

## THE SHOPS AT PINEDA RIDGE

5000 N. WICKHAM ROAD • MELBOURNE, FL 32940



The Shops at Pineda Ridge is located on the northeast corner of Wickham Road and Constellation Drive in Melbourne, Florida. The property was completed in 2006 and features attractive architecture and landscaping. This property is a two-building retail strip center, shadow-anchored by The Home Depot. It is currently 95% occupied and leased to a mix of local and national tenants including Cingular Wireless, Batteries Plus and CitiFinancial.



- Most leases have fixed rental increases and pay percentage rent
- Non-Recourse Financing
- Year One Projected Cash-On-Cash Return: 7.41%
- Average Daily Traffic Counts are 37,050
- 400 Feet of Frontage on Wickham Road
- 3.85 Total Acres
- Shadow-Anchored by The Home Depot

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## ANNUAL PROPERTY OPERATING DATA

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#### PROPERTY INFORMATION

• Property Type:	Retail
• Buildings:	Two
• Year Completed:	2005
• Approximate Rentable Square Footage:	29,906
• Current Occupancy:	95%
• Number of Tenants:	12
• Pro-Forma Analysis Year:	Oct 2008 - Sept 2009

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#### ANNUALIZED OPERATING PROPERTY DATA

• GROSS POTENTIAL RENTAL REVENUE:	\$680,409
• Expense Recoveries:	\$229,028
• Average Annual Vacancy:	(\$45,472)
• Effective Gross Revenue:	\$863,965
• Operating Expenses:	(\$229,028)
• NET OPERATING INCOME:	\$634,937
• Mortgage Payments:	(\$335,920)
• PRE-TAX CASH FLOW:	\$299,017

#### ESTIMATED ANNUAL PROPERTY OPERATING EXPENSES

• Common Area Maintenance:	\$37,469
• Real Estate Taxes:	\$120,583
• Management (3.5%):	\$30,588
• Insurance:	\$30,500
• TOTAL OPERATING EXPENSES:	\$229,028

#### INVESTMENT SUMMARY

• PURCHASE PRICE:	\$8,500,000
• Estimated Down Payment (30%):	\$2,975,000
• Price Per Square Foot (on Purchase Price):	\$284.22
• Avg. Monthly Expenses / SF (Proj. 2007):	\$0.64
• Avg. Base Monthly Rent / SF (Year 1):	\$1.90

#### ESTIMATED FINANCING - NEW FIRST MORTGAGE

• New Loan Amount:	\$5,525,000
• Loan-to-Value:	65.0%
• Interest Rate:	6.08%
• Loan Term (Months):	360
• Interest-Only Period (Months):	36
• Annual Loan Payment (Year 1):	\$335,920

#### ESTIMATED REQUIRED EQUITY

• Estimated Down Payment:	\$2,975,000
• Sponsor Fee:	\$200,000
• Buyer's Representation:	\$201,705
• Legal Fees (Lender's rep, TIC / LLC docs, Opinion, etc.):	\$70,000
• Loan Fees (Points, Processing):	\$110,500
• Title, Escrow, Closing Third Party Reports:	\$62,500
• Property Tax / Insurance:	\$90,792
• Reserves (CapEx, TI, Leasing, Cash):	\$263,463

TOTAL ESTIMATED EQUITY REQUIRED	\$4,034,096
ESTIMATED YEAR 1 PRE-TAX CASH FLOW	\$299,017
ESTIMATED YEAR 1 CASH-ON-CASH RETURN	7.41%
Minimum Equity Purchase:	\$200,000
151 T.I.C. Units:	\$25,000

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# Retail Property Co-Ownership Opportunity

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### 10-YEAR PRO-FORMA CASH FLOW

Year 1: October 2008 - September 2009

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Revenue</b>										
Gross Potential Rental Revenue	\$680,409	\$689,296	\$697,642	\$696,409	\$708,707	\$738,760	\$766,103	\$785,440	\$831,794	\$869,166
Expense Recoveries	229,028	235,574	242,293	248,836	255,890	263,660	271,733	279,789	288,749	297,720
Less Vacancy <sup>(1)</sup>	(45,472)	(46,244)	(46,997)	(47,262)	(48,230)	(50,121)	(51,892)	(53,261)	(56,027)	(58,344)
<b>Effective Net Revenue</b>	<b>\$863,965</b>	<b>\$878,627</b>	<b>\$892,938</b>	<b>\$897,983</b>	<b>\$916,367</b>	<b>\$952,299</b>	<b>\$985,944</b>	<b>\$1,011,968</b>	<b>\$1,064,516</b>	<b>\$1,108,542</b>
<b>Total Operating Expenses</b>	<b>(229,028)</b>	<b>(235,574)</b>	<b>(242,293)</b>	<b>(248,836)</b>	<b>(255,890)</b>	<b>(263,660)</b>	<b>(271,733)</b>	<b>(279,789)</b>	<b>(288,749)</b>	<b>(297,720)</b>
<b>NET OPERATING INCOME</b>	<b>\$634,937</b>	<b>\$643,053</b>	<b>\$650,645</b>	<b>\$649,147</b>	<b>\$660,477</b>	<b>\$688,639</b>	<b>\$714,211</b>	<b>\$732,179</b>	<b>\$775,767</b>	<b>\$810,822</b>
<b>Annual Debt Service - Interest-only</b>	<b>(335,920)</b>	<b>(335,920)</b>	<b>(335,920)</b>	<b>(372,938)</b>	<b>(372,938)</b>	<b>(372,938)</b>	<b>(372,938)</b>	<b>(372,938)</b>	<b>(372,938)</b>	<b>(372,938)</b>
<b>PRE-TAX CASH FLOW <sup>(2)</sup></b>	<b>\$299,017</b>	<b>\$307,133</b>	<b>\$314,725</b>	<b>\$282,902</b>	<b>\$298,586</b>	<b>\$327,070</b>	<b>\$352,981</b>	<b>\$371,301</b>	<b>\$415,250</b>	<b>\$450,677</b>
<b>Annual Cash-on-Cash Return <sup>(3)</sup></b>	<b>7.41%</b>	<b>7.61%</b>	<b>7.80%</b>	<b>7.01%</b>	<b>7.40%</b>	<b>8.11%</b>	<b>8.75%</b>	<b>9.20%</b>	<b>10.29%</b>	<b>11.17%</b>

**Notes**

<sup>(1)</sup> Vacancy calculation is 5% of gross receipts.

<sup>(2)</sup> Debt refinance in Year Four assumes a 6.75% interest-only rate.

<sup>(3)</sup> Cash Flow projections based on currently available data.

All financial information contained in this brochure is based on assumptions of future performance. The actual performance of the property is subject to uncertainties and contingencies of future events, and no assurance can be given that the operation of the property will generate those returns to the purchasers during the periods provided in this brochure. Actual results will likely vary from the information provided in this brochure, and the variance may be significant. Any increase in actual expenses above estimates or decrease in income below estimates, will reduce the expected returns realized by purchasers from the purchase of the property.

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RENT ROLL										
TENANT NAME	BUILDING/ SUITE	SQ. FT. RENTABLE	LEASE START	LEASE END	BASE RENT PER SF		BASE RENT		% RENT	LEASE POINTS
					MONTHLY	ANNUALLY	MONTHLY	ANNUALLY		
Express Fitness	A/1-4	5,944	JAN-07	JAN-14	\$1.88	\$22.50	\$11,145.00	\$133,740	-	
Wild Rootz Hair	A/5	1,505	MAY-07	MAY-12	\$1.92	\$23.00	\$2,885.00	\$34,620	5%	Rent bumps by highest % rent collected in previous 3 years in June 2010
Batteries Plus	A/6	1,505	NOV-07	OCT-12	\$1.92	\$23.00	\$2,885.00	\$34,620	3%	
Monte Carlo Arcade	A/7-9	4,519	MAY-07	MAY-13	\$2.03	\$24.32	\$9,158.00	\$109,896	3%	Rent bumps by highest % rent collected in previous 3 years in June 2010
Young Chefs	A/10	1,505	DEC-06	DEC-11	\$1.97	\$23.69	\$2,971.00	\$35,652	-	3% annual rent bumps
Fujiyama Seafood & Steak	A/11-14	7,275	JAN-07	JAN-17	\$1.58	\$19.00	\$11,519.00	\$138,228	4%	Rent bumps biannually by approx. 5%
Indian River Coffee	B/1	1,432	JAN-07	JAN-17	\$2.01	\$24.15	\$2,882.00	\$34,584	4%	Rent bumps 4% in Feb. 2010 & 2014
Pineda Florist	B/2	1,121	NOV-06	NOV-11	\$2.08	\$25.00	\$2,335.00	\$28,020	3%	Rent bumps 4% in Dec. 2009
CitiFinancial	B/3	1,200	NOV-06	NOV-11	\$2.08	\$25.00	\$2,500.00	\$30,000	-	
Diamond Nails	B/4	1,200	DEC-06	DEC-11	\$2.08	\$25.00	\$2,500.00	\$30,000	5%	Rent bumps 4% in Jan 2010
Cingular Wireless	B/5	1,200	NOV-06	NOV-11	\$2.04	\$24.50	\$2,450.00	\$29,400	5%	Rent bumps 6% in Dec. 2009
Available	B/6	1,500			\$2.00	\$24.00	\$3,000.00	\$36,000	-	
		<b>29,906</b>			<b>\$1.88</b>	<b>\$22.56</b>	<b>\$56,230</b>	<b>\$674,760</b>		

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