of the Randall Road retail corridor, a major trade area featuring over 2.5 million square feet of retail and a 97% occupancy rate. Shoppers are drawn from a wide 15-mile radius of affluent Chicago suburbs, which include the towns of Algonquin, Elgin, Lake in the Hills, Carpentersville, Barrington and Crystal Lake.

In addition to the prestigious Algonquin common, a high-end 600,000 square foot life style center, the area also boasts several Big Box retailers including Wal-Mart SuperCenter, Super Target, Lowe’s, Home Depot, Ace Hardware, Costco, JC Penney, Toys’R’Us, Babies’R’Us, Stein Mart, Sears, Meijer, Staples, Kohl’s, Michael’s, and Home Good’s among others. All within a 1/2 mile radius of the property.

### Algonquin

Algonquin is a rapidly growing suburb 40 miles northwest of Chicago, the nation’s 3<sup>rd</sup> largest city. Algonquin continues to enjoy tremendous population growth due to its high quality of life, newly constructed neighborhoods, outstanding school systems, beautiful parks and lakes, and convenient access to downtown Chicago.

### Chicago MSA

The City of Chicago is the economic and cultural capital of the Midwest. The Chicago MSA is home to nearly 9.5 million people and has an employment in excess of 4 million people. The Chicago MSA is also home to the headquarters of thirty Fortune 500 corporations and a leader in higher education, business and financial services, manufacturing, and cultural institutions.



*Algonquin Commons Lifestyle Center directly across from Algonquin Galleria*



*Wal-Mart Center directly across from Algonquin Galleria*

# ALGONQUIN GALLERIA





### INVESTMENT CONSIDERATIONS:

**Exceptional Demographic Profile** – Algonquin Galleria benefits from the affluent residential neighborhoods in the surrounding areas, as well as the projected future population growth in the vicinity. There are currently 56,480 residents located within a three mile radius of the property enjoying an average household income of over \$93,000. This population is expected to increase to over 66,900 residents by 2011 enjoying an average household income of over \$100,000, representing an 18.4% growth in population over the next few years.

**Strong Tenant-Line-Up** – Significant consumer traffic attracted by a dynamic anchor tenant mix that features destination oriented retailers including Best Buy, La-Z-Boy, Brunswick Zone XL (shadow-anchor), Dania (shadow-anchor), and Ethan Allen (shadow-anchor). These anchor tenants are complimented by a strong line-up of restaurants including Potbelly Sandwich Works, Jamba Juice, Famous Dave’s, Texas Roadhouse (proposed), and Golden Corral.

**Projected Stable Income Stream** – The center should provide good opportunity for long term income through both scheduled rent and by the ability to attract additional quality tenants to a dynamic area.

**Irreplaceable Location** – The property is located at the “main and main” intersection of the Randall Road corridor, which is a highly successful retail trade zone serving the far northwest suburbs of Chicago. Algonquin Galleria is located directly across the street from the 600,000 square foot Algonquin Commons lifestyle center which features a virtual “who’s who” of category killers and upscale retailers including Borders, Dick’s, DSW, Old Navy, Trader Joe’s, Pottery Barn, Ann Taylor, Victoria’s Secret, Chico’s, Williams-Sonoma, Aeropostale, and Coldwater Creek.

**Heavy Traffic Counts** – Strategically positioned on the east side of Randall Road, the center has outstanding visibility and exposure, with over 43,000 vehicles passing the site on a daily basis. Randall Road is one of the busiest retail thoroughfares in the Chicago metropolitan area and provides the center with outstanding access to and from the area’s transportation infrastructure.

**Excellent Physical Attributes** – The center features new 2007 high-quality construction that mimics a “lifestyle center” design including monument reflection pools at the entryway, extensive common area landscaping, and enhanced facades on the tenant storefronts. The new construction of the center will mitigate capital expenditures over the holding period.

Return on Investment	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Effective Gross Revenue	2,386,904	2,406,876	2,401,386	2,433,134	2,468,685	2,569,458	2,617,359	2,644,238	2,679,658	2,736,395
Total Operating Expenses	688,215	706,566	725,647	745,602	766,284	790,477	812,876	834,939	858,010	882,689
Net Operating Income	1,698,689	1,700,310	1,675,739	1,687,532	1,702,401	1,778,981	1,804,483	1,809,299	1,821,648	1,853,706
Debt Service	940,889	940,889	940,889	1,126,565	1,126,566	1,126,566	1,126,566	1,126,566	1,126,566	1,126,566
Cash Flow After Debt Service	\$757,800	\$759,421	\$734,850	\$560,967	\$575,835	\$652,415	\$677,917	\$682,733	\$695,082	\$727,140

TIC Equity	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Cash on Cash Return on Investment	7.94%	7.96%	7.70%	5.88%	6.04%	6.84%	7.11%	7.16%	7.29%	7.62%
Principal Reduction of Loan	0.00%	0.00%	0.00%	2.14%	2.26%	2.40%	2.54%	2.69%	2.85%	3.02%
<b>Total Cash on Cash Return on Investment</b>	<b>7.94%</b>	<b>7.96%</b>	<b>7.70%</b>	<b>8.02%</b>	<b>8.30%</b>	<b>9.24%</b>	<b>9.65%</b>	<b>9.85%</b>	<b>10.14%</b>	<b>10.65%</b>
Projected Capitalization Rate on Sale	7.00%		Average Annualized Yield			8.64%				
Cumulative Yield	86.45%		Estimated 10 year IRR			8.21				

Information about the property contained in this material is provided solely for the use of participating broker-dealers and accredited investors who have been pre-qualified to receive offering materials with respect to this investment opportunity. Any unauthorized reproduction of this information is strictly prohibited. This is neither an offer to sell nor a solicitation of an offer to buy any security. Any such offer can only be made by the Confidential Private Placement Memorandum and all exhibits, attachments and supplements thereto (“PPM”), and the securities may be sold only by participating broker-dealers who are licensed to do so. This investment opportunity has not been registered under the Securities Act of 1933 and is being offered pursuant to an exemption therefrom and from applicable state securities laws. Please read the PPM carefully before you request to participate in this investment opportunity. There is no assurance that the investment objectives of this program will be attained. Past performance is no guarantee of future results. All information is subject to change. Consult the PPM for investment conditions, risk factors, minimum requirements, fees and expenses and other pertinent information with respect to this investment.