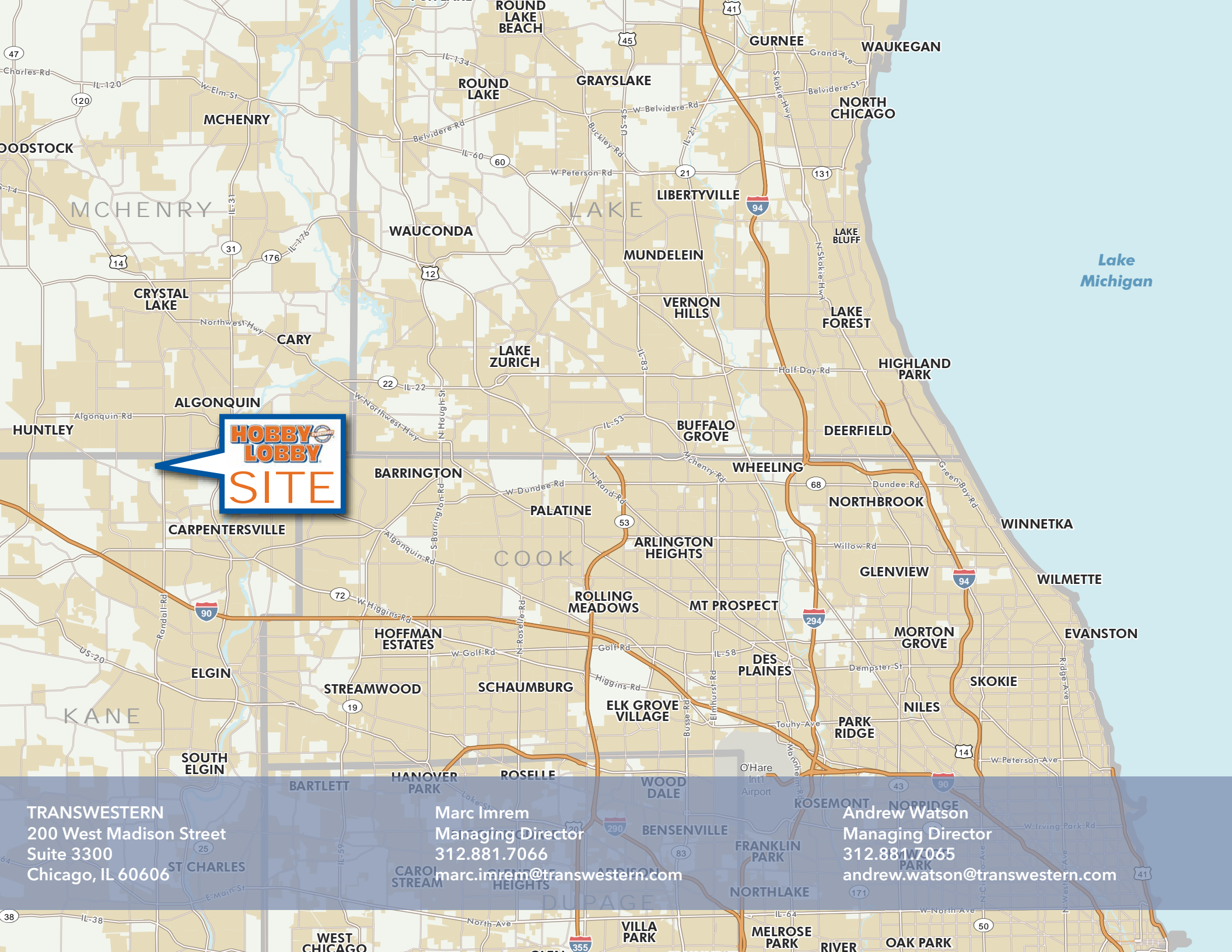


LONG TERM NET LEASED RETAIL PROPERTY FOR SALE

HOBBY LOBBY

2360 S. Randall Road | Algonquin, IL





CONFIDENTIALITY & CONDITIONS

Transwestern (the “Agent”) has been engaged as the exclusive agent for the sale of 2360 South Randall Road in Algonquin, Illinois (the “Property”), by the Owner (the “Seller”).

The Property is being offered for sale in an “as-is, where-is” condition and the Seller and the Agent make no representations or warranties as to the accuracy of the information contained in this information package. The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective Purchasers of the interest described herein. Neither the enclosed materials, nor any information contained herein, are to be used for any other purpose, or made available to any other person without the express written consent of the Seller. Each recipient, as a prerequisite to receiving the enclosed information, should be registered with Transwestern as a “Registered Potential Investor” or as “Buyer’s Agent” for an identified “Registered Potential Investor”. The use of this Offering Memorandum and the information provided herein is subject to the terms, provisions and limitations of the confidentiality agreement furnished by the Agent prior to delivery of this information package.

The enclosed materials are being provided solely to facilitate the prospective investor’s own due diligence for which it shall be fully and solely responsible. The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by the Agent or the Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners or directors, as to the accuracy or completeness of the information contained herein. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Agent nor the Seller shall have any liability whatsoever for the accuracy or completeness of the information contained herein, or any other written or oral communications, or information transmitted, or made available, or any action taken, or decision made by the recipient with respect to the Property. Interested parties are to make their investigations, projections and conclusions without reliance upon the material contained herein.

The Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from being marketed for sale at any time and for any reason. The Seller and the

Agent each expressly reserve the right, at their sole and absolute discretion, to reject any and all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time, with or without notice. This Offering Memorandum is made subject to omissions, corrections or errors, change of price or other terms and prior sale or withdrawal from the market without notice. The Agent is not authorized to make any representations or agreements on behalf of the Seller. The Seller shall have no legal commitment or obligation to any interested party reviewing the enclosed materials, performing additional investigation and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered and approved by the Seller and any conditions to the Seller’s obligations there under have been satisfied or waived.

By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents are of a highly confidential nature and will be held and treated in the strictest confidence and shall be returned to the Agent or the Seller promptly upon request; and (b) the recipient shall not contact employees or tenants of the Property directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Seller or the Agent; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of the Seller or the Agent or as otherwise provided in the Confidentiality and/or Registration Agreement executed and delivered by the recipient(s) to Transwestern.

The Seller will be responsible for any commission due the Agent in connection with a sale of the Property. Each prospective purchaser will be responsible for any claims for commissions by any other broker or agent in connection with a sale of the Property if such claims arise from acts of such prospective purchaser or its broker/agent. Any Buyer’s Agent must provide a registration signed by the prospective investor acknowledging said agent’s authority to act on its behalf.

ENVIRONMENTAL MATTERS

All parties to real estate transactions should be aware of the health liability and economic impact of environmental factors on real estate. Agent does not conduct investigations or analysis of environmental matters, and accordingly, urges its clients to retain qualified environmental professionals to determine whether hazardous or toxic wastes or substances (such as asbestos, PCBs and other contaminant or petrol-chemical products stored in underground tanks)

or other undesirable materials or conditions are present in the Property, and if so, whether any health danger or other liability exists. Such substances may have been used in the construction or operation of the buildings or may be present as a result of the previous activities at a Property. Depending upon past, current and proposed uses of the Property, it may be prudent to retain an environmental expert to conduct a site investigation and/or building inspection.

Various federal, state and local authorities have enacted laws and regulations dealing with the use, storage, handling, removal, transport and disposal of toxic or hazardous wastes and substances. If hazardous or toxic substances exist or are contemplated to be used at a Property, special governmental approvals or permits may be required. In addition, the cost of removal and disposal of such materials may be substantial. Consequently, legal counsel and technical experts should be consulted where these substances are or may be present. Agent makes no representation and assumes no obligation regarding the presence or absence of toxic or hazardous waste or substances or other undesirable materials on or about any Property ultimately sold. It is solely the responsibility of the potential investor to conduct investigations to determine the presence of such materials.

RADON GAS

Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities may present health risks to persons who are exposed to it over time. Additional information regarding radon and radon testing may be obtained from your county public health unit.

THE AMERICANS WITH DISABILITY ACT

The Americans with Disabilities Act is intended to make many business establishments equally accessible to persons with a variety of disabilities; modifications to real Property may be required. State and local laws also may mandate changes. Agent is not qualified to advise you as to what, if any, changes may be required now, or in the future. Prospective investors should consult their attorneys and qualified design professionals for information regarding these matters.

LEGAL & TAX MATTERS

With respect to legal or tax issues pertaining to the acquisition and/or ownership of the Property, Agent is not qualified to provide advice on such matters. Prospective purchasers should consult with their advisors on these and other related matters. The recipient of this Offering Memorandum shall not rely on any information contained herein with respect to these or any other matters. The Seller and the Agent make no representation or warranties on any such matters.

Executive Summary

Transwestern is pleased to offer for sale to qualified investors a long-term net leased property in Algonquin, IL. The fee simple offering is 100 percent leased to Hobby Lobby.



The lease commenced in August of 2012 and has a 15-year primary term, with three five-year tenant options to extend. Rent increases fifty cents per square foot every five years during the primary term as well as the option periods.

The subject property is located on the southwest corner of Randall Road and Corporate Parkway. Over 43,700 cars pass the property daily. The area has a three-mile average household income of \$116,896 and a five-mile population of over 147,194 people.

Developed in 2012, the property consists of three acres of land improved with a 55,161 SF Hobby Lobby store. The duration of the corporate guaranteed lease, strong market co-tenancy, high barriers to entry and high traffic counts make this property a solid long-term investment.

Hobby Lobby is a leader in the arts and crafts industry. The company currently has over 600 locations across the nation that average 55,000 square feet and stock more than 67,000 crafting and home décor products. With over \$3 Billion in revenue, steady growth and no long term debt, Hobby Lobby has excellent financial fundamentals and is consistently included in Forbes list of America's Largest Private Companies.

INVESTMENT HIGHLIGHTS	
Tenant	Hobby Lobby
Address	2360 S. Randall Road Algonquin, IL
Building Size	55,161 SF
Land Size	3 Acres
Current Rent	\$413,707
Remaining Lease Term	12 Years
Existing Debt	N/A
Interest	Fee Simple
Asking Price	\$6,727,000
Asking Cap Rate	6.15%



LEASE ABSTRACT

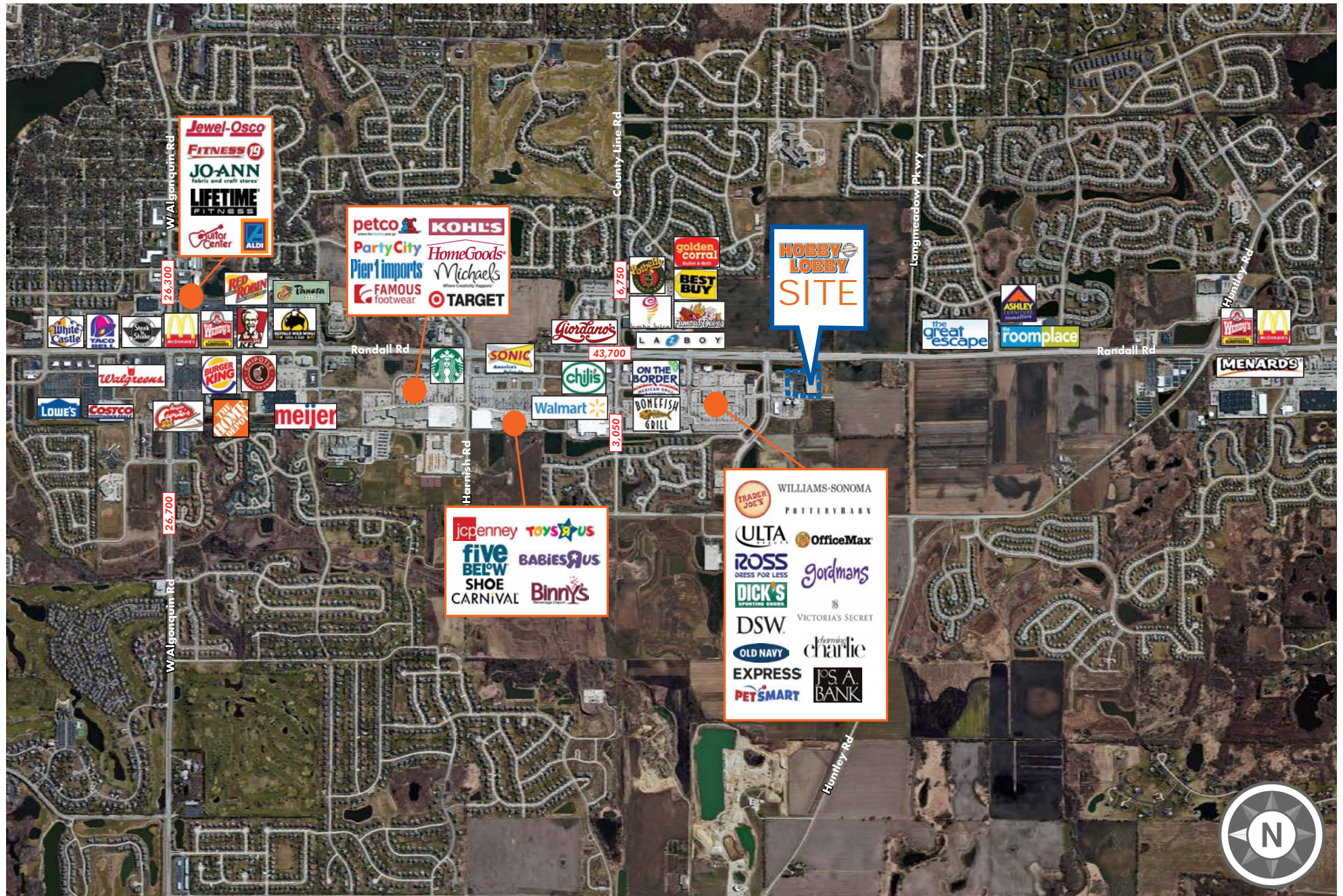
Lease Type	NNN (Limited Landlord Responsibilities)	
Primary Lease Term	15 Years	
Lease Commencement	8/13/2012	
Lease Expiration	8/31/2027	
Current Annual Rent	\$413,707	
Landlord Responsibility	Exterior of premises including paint, structure, exterior walls, roof and utilities located outside the premises	
Renewal Options	Three 5-Year	
Rent Increases	\$0.50/SF every five years	
Lease Year Rent Schedule	6-10	\$441,288
	11-15	\$468,868
	16-20	\$496,449 (Option 1)
	21-25	\$524,029 (Option 2)
	26-30	\$551,610 (Option 3)



Intersection Aerial



Market Aerial



Tenant Overview

Hobby Lobby is a privately held chain of arts and crafts stores based in Oklahoma City, Oklahoma. Formally an outgrowth of Greco Products, a picture framing company founded by David Green in 1970, Hobby Lobby is now a leader in the arts and crafts industry.

The company currently has over 600 across the nation that average 55,000 square feet and stock more than 67,000 crafting and home décor products. With over \$3 Billion in revenue, steady growth and no long term debt, Hobby Lobby has excellent financial fundamentals and is consistently included on Forbes list of America's Largest Private Companies.

Hobby Lobby is a retailer that is unique in this day and age because it is one of the few big boxes still growing aggressively across the country. The retailer's commitment to its customers, its privately held status, and its dependency on disposable income make its success an even more fascinating story. With over 600 stores, it's a retailer that doesn't want to stop growing, and one with a bigger mission in mind.

TENANT OVERVIEW	
Tenant	Hobby Lobby
Lease Guarantor	Hobby Lobby Stores, Inc. (Corporate)
Ownership	Private
Number of Employees	23,000 (2014)
Number of Locations	600+ (2015)
Revenue	\$3.3 Billion (2013)
Headquarters	Oklahoma City, OK
Website	www.hobbylobby.com



Location Overview

Algonquin, IL

The Village of Algonquin, Illinois is a growing community located in Kane and McHenry Counties, about 40 miles northwest of Chicago. The 2010 Census placed the village's population at 30,046, growing considerably from the 2000 Census figure of 23,276.

The village is known as "The Gem of the Fox River Valley", since its downtown is nestled in the heart of Illinois' Fox River Valley. Established in 1890 and long known as a small river community, the village is making the transition into a major regional hub, as it has experienced considerable suburban growth over the past 20 years. Now stretching all the way west to the busy Randall Road corridor, Algonquin has become a major center of retail activity, with popular shopping centers, various well known restaurants, and a growing corporate campus.

As a result of successful growth, the Village of Algonquin was able to increase its commercial tax base, build great neighborhoods, preserve its character and history, as well as substantially improving its recreational offerings and quality of life for its residents and visitors.

Surrounding Area

The property is located on the south end of the bustling Randall Road corridor. Immediately north of the subject property is Algonquin Commons, a 500,000 square foot lifestyle center home to many national retailers and restaurants including Dick's Sporting Goods, Trader Joe's, DSW, Old Navy, Williams Sonoma, Pottery Barn, On the Border and Bonefish Grill. Many other major retailers are represented in this corridor including Wal-mart, Home Depot, Costco, Target, Kohl's, Meijer, Walgreens, Lifetime Fitness, Michael's, JC Penny and dozens more. The Randall Road corridor represents a one stop shopping experience for Algonquin and many of the other surrounding communities.

LOCATION OVERVIEW

City	Algonquin
State	Illinois
Metro Area	Chicago MSA
Population	9,537,289



Metro Area Overview

The Chicago Metropolitan Area consists of Cook, DuPage, Kane, Lake, and Will counties and has a population of over 9.5 million residents. The area is host to several Fortune 1000 companies, is known for being a major global financial center and is home to the CME group, one of the largest futures exchange in the world. The area is a major transportation hub in the United States with major interstates connecting Chicago to its outlying suburbs, an extensive public transportation system including commuter rail service, and two of the world's busiest airports.



Demographic Report

POPULATION			
	0 - 1 miles	0 - 3 miles	0 - 5 miles
2014 Estimated Population	5,569	44,817	147,194
2019 Projected Population	5,582	45,099	149,832
2010 Census Population	5,519	43,977	145,647
2000 Census Population	3,634	34,254	111,823

HOUSEHOLDS			
	0 - 1 miles	0 - 3 miles	0 - 5 miles
2014 Estimated Households	1,856	15,149	48,338
2019 Projected Households	1,856	15,258	49,220
2010 Census Households	1,855	14,905	47,916
2000 Census Households	1,200	11,524	36,517
2014 Estimated Average Household Size	3.0	3.0	3.0

2012 ESTIMATED HOUSEHOLD INCOME			
	0 - 1 miles	0 - 3 miles	0 - 5 miles
2014 Estimated Median Household Income	\$102,278	\$92,828	\$83,414
2014 Estimated Average Household Income	\$126,844	\$116,896	\$103,744
2014 Estimated Per Capita Income	\$41,946	\$39,237	\$34,085
2014 Estimated Median Age	36.1	37.4	35.2



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