

WHOLE FOODS

M A R K E T[®]

LAKEVIEW/HALSTED



JLL

Offering Memorandum

GENERATIONAL INVESTMENT OPPORTUNITY IN
CHICAGO'S VIBRANT LAKEVIEW NEIGHBORHOOD

CONTACT INFORMATION

JLL CAPITAL MARKETS

150 North Riverside Plaza | Suite 2500
Chicago, IL 60606
Telephone: 312.528.3650
Fax: 312.528.3651

PRIMARY SALES CONTACTS

ALEX SHARRIN

Managing Director
773.320.2558
alex.sharrin@am.jll.com

BRIAN SHANFELD

Senior Managing Director
847.370.7044
brian.shanfeld@am.jll.com

JASON DEWITT

Managing Director
312.228.3763
jason.dewitt@am.jll.com

ALEX GEANAKOS

Director
312.228.3866
alex.geanakos@am.jll.com

DEBT FINANCING CONTACT

CHRISTOPHER KNIGHT

Senior Director
312.980.3603
christopher.knight@am.jll.com

RETAIL ADVISORY

CLINTON MITCHELL

Managing Director
312.980.3619
clinton.mitchell@am.jll.com

AMY SANDS

Managing Director
312.980.3613
amy.sands@am.jll.com

TRANSACTION MANAGEMENT

JACK SULLIVAN

Associate
312.228.3765
jack.sullivan@am.jll.com

MOHSIN MIRZA

Associate
312.228.2867
mohsin.mirza@am.jll.com

DISCLAIMER

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THE OFFERING

JLL is pleased to offer for sale the leasehold interest in a single tenant, Whole Foods Market (the “Property” or “Whole Foods Lakeview”) located in Chicago’s premier neighborhood, Lakeview. The Property is subject to a net lease to Whole Foods Market (S&P: A+) (the “Tenant” or “Company”), the United States’ #1 specialty grocer. Set amidst a dense and urban infill population center, the Property encompasses prime and irreplaceable real estate. Positioned just four miles north of Chicago’s CBD along Halsted Street, North Chicago’s primary north-south arterial connecting to Fulton Market, the 45,505 square foot Property benefits from its ideal position near Wrigleyville and a dense surrounding population base.

INVESTMENT OVERVIEW

LOCATION	3640 N Halsted Street, Chicago, IL
TENANT (CREDIT)	Whole Foods Market, Inc. (S&P: A+)
YEAR BUILT	2007
OWNERSHIP	Leasehold Interest
BUILDING SIZE	45,505 SF
SITE SIZE	1.02 acres
LEASE EXPIRATION	6/30/32
TERM REMAINING ⁽¹⁾	11 years
ESCALATIONS	12% every 5 years
RENEWAL OPTIONS	Five, five-year options
GROUND LEASE TERM REMAINING	85 years
PARKING	163 exclusive spaces

⁽¹⁾ Analytic start date 8/1/2021

Investment Highlights

GENERATIONAL INVESTMENT OPPORTUNITY

The Offering presents the rare opportunity to acquire an urban infill grocery store located within Chicago's vibrant Lakeview neighborhood, allowing future ownership unprecedented scale in the supply constrained submarket. A new investor will be well positioned to enjoy significant rental revenue and asset appreciation which is supported by the Property's premier location in one of Chicago's most desirable residential neighborhoods, exceptional surrounding amenities and close proximity to the Chicago CBD.

INDUSTRY DOMINANT TENANCY IN WHOLE FOODS MARKET (S&P: A+)

Whole Foods Market (S&P: A+) is the #1 specialty grocer in the United States. Based in Austin, Texas, the leading specialty grocery has grown to more than 500 stores and has innovated the grocery industry through its organic offerings. Acquired by Amazon in 2017, Whole Foods Market has benefitted from its Parent's ecommerce global dominance, as the Company is fully integrated within Amazon's offerings and has seen a strong uptick in online ordering and curbside pickup as a result of COVID-19. Whole Foods Market's high investment grade rating coupled with its implicit support from Amazon and strong brand identity with loyal customer base provides a new investor with one of retail's most coveted credit.



PREMIER ACCESSIBILITY & LOCATION NEAR WRIGLEYVILLE

Located at the intersection of Waveland Avenue and Halsted Street, the Property is the closest grocery store to Wrigley Field and serves as Wrigleyville's primary organic grocer. The Property's convenient access to Chicago's busiest "L" line, coupled with its location along one of Chicago's primary north-south arterials connecting to Fulton Market, the Property boasts convenient access for its 85,000 residents located within a one-mile radius.

85,000

RESIDENTS WITHIN
1-MILE RADIUS

\$124,800

AVERAGE HH INCOME WITHIN
1-MILE RADIUS

2.6MM

ENTRIES AT ADDISON
RED LINE STOP DURING 2020

**Subject
Property**

OPTIMAL NET LEASE STRUCTURE

The Property is 100% net leased to Whole Foods Market with 11 years of primary term remaining. The lease is subject to 12% increases every five years and the Tenant has five, five-year options to renew. The Property is subject to a ground lease that has been prepaid through Whole Foods Market's primary term expiration. The 99-year ground lease has 85 years of total remaining control, providing comfort for a new investor with the ability to control the Property well into the future.

VIBRANT INFILL CHICAGO SUBMARKET

Situated four miles due north of the Chicago CBD, Lakeview is Chicago's largest neighborhood, comprised of an exceptional population base of 100,000 residents ranging from young professionals to families. Offering a neighborhood feel unmatched by proximate neighborhoods, Lakeview appeals to families and individuals seeking high quality of life and quick access to downtown. Cut into smaller corridors including Wrigleyville, Sheridan, Boystown and more, Lakeview has deep roots dating back to the mid-1800's and has stood the test of time as Chicago's most sought-after submarket.



Lakeview Snapshot

100,000

POPULATION

\$135,000

AVERAGE HOUSEHOLD
INCOME

24,000

HOUSING
UNITS

60%

WITH BACHELOR'S
DEGREE

32

MEDIAN AGE
(Reflecting young professionals & families
in their prime spending years)

Booming

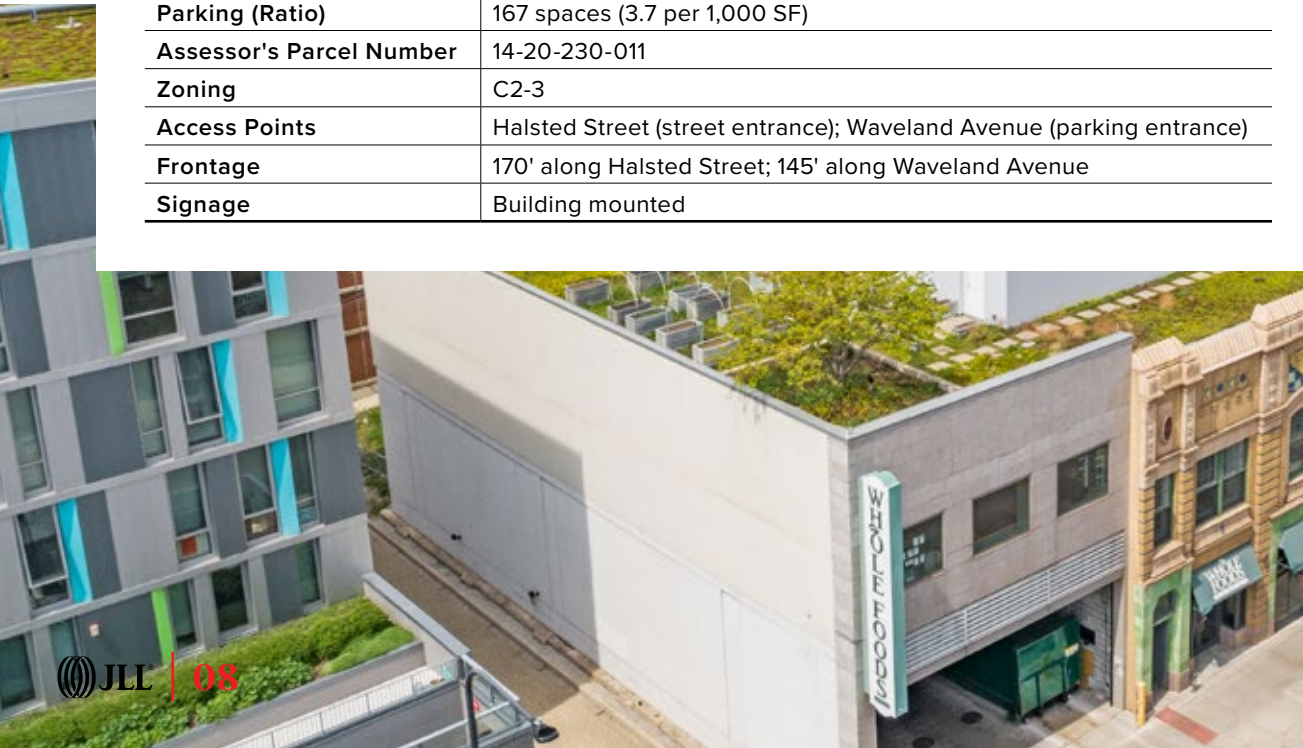
WRIGLEYVILLE
DEVELOPMENT

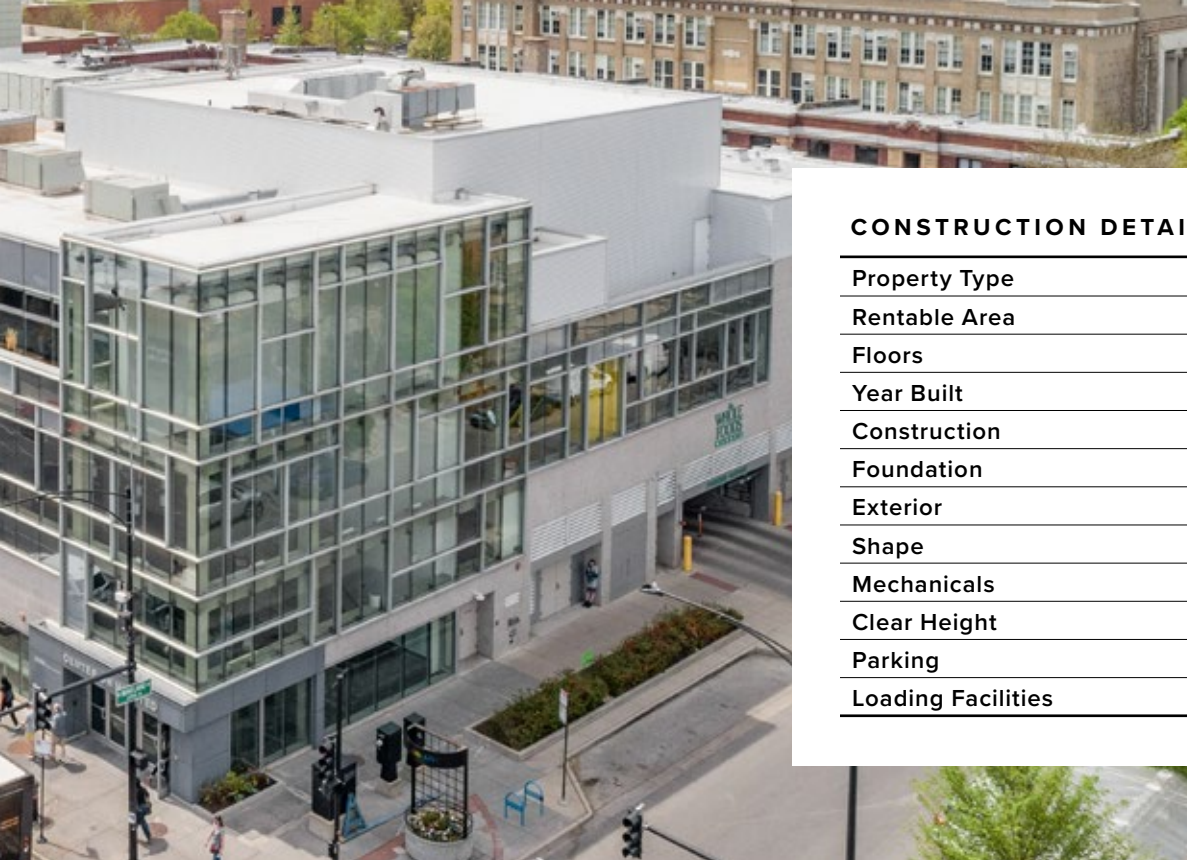
PROPERTY OVERVIEW

Situated at the signalized intersection of Halsted Street and Waveland Avenue, featuring traffic counts nearing 12,000 daily vehicles, the subject site offers significant intrinsic real estate value and unprecedented scale for the Lakeview submarket. The site has irreplaceable and valuable transit-oriented characteristics seeing as the Property is just 1.5 blocks from the Addison Red Line Station and is located across from three CTA bus stops (8, 36, and 152).

SITE DESCRIPTION

Address	3640 N Halsted Street, Chicago, IL
Site Area	1.03 acres (44,897 SF)
Improvements	One story, mezzanine and partial two-story grocery store
Parking (Ratio)	167 spaces (3.7 per 1,000 SF)
Assessor's Parcel Number	14-20-230-011
Zoning	C2-3
Access Points	Halsted Street (street entrance); Waveland Avenue (parking entrance)
Frontage	170' along Halsted Street; 145' along Waveland Avenue
Signage	Building mounted





CONSTRUCTION DETAIL

Property Type	Retail
Rentable Area	45,505 SF
Floors	2
Year Built	2007
Construction	Concrete
Foundation	Poured concrete slab
Exterior	Brick veneer and pre-faced concrete masonry; terra cotta façade
Shape	Rectangular
Mechanicals	Rooftop-mounted, packaged, electric and gas, HVAC units
Clear Height	Warehouse: ±22'
Parking	Two-level, first floor and basement concrete parking structure
Loading Facilities	2 dock doors

Center On Halsted

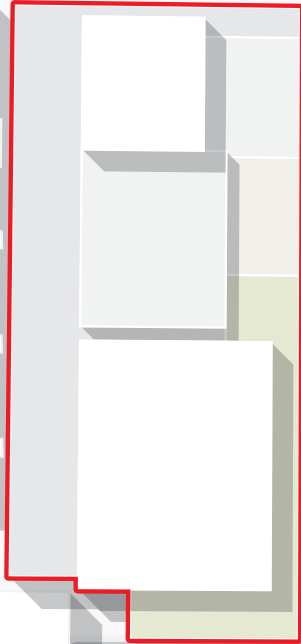
Located within the Whole Foods Property on the north end of the building is Center on Halsted, the Midwest's most comprehensive community center dedicated to advancing community and securing the health and well-being of the LGBTQ people of Chicagoland. More than 1,000 community members visit the center daily, participating in programs and services ranging from volleyball, dance performances and cooking classes, to group therapy and vocational training. Center on Halsted also serves as an incubator for a number of smaller LGBTQ non-profit organizations, providing operational support, space and resources for companies that seek assistance. The Center on Halsted and Whole Foods Market share a lobby with seating, which is accessible via a secondary customer entrance for Whole Foods at the northeast corner of the building.

Abundant Parking (167 Spaces)

Crucial to the success of downtown grocery stores, the site boasts 167 covered parking spaces providing convenient access to driving customers. The parking spaces are exclusively for Whole Foods customers. With the high concentration of young families in the immediate area, the abundance of spaces will undoubtedly continue to draw Whole Foods target demographic profile.

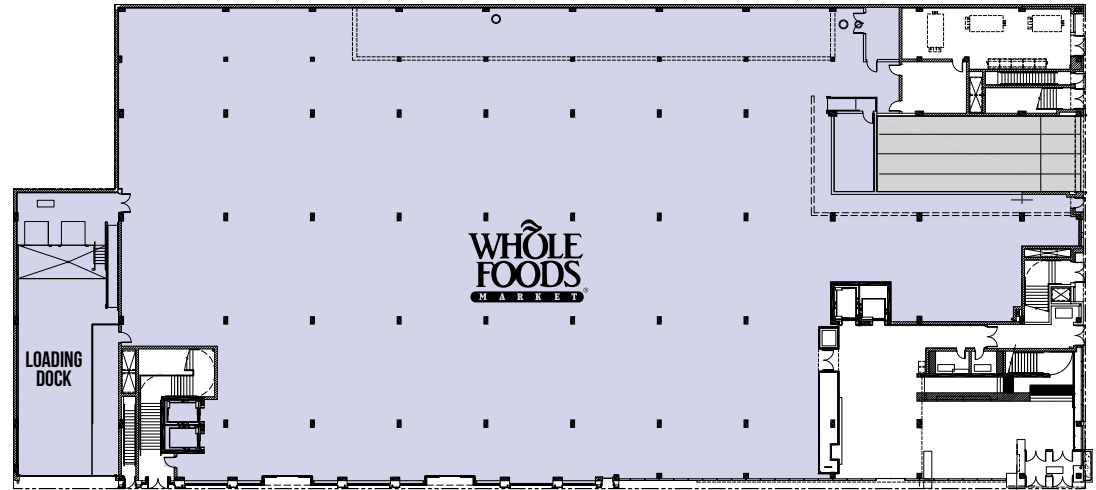
WAVELAND AVENUE

HALSTED STREET

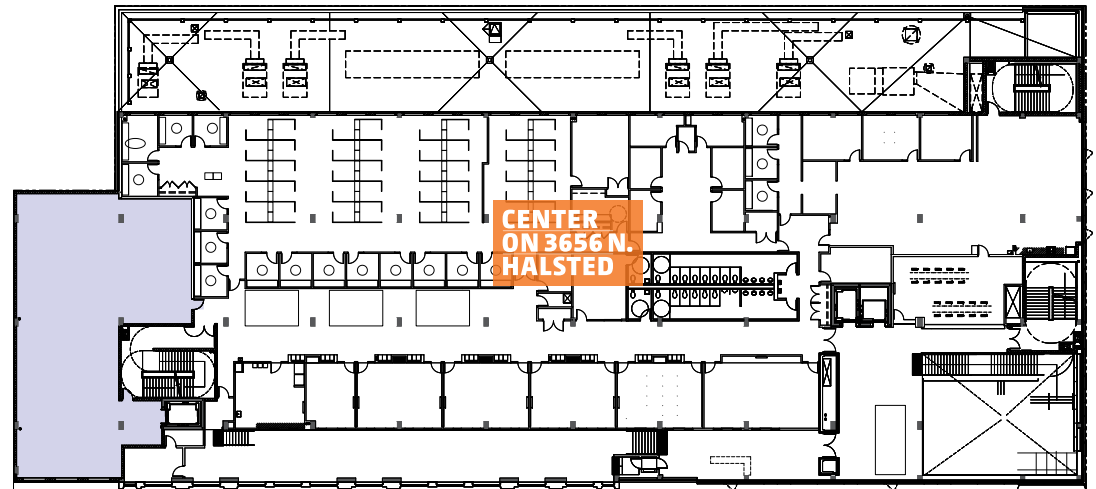


ADDISON STREET

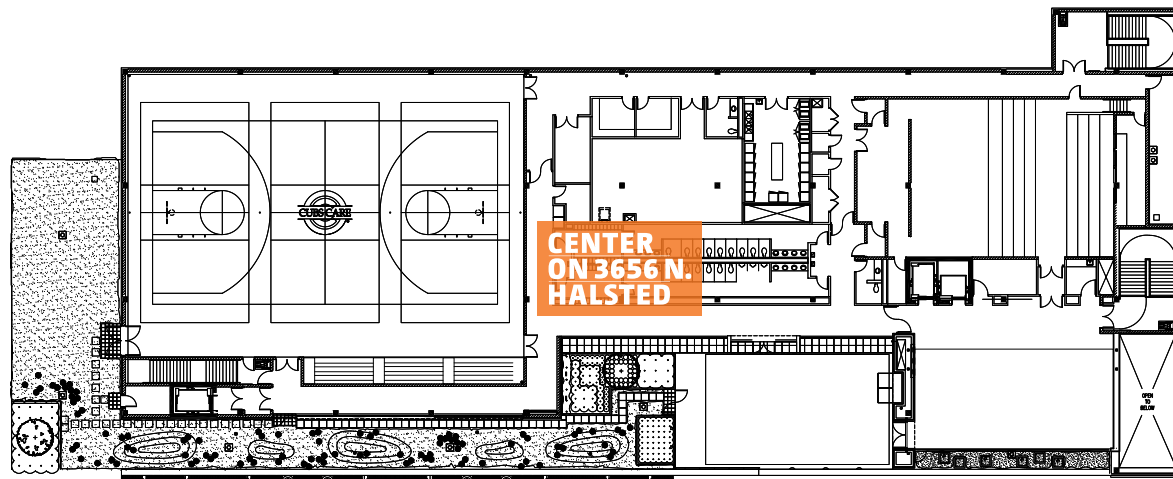
FIRST FLOOR



SECOND FLOOR



THIRD FLOOR



Breakdown for the Premises

Ground Floor: 35,059 SF

Ground Floor Mezz: 3,637 SF

Second Floor: 3,931 SF

Loading Dock: 2,878 SF

Total = 45,505 SF



TENANT OVERVIEW

Whole Foods Market, Inc. Overview

Whole Foods Market (“Whole Foods”, the “Tenant” or the “Company”) is the leading natural and organic foods supermarket, the first “Certified Organic” grocer and uniquely positioned as America’s Healthiest Grocery Store™. From humble beginnings, the Company was founded in 1980 with its first location in Austin, Texas. Since then, the Company’s historic growth and popularity has resulted in 500+ store openings across the United States, United Kingdom and Canada and the Company was acquired by Amazon for \$13.7 billion in August of 2017. Operating as a wholly-owned operating subsidiary of Amazon, Whole Foods is the largest natural and organic foods supermarket in the U.S. and the 10th largest food retailer overall based on sales.

Whole Foods offers a broad and differentiated selection of high quality natural and organic products with a strong emphasis on perishable foods. The Company’s quality standards ban hundreds of ingredients commonly found in products sold by other retailers, as well as products grown by manufacturing, farming, fishing and ranching practices that “don’t measure up.” Despite an increasingly competitive grocery marketplace, Whole Foods has continued to stay in the forefront of health-consciousness. Consumers today, more than ever, are taking greater interest in what they eat, where it comes from and who is growing it, positioning Whole Foods for continued success.



A+ / Stable	CREDIT RATING / OUTLOOK S&P
1980	FOUNDED
HQ	550 BOWIE STREET / AUSTIN, TX
550+	STORE LOCATIONS
91,000	EMPLOYEES
\$16B	FY 2017 SALES
Amazon	PARENT



Highlights

DOMINANT ORGANIC SUPERMARKET CHAIN

Largest natural and organic grocery operator with 500+ stores across North America and the UK

Strong brand identity coupled with loyal customer base provides wide economic moat

Implicit credit support from parent Amazon (S&P: AA-), the largest global e-commerce company

UNPRECEDENTED DEMAND AMID COVID-19

High investment grade credit rating of 'A+' by S&P with stable outlook

Amazon's online grocery sales increased 3x year-over-year in 2Q2020

160%+ increase in delivery capacity during Q2 2020

WELL-POSITIONED IN POST COVID-19 WORLD

Implementation of grocery pickup in all stores as result of record uptick in online sales

Whole Foods to benefit from strong industry tailwinds and increasing consumer preference towards healthier lifestyle

Amazon's online grocery segment predicted to produce 3x merchandise volume in 2019 by 2023

EXTRAORDINARY DEMAND ACROSS GROCERY SECTOR

Robust EBITDA growth among many specialty and traditional operators amid COVID-19, including Amazon with 33% growth over LTM Feb 2021

14% increase in organic produce sales during 2020 (vs. 10% increase in conventional produce), as result of consumers seeking healthier options during COVID-19

Online grocery shopping tripled in first several months of COVID-19, accelerating secular shift to e-commerce

A+

INVESTMENT GRADE CREDIT RATING BY S&P

\$13.7B

ACQUISITION VALUE BY AMAZON IN 2017

No.1

LARGEST ORGANIC SUPERMARKET CHAIN

1/3

OF U.S. HOUSEHOLDS BUYING GROCERIES DIGITALLY AT SOME POINT SINCE THE BEGINNING OF MARCH 2020, AN INCREASE TO 10% YEAR-OVER-YEAR

WEST
RIDGE

ROGER'S
PARK

WRIGLEY FIELD

NORTH PARK

LINCOLN
SQUARE

EDGEWATER

ALBANY PARK

UPTOWN

**WHOLE
FOODS
MARKET**
LAKEVIEW-HALSTED

ADDISON STREET

WAVELAND AVENUE

IRVING
PARK

NORTH
CENTER

AVONDALE

ROSCOE
VILLAGE

LAKEVIEW

HALSTED STREET

LOGAN SQUARE

LINCOLN
PARK

HERMOSA

Immediate Area Boasts

HIGHLY EDUCATED CONSUMER BASE

80%

RESIDENTS WITH
BACHELOR'S DEGREE OR HIGHER

AVERAGE HOME VALUES

\$650K+

GROWING SPENDING POWER

32

MEDIAN AGE: REFLECTS YOUNG
PROFESSIONALS & FAMILIES IN
THEIR PRIME SPENDING YEARS

AVERAGE HOUSEHOLD INCOME

\$135K+

WALK SCORE

92



LOCATION OVERVIEW

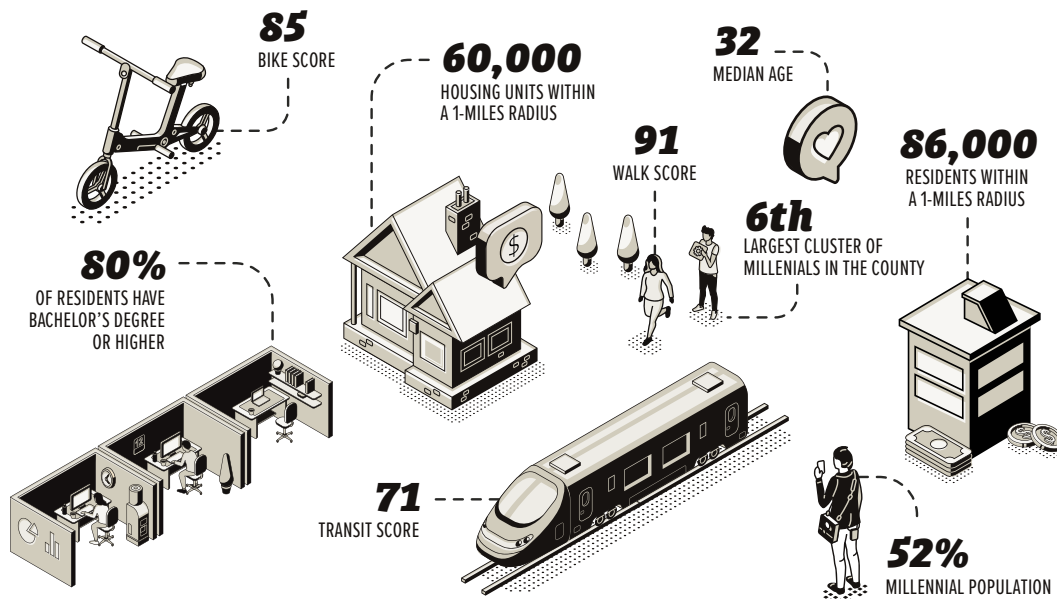
Unique Urban Infill Location Adjacent to Chicago's Premier Wrigleyville Neighborhood

Whole Foods is uniquely positioned in the heart of Chicago's Northside near the well-traveled intersection of Halsted and Addison just 3 blocks east of the historic Wrigley Field. This premier Chicago neighborhood of Lakeview is truly the gem of the city and offers an irreplaceable vibrant ambience with historic architecture and handsome brick row houses nestled within landmark districts. This desirable location boasts numerous parks and immediate access to Lake Michigan, just a five-minute walk provides an escape from the bustling business corridors and make the surrounding Halsted Street residential market highly desirable. The Property benefits from the unique offerings of Lakeview and Wrigleyville that have resulted in an established consumer base and retailer attraction to the area.

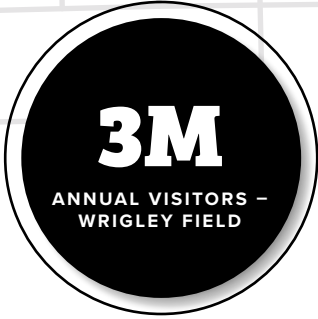
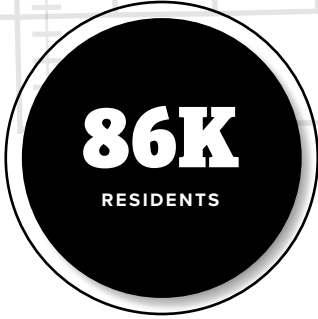
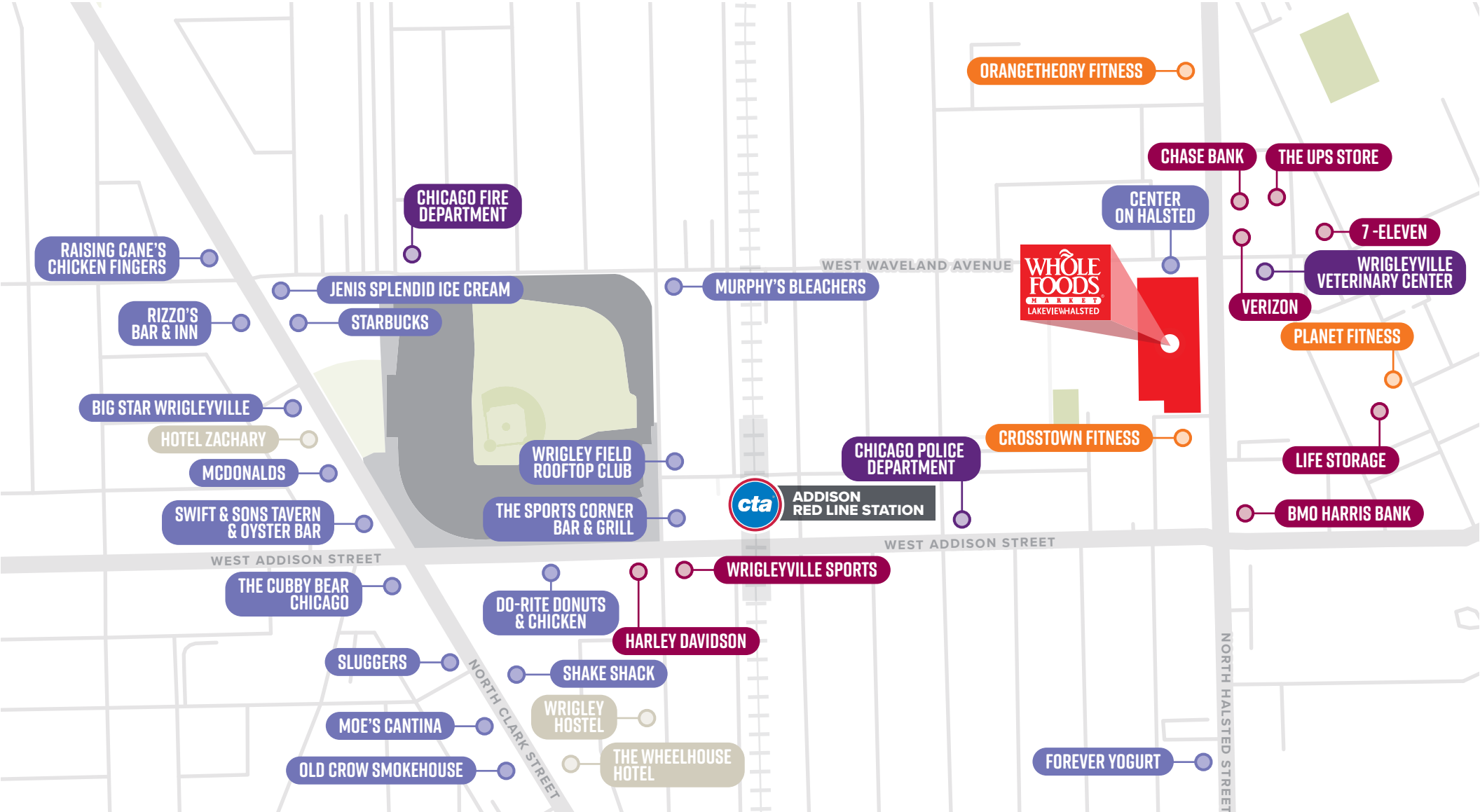
Although the neighborhood has grown dramatically in the past 10 years, the unique walkability, access to amenities, housing, and established entertainment/retail has cemented Lakeview as one of the most desirable retail submarkets in the city of Chicago. The Halsted Street retail corridor offers the perfect blend between national brand convenience in addition unique boutique restaurants and retailers offering unique tastes focused on the affluent consumer with high spending power.

Lakeview

The historic neighborhood of Lakeview is famous for its access to two miles of beautiful Lake Michigan coastline along the eastern boundary and an extensive public transit system and several primary thoroughfares running through its core. Residents range from college students and young professionals to families as Lakeview has something to offer for everyone with extensive retail, restaurant, and nightlife amenities. Lakeview offers seamless access to Chicago's central business district through Lake Shore Drive and the CTA rail and bus lines making it an ideal location to live while working in the loop. The prominent north side community continues to grow economically and physically.



The neighborhood is home to Wrigley Field, a famous Chicago landmark attracting more than three million visitors annually. The stadium sits right in the center of Lakeview and is just 3 blocks west of the Property. Additionally, Lakeview is complemented by a 9-hole lakefront golf course, numerous running paths, multiple theaters, Belmont Harbor and much more. The North side community has grown into a multi-faceted attraction of its own, offering unmatched quality of life to residents and visitors. The dense population base and concentration of wealth has bolstered real estate fundamentals in the submarket, positioning the Property as a rare and generational investment opportunity leased to a world-renowned Company.



WRIGLEYVILLE OVERVIEW

Wrigleyville is a lively little pocket of Lakeview, a neighborhood just north of Chicago's central business district. Wrigleyville is bordered by Irving Park to the north, Fremont to the east, Roscoe to the south, and Southport to the west. Wrigleyville's atmosphere is inextricably linked to Wrigley Field, the home of the Chicago Cubs major league baseball team. When the ballpark was built in 1914, the neighborhood first became defined within the larger Lakeview area. Today, Wrigleyville continues to be a magnet for sports fans and visitors frequent the area for Cubs' games during baseball season and to see the second oldest ballpark with the Billy Williams statue during the offseason. It has become a sports-and-spirits flavored neighborhood with a heavy dose of camaraderie and passion.

- › \$500+ million in surrounding new mixed-use development
- › Wrigleyville is home to unique local food and drink options in addition to the presence of nationally known brands
- › Clark Street is a popular bar hopping destination, lined with sports dives and national chains that attract millions of visitors annually
- › Home to newly developed 175-room Hotel Zachary
- › Brand new Chicago Cubs team office building overlooking the pedestrian-friendly "Park at Wrigley"

ADDISON & CLARK DEVELOPMENT

A **\$150 million** apartment and retail development directly south of Wrigley Field

148 Rental Units

\$3,000 Average Rent Per Unit

155K SF of Retail

SHAKE SHACK



LUCKY STRIKE
LANES



CMX THE VIP CINEMA EXPERIENCE



CLARK ST. BARS

Sluggers

Deuce's
MAJOR LEAGUE BAR



moe's cantina

CASUAL EATERIES

BIGSTAR

MORDECAI



SWIFT & SONS
STEAKHOUSE



Budweiser
BRICKHOUSE
TAVERN

Cozy noodles & rice

uncommon ground



TOWER2

HOTEL
ZACHARY

AT GALLAGHER WAY



SWIFT & SONS
STEAKHOUSE

WINTRUST
COMMERCIAL BANKING

WESTTOWN
BAKERY

SMOKE DADDY

TOWER 1 & PLAZA



jenis

LUCKY DORR
PATIO & TAP

WRIGLEY FIELD
HOME OF
CHICAGO CUBS
FRITO-LAY
PROUD PARTNER OF THE CHICAGO CUBS
TOYOTA

Gallagher Way

TOWER 1 & PLAZA

\$140 million mixed-use development that ideally combines office, retail, and green space adjacent to Wrigley Field

- > 93,000 SF of office space
- > Cubs offices for franchise executives represents majority of the space
- > 47,000 SF of retail
- > Green space for visitors and locals to engage year-round

TOWER 2

Tower 2 is a \$100 million development, home to the Hotel Zachary and roughly 49,000 SF of commercial space

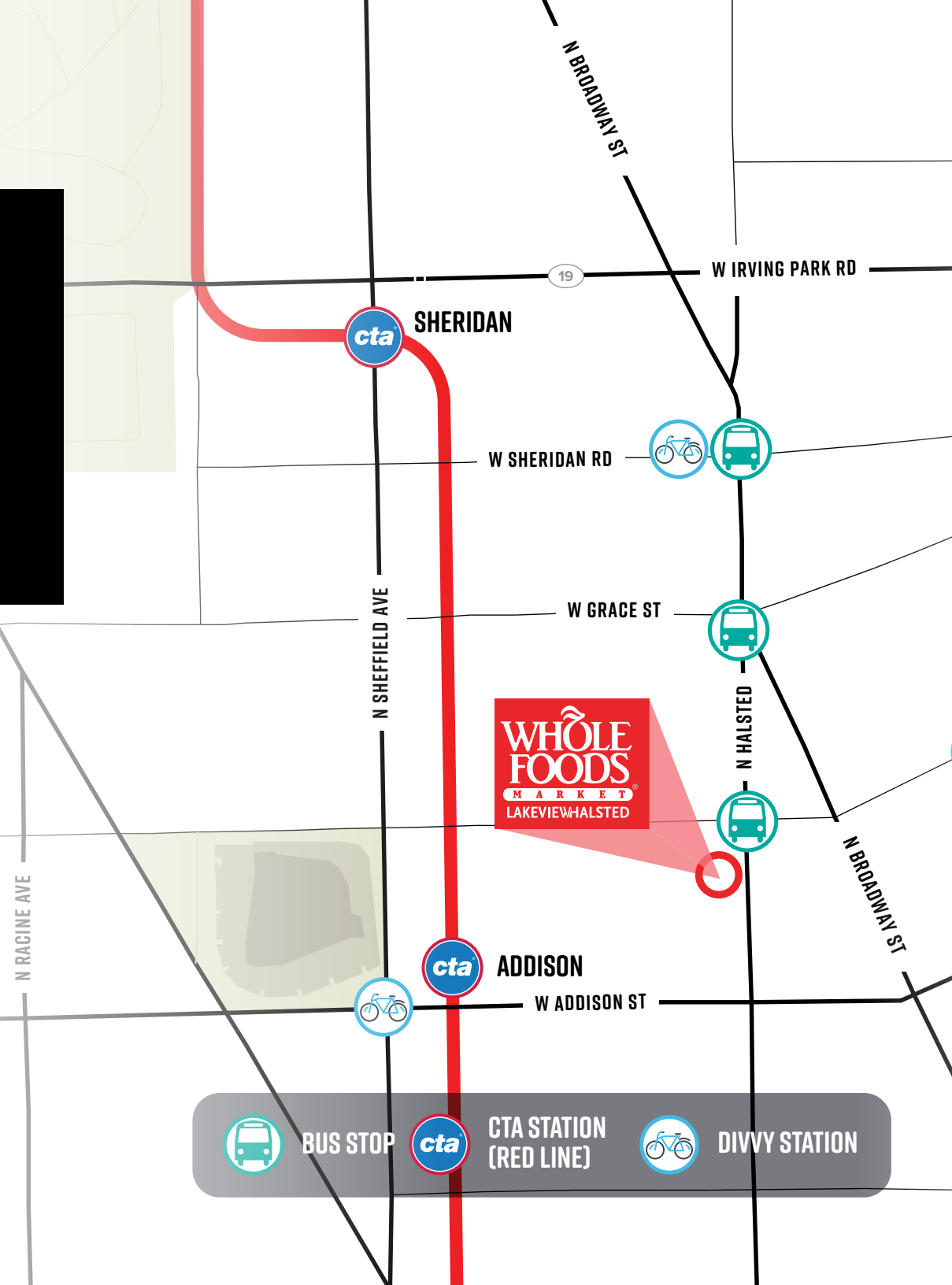
- > 175 - room Hotel Zachary

Accessibility & Transportation

Pedestrian Access – The Property is highly accessible to residents on foot, with an abundance of offerings within a short walk from resident's homes and individuals commuting from the Addison Red Line 'L' and bus stations that surround the Property. In addition, a Divvy bike access station is adjacent to the Property providing further means of transportation.

Chicago Transportation Authority ("CTA") trains, commonly known as the 'L', provide residents and shoppers convenient access to the 'L' at the Addison Red Line Station near the Property and boasting annual ridership of 2,600,000. Bus lines along Clark Street, Halsted, Broadway, and nearby Lake Shore Drive provide ease of access for commuters coming from all directions to the Halsted Street Retail Corridor. The CTA buses and trains serve as one of the many means of transportation connecting the northern neighborhoods to the loop.

Vehicular Access – Primary access to the North Side of Chicago is provided by Lake Shore Drive via the Belmont Avenue and Irving Park exits less than a mile from the Property.



N MARINE DR

41



SOYSTOWN
CHICAGO



CHICAGO

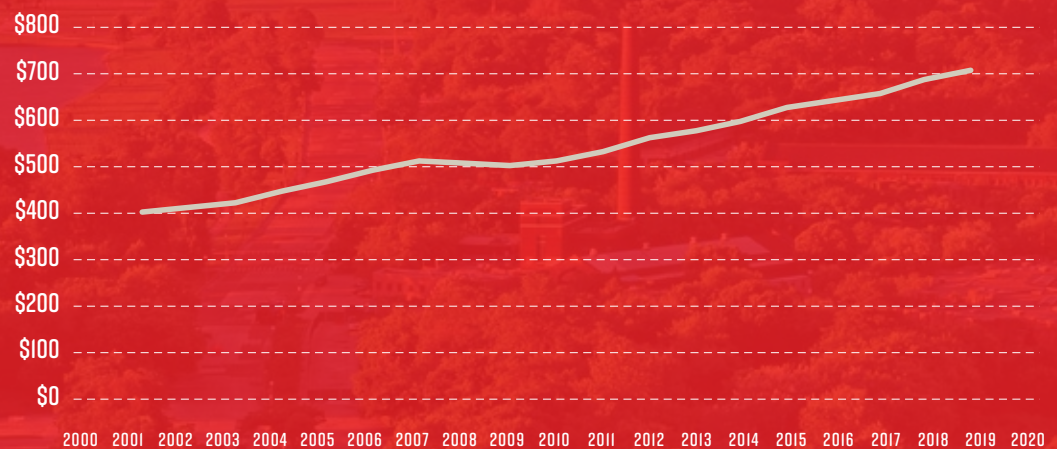
A Diversified Economy

Chicago, Illinois is the most influential financial, industrial, transportation and cultural center in the United States between the East and West Coasts. It is the third largest city in the country, home to nearly 2.8 million city residents and more than 9.5 million people within the broader metropolitan area. Anchored by its central location, extensive talent pipeline, and overall quality of life, Chicago consistently attracts high interest from corporate America. There are currently 400 major corporations that call Chicago their headquarters including 36 listed on the Fortune 500 list.

Furthermore, the city boasts what is often called the most diversified economy in the United States and an employment base comprising more than 4.7 million people driving an annual economy of over \$700 billion GMP. From an investment perspective, Chicago remains a gateway to global markets, offers a significant labor and consumption base, and provides active liquidity for investors given its ability to attract capital



CHICAGO GDP (BILLIONS)





\$700B

.....
GROSS METRO PRODUCT (GMP)

37

.....
FORTUNE 500 COMPANIES
(2nd largest concentration in the U.S.)

No 1

.....
FOR CORPORATE INVESTMENT TOTALING \$3
BILLION IN INVESTMENT ANNUALLY

\$72B

.....
IN ANNUAL MANUFACTURING OUTPUT
(Ranks first in U.S.)

4.7M

.....
TOTAL WORKFORCE

400+

.....
CORPORATE HEADQUARTERS

43

.....
COLLEGES AND UNIVERSITIES WITH OVER
350,000 STUDENTS ENROLLED

Lowest Cost

.....
OF DOING BUSINESS AMONG BOSTON, D.C.,
LOS ANGELES, NEW YORK, & SAN FRANCISCO

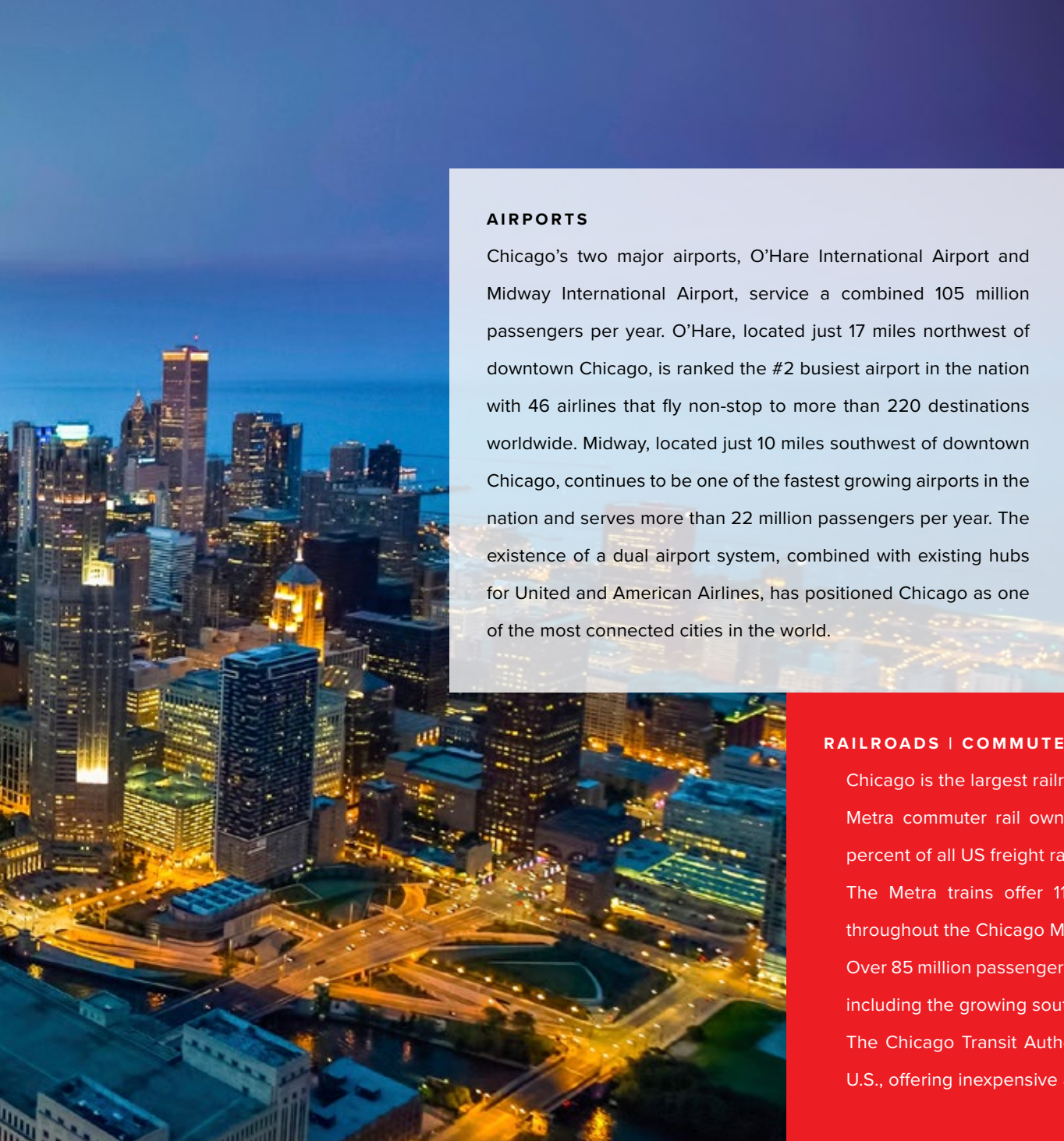
Economic Drivers & Employment

Chicago has one of the world's largest economies, generating over \$700 billion of gross metro product. The city boasts an impressive employment base comprised of more than 4.0 million total nonfarm employees. Unemployment decreased to a low point of 3.6% in 2019 and continues to recover in the second half of 2020. This is made possible for a variety of reasons, including being named the most diversified of all major cities in the country. More than 400 major corporations, including 37 Fortune 500 companies, are headquartered in the Chicago MSA - even more rank on the Fortune 1000 list, and many are some of the region's largest employers.

Other local companies based outside of the CBD include Abbott Laboratories, Baxter, CDW, and Discover. Aside from strong established companies, World Business Chicago showed companies across seventeen different industries meet the criteria to be classified as a "New and Expanding Company." With at least one million dollars in investment, and a net gain of over 20 thousand square feet of space or 20 full time employees, and/or the establishment of new headquarters, these companies represent the foundation for the continued growth of Chicago's diverse economy. The entire list covered 60 individual companies, including 22 headquarters.

For the 7th year in a row, it was announced in September 2019 that Chicago leads North America in direct investment. Chicago is home to more than 1,800 foreign-based companies, accounting for more than \$140 billion in foreign direct investment. Over the years, Chicago has proven itself as a leader in the global economy where businesses from around the world come to grow – creating more jobs and economic opportunities across the city.





AIRPORTS

Chicago's two major airports, O'Hare International Airport and Midway International Airport, service a combined 105 million passengers per year. O'Hare, located just 17 miles northwest of downtown Chicago, is ranked the #2 busiest airport in the nation with 46 airlines that fly non-stop to more than 220 destinations worldwide. Midway, located just 10 miles southwest of downtown Chicago, continues to be one of the fastest growing airports in the nation and serves more than 22 million passengers per year. The existence of a dual airport system, combined with existing hubs for United and American Airlines, has positioned Chicago as one of the most connected cities in the world.

HIGHWAYS

Ten major interstate freeways come together in and around the Chicago area. These include I-90, I-80, and I-55, making Chicago not only one of the most well-connected cities, but also one of the premier hubs of the trucking industry. Chicago is accessible from all directions by the area's many interstates, highways and expressways. There are over 64 miles of expressway running through the heart of the city, including the nation's busiest expressway, the Dan Ryan.

RAILROADS | COMMUTER TRAINS | CHICAGO TRANSIT AUTHORITY

Chicago is the largest railroad hub in North America, linking six Class I railroads. Metra commuter rail owns and operates four (4) rail lines that oversee 25 percent of all US freight rail traffic travel.

The Metra trains offer 11 routes with 242 stations servicing 500 route miles throughout the Chicago Metro area.

Over 85 million passengers are serviced annually throughout the Chicagoland area, including the growing southern and western suburbs.

The Chicago Transit Authority is the second largest public transit network in the U.S., offering inexpensive and efficient rapid transit to more than 1.6M people daily.

MARKET OVERVIEW

Chicago Retail Market

The Chicago Retail Market boasts over 573 million square feet of gross leasable area across 36 submarkets and over 45,600 buildings. The market has seen significant improvement across key metrics since the trough period of COVID-19 in 2020. Due to the most active leasing period since Q3 2019 with over 2 million square feet of space leased in Q1 2021, vacancy for the market has inched down to 5.8% for the market after peaking at 6.4% in 2020. Chicago's retail inventory has grown by only 1.5 million SF over the past year, which is similar to the pace of new deliveries seen over the past five years. Rental growth has slowed across all retail property types; however, this slowdown has been felt most in underperforming power and neighborhood centers rather than the well-located, highly accessible Class A retail space like 3640 N. Halsted. Spaces impacted by closures in the Chicago region have largely skewed toward anchor spaces in power centers, while freestanding retail has reported the strongest resilience and stable vacancy rates. Furthermore, while rental growth has declined as the pandemic shakes out the haves vs. the have nots in the retail space, average rental rates of \$31.00 in the Lakeview/Lincoln Park submarket outpaces the Chicago retail market average rent of \$18.95 by 64%.

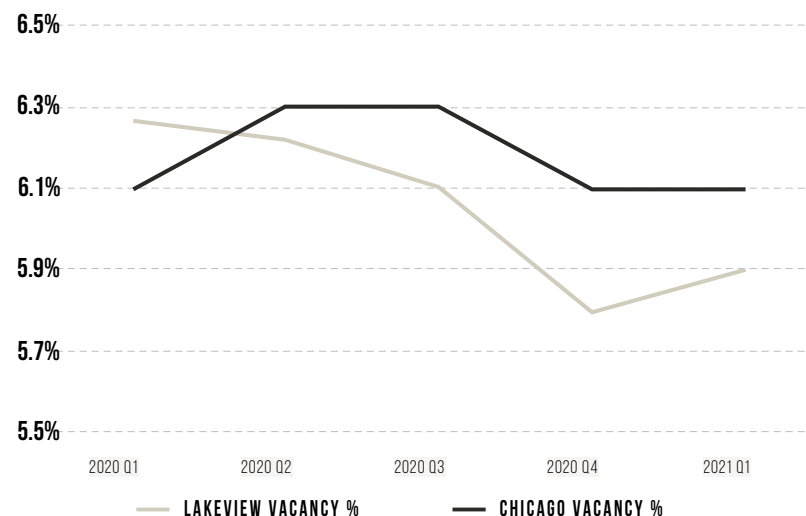


	EXISTING INVENTORY		VACANCY					
RETAIL SUBMARKET	SF INVENTORY	# BLDGS	TOTAL SF	VACANCY RATE	12 MO. NET ABSORPTION	12 MO. DELIVERED SF	UNDER CONSTRUCTION SF	MARKET RENT PSF
Northwest City	64,300,000	7,805	2,829,200	4.40%	297,000	165,000	81,300	\$20.20
Western East/West Corr	56,900,000	3,487	4,039,900	7.10%	(44,500)	282,000	151,000	\$18.04
South Chicago	48,900,000	6,088	2,347,200	4.80%	13,200	27,800	2,000	\$18.18
Joliet/Central Will	36,700,000	2,320	1,908,400	5.20%	595,000	264,000	22,200	\$17.56
Far Northwest	33,900,000	2,450	2,034,000	6.00%	91,100	160,000	14,100	\$15.49
Indiana	33,600,000	2,797	1,881,600	5.60%	332,000	18,200	42,500	\$13.04
Near South Cook	30,900,000	2,468	2,039,400	6.60%	273,000	14,400	53,200	\$16.44
Schaumburg Area	29,500,000	1,471	2,507,500	8.50%	(181,000)	43,300	64,900	\$18.24
Eastern East/West Corr	28,800,000	1,805	1,785,600	6.20%	210,000	280,000	25,300	\$20.21
Central North	24,600,000	1,279	1,943,400	7.90%	(87,200)	64,600	0	\$21.48
Near North	23,200,000	1,370	1,577,600	6.80%	25,900	186,000	46,700	\$22.49
Central Northwest	14,200,000	1,036	866,200	6.10%	(107,000)	18,500	0	\$18.49
South Route 45	14,200,000	750	1,050,800	7.40%	(30,000)	10,200	14,900	\$19.20
Far North	13,700,000	926	876,800	6.40%	(212,000)	14,800	21,700	\$15.48
O'Hare	13,000,000	948	858,000	6.60%	(149,000)	23,900	0	\$18.31
North DuPage	12,100,000	618	1,149,500	9.50%	(160,000)	26,700	0	\$16.09
Far South	11,800,000	866	1,309,800	11.10%	93,200	0	29,100	\$12.60
Lakeview/Lincoln Park	11,000,000	1,231	671,000	5.80%	63,700	48,700	109,000	\$31.00
Porter County	10,800,000	978	216,000	2.00%	22,300	0	0	\$13.94
Cicero/Berwyn Area	10,600,000	1,041	455,800	4.30%	112,000	25,600	0	\$16.68
Kenosha East	9,900,000	941	227,700	2.30%	129,000	39,100	0	\$13.41
North Michigan Avenue	7,200,000	127	511,200	7.10%	(108,000)	0	0	\$54.05
Melrose Park Area	6,100,000	549	494,100	8.10%	71,900	77,000	22,500	\$14.67
North Branch/Goose Island	5,000,000	271	475,000	9.50%	(105,000)	0	41,200	\$32.19
Oak Park Area	4,200,000	500	121,800	2.90%	(12,700)	0	0	\$21.19
Fulton Market/Near West Side	3,000,000	321	201,000	6.70%	13,300	27,700	0	\$29.39
Grundy County	2,700,000	308	110,700	4.10%	2,500	0	0	\$12.81
River North	2,500,000	179	212,500	8.50%	(107,000)	0	0	\$33.84
Gold Coast/Old Town	2,100,000	203	88,200	4.20%	(3,400)	0	0	\$41.41
East Loop	1,800,000	30	28,800	1.60%	44,500	0	0	\$34.56
South Loop	1,700,000	51	44,200	2.60%	13,000	14,700	3,000	\$29.59
Jasper County	1,200,000	130	16,800	1.40%	2,400	0	0	\$9.25
West Loop	1,100,000	56	38,500	3.50%	5,400	0	8,000	\$34.67
Kenosha West	800,000	145	8,000	1.00%	11,500	9,100	0	\$11.07
Central Loop	772,000	37	176,788	22.90%	(20,000)	0	0	\$41.67
Newton County	458,000	72	28,854	6.30%	23,900	0	0	\$12.93
ALL OTHER SUBMARKETS	573,230,000	45,654	35,131,842	6.13%	1,119,000	1,841,300	752,600	\$18.95

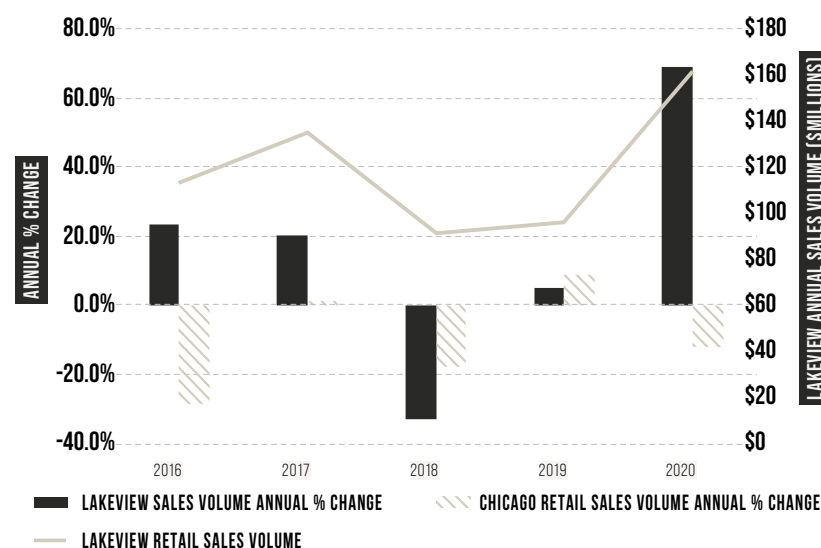
Lakeview Submarket

The Lakeview/Lincoln Park retail submarket has long been considered one of the most sought-after retail submarkets in the country and has been a premier shopping destination since the 1980's. Due to the affluent demographics, dense population dynamics, and highly walkable retail corridors, national brand name and expanding boutique retailers alike have always planted their flags on the North Side of Chicago. Although headlines on retail have been adverse, overall fundamentals remain strong in Lakeview especially in relation to the larger Chicago retail market. Over the past five years, the North Side of Chicago has remained a very liquid investment market, characterized by active trading as all pockets of capital look to invest within one of the most resilient submarkets historically. While Chicago saw a decline in retail investment in 2020 and has trended down since 2016, Lakeview experienced it's highest investment sales year on record in 2020, with sales volume growing by 69% as investors looked to acquire assets in the premier submarkets in the face of the COVID-19 pandemic. Price per square foot on sales in Lakeview/Lincoln park is 50% higher than the market average, correlated with submarket rent that is 64% higher than the market average. Additionally, while vacancy in Chicago and across the U.S. gapped out in 2020 due to store closures and tightened restrictions on retail operators, vacancy in Lakeview/Lincoln Park actually compressed vs. 2019 to as low as 5.7% in Q4 2020, and currently stands at 5.9% as of Q1 2021, 20 bps below the Chicago market average.

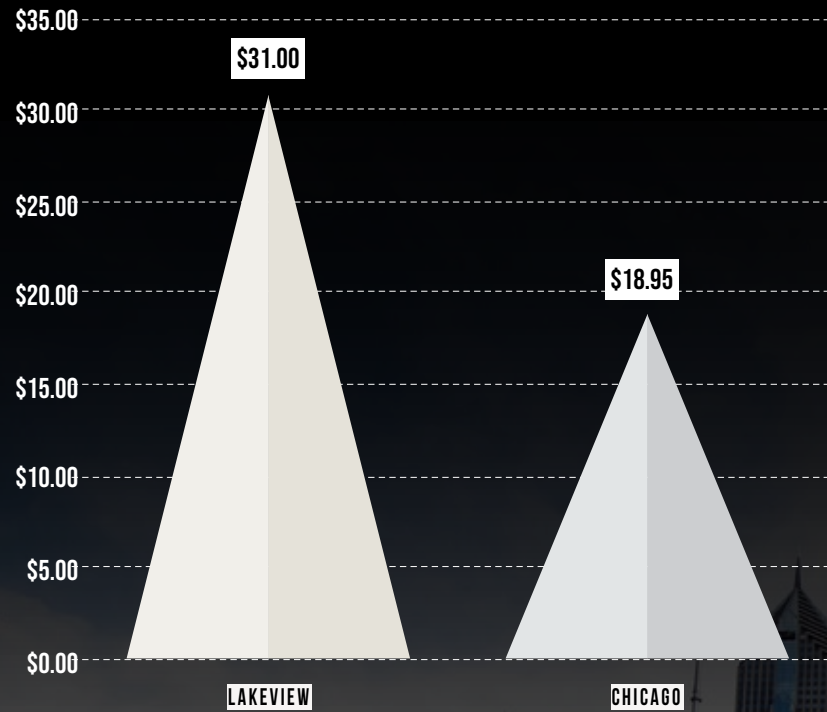
LAKEVIEW VS. CHICAGO MARKET VACANCY % SINCE 2020



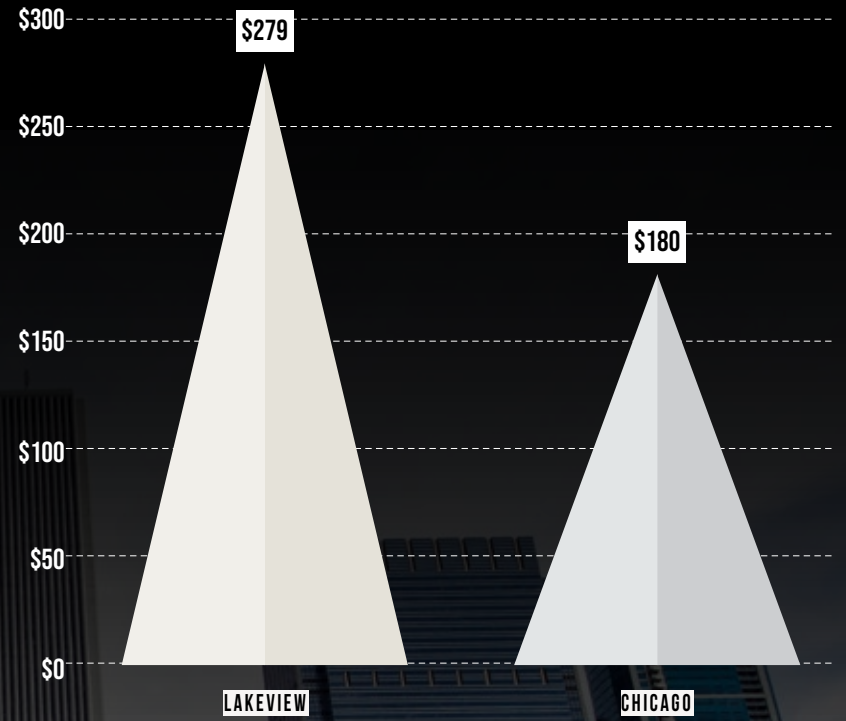
LAKEVIEW VS. CHICAGO MARKET MARKET SALES VOLUME



\$ RENT PSF



\$ SALES PSF



FINANCIAL OVERVIEW

GENERAL ASSUMPTIONS

Analysis Period	10 Years, beginning August 1, 2021
Inflation	Market Rents: 2.0% annual increase Expenses: 2.0% annual increase
Operating Expenses	Utilized the expenses in the Operating Statement & Budget provided by Ownership.
Vacancy Factor	None
Management Fee	Utilized the expenses in the Operating Statement & Budget provided by Ownership.
Reimbursements	Utilized the reconciliations based on the reconciliations structure provided
Occupancy	100%
Square Footage	45,505

ADDITIONAL ASSUMPTIONS

Tenant Options	For the purpose of this Analysis, it was assumed that the Tenant exercises contractual renewal options outlined in their lease throughout the term of the Analysis.
Real Estate Tax Reassessments	A real estate tax reassessment was excluded from the Analysis.

CASH FLOW

YEAR ENDING JULY 31	PSF	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Rental Revenue											
Potential Base Rent	48.81	2,221,156	2,463,064	2,463,064	2,463,064	2,463,064	2,487,694	2,758,631	2,758,631	2,758,631	2,758,631
TOTAL RENTAL REVENUE	48.81	2,221,156	2,463,064	2,463,064	2,463,064	2,463,064	2,487,694	2,758,631	2,758,631	2,758,631	2,758,631
Other Tenant Revenue											
Total Expense Recoveries	11.96	544,267	555,152	566,255	577,580	589,132	600,915	612,933	625,192	637,695	650,449
TOTAL OTHER TENANT REVENUE	11.96	544,267	555,152	566,255	577,580	589,132	600,915	612,933	625,192	637,695	650,449
EFFECTIVE GROSS REVENUE	60.77	2,765,423	3,018,216	3,029,319	3,040,644	3,052,196	3,088,609	3,371,564	3,383,823	3,396,326	3,409,080
Operating Expenses											
Common Area Maintenance	1.75	79,798	81,394	83,022	84,682	86,376	88,104	89,866	91,663	93,496	95,366
Lobby Expenses	0.04	2,036	2,077	2,119	2,161	2,204	2,248	2,293	2,339	2,386	2,433
Landlord Maintenance	0.02	838	855	872	889	907	925	943	962	982	1,001
Management Fee	0.05	2,378	2,426	2,474	2,524	2,574	2,626	2,678	2,732	2,786	2,842
Insurance	0.36	16,304	16,630	16,963	17,302	17,648	18,001	18,361	18,729	19,103	19,485
Real Estate Taxes	9.83	447,357	456,305	465,431	474,739	484,234	493,919	503,797	513,873	524,150	534,633
TOTAL OPERATING EXPENSES	12.06	548,712	559,687	570,881	582,297	593,943	605,823	617,938	630,297	642,904	655,761
NET OPERATING INCOME	48.71	2,216,711	2,458,529	2,458,438	2,458,346	2,458,252	2,482,787	2,753,626	2,753,526	2,753,422	2,753,320
CASH FLOW BEFORE DEBT SERVICE	48.71	2,216,711	2,458,529	2,458,438	2,458,346	2,458,252	2,482,787	2,753,626	2,753,526	2,753,422	2,753,320

WHOLE FOODS LEASE ABSTRACT

Address	3640 N Halsted Street, Chicago, IL 60613
Tenant	Whole Foods Market Group, Inc.
Guarantor	Whole Foods Market, Inc.
Ownership Type	Leasehold Interest
Lease Structure	Net Lease
Lease Commencement	6/15/07
Lease Expiration	6/30/32
Remaining Lease Term¹	11 years
Annual Rent (Psf)¹	\$2,221,156 (\$48.81)
Escalations	12% every 5 years
Renewal Options	Five, five-year options
Percentage Rent	Amount by which 1% of gross sales exceeds base rent of such calendar year, minus: (i) Tenant's contribution for real estate taxes, (ii) full pass through expenses, (iii) CAM, and (iv) Tenant's expenditures for maintenance of the parking garage.
Landlord Obligations	Landlord, at its sole cost and expense, shall maintain, repair and replace (i) structural elements, including roof joists, columns, footings, foundation, exterior walls, floor, structural elements of loading docks and receiving area; (ii) roof, gutters, flashing, downspouts and scuppers; (iii) public utility lines serving the Property; (iv) utility lines, including electric, gas, sewer, and water; (v) HVAC replacement; (vi) maintenance of the roof under the Whole Foods premises; and (vii) historic facade repair and inspection.
Tenant Obligations	Tenant, at its sole cost and expense, is responsible for the (i) resurfacing of parking areas in the parking garage; (ii) lighting system in the parking garage; (iii) and all other portions of the building, storefront glass, equipment, exterior doors, elevators serving the Property; (iv) landscaping located in front of the Property; (v) utility lines and ducts located within the Property; (vi) cleaning, changing light bulbs in and re-striping parking garage; (vii) cleaning loading docks and receiving area; (viii) snow and ice removal from sidewalks adjacent to Property.
Common Area Expenses	Tenant shall reimburse Landlord's pro-rata share of Common Area Expenses shared with Center on Halsted (37.5%), including (i) water, electricity, sewer and other utility charges; (ii) janitorial services; (iii) security costs; (iv) waste disposal costs; (v) gardening and landscaping costs; (vi) insurance premiums; (vii) wages of Landlord's employees engaged in the operation, maintenance or repair of the common area, including a management fee.
Management Fee	Management fee shall in no event exceed 3% of the sum of the full pass through expenses, plus the total common area expenses (excluding insurance costs) for which Tenant shall be obligated to pay its pro-rata share.
Common Area Expense Cap	Tenant's pro-rata share of common area expenses shall not increase over the common area expenses for which the Tenant was responsible in the previous lease year by the lesser of (i) the percentage increase in the CPI from the previous lease year, (ii) or 3%.
Lobby Expenses	Tenant shall reimburse Landlord's pro-rata share of lobby expenses shared with Center on Halsted (1.5189%) incurred in operating, maintaining, repairing, replacing, cleaning, removing refuse, and utility costs incurred in providing heating, ventilation and air conditioning to the lobby.
Insurance	Tenant shall maintain a policy of commercial general liability with limits of at least \$5,000,000 for each occurrence, bodily injury and property damage combined. Landlord shall maintain a policy of commercial general liability insurance protecting Landlord and Tenant against loss, cost or expense by reason of injury to or death of persons or damage to or destruction of property with limits of at least \$5,000,000 for each occurrence, bodily injury and property damage combined.
Real Estate Taxes	Tenant responsible for payment of real estate taxes.
Assignment / Subletting	Tenant may assign or sublease the Property without Landlord's consent to (i) Tenant's parent company or to a subsidiary of Tenant or to an entity which controls, is controlled by, or is under the common control with Tenant, provided such affiliated transferee assumes obligations of Tenant under the lease; or (ii) any user that (a) has tangible net worth of at least \$10 million, (b) that is reputable, (c) that is experienced in operating the type of business it will operate at the Property, (d) whose use of the Property is not a prohibited use.

(1) Analytic start date 8/1/2021

WHOLE FOODS RENT SCHEDULE ⁽¹⁾

	BEGINNING – ENDING	ANNUAL BASE RENT	ANNUAL SECONDARY RENT	TOTAL ANNUAL RENT	PSF
PRIMARY TERM	Jul 2021 - Jun 2022	\$1,826,607	\$372,557	\$2,199,164	\$48.33
	Jul 2022 - Jun 2023	\$2,045,800	\$417,264	\$2,463,064	\$54.13
	Jul 2023 - Jun 2024	\$2,045,800	\$417,264	\$2,463,064	\$54.13
	Jul 2024 - Jun 2025	\$2,045,800	\$417,264	\$2,463,064	\$54.13
	Jul 2025 - Jun 2026	\$2,045,800	\$417,264	\$2,463,064	\$54.13
	Jul 2026 - Jun 2027	\$2,045,800	\$417,264	\$2,463,064	\$54.13
	Jul 2027 - Jun 2028	\$2,291,296	\$467,336	\$2,758,631	\$60.62
	Jul 2028 - Jun 2029	\$2,291,296	\$467,336	\$2,758,631	\$60.62
	Jul 2029 - Jun 2030	\$2,291,296	\$467,336	\$2,758,631	\$60.62
	Jul 2030 - Jun 2031	\$2,291,296	\$467,336	\$2,758,631	\$60.62
	Jul 2031 - Jun 2032	\$2,291,296	\$467,336	\$2,758,631	\$60.62
1st Renewal	Jul 2032 - Jun 2037	\$2,566,251	\$0	\$2,566,251	\$56.39
2nd Renewal	Jul 2037 - Jun 2042	\$2,874,201	\$0	\$2,874,201	\$63.16
3rd Renewal	Jul 2042 - Jun 2047	\$3,219,106	\$0	\$3,219,106	\$70.74
4th Renewal	Jul 2047 - Jun 2052	\$3,605,398	\$0	\$3,605,398	\$79.23
5th Renewal	Jul 2052 - Jun 2057	\$4,038,046	\$0	\$4,038,046	\$88.74

(1) Base rent was adjusted from the lease as of May 2016 in a letter from Whole Foods Market to Landlord





CENTER ON HALSTED GROUND LEASE ABSTRACT

Landlord	Center on Halsted (formerly Horizons Community Services, Inc.)
Lease Expiration	6/30/2106
Remaining Lease Term ¹	85 years
Base Rent	<p>Years 1 - 25: Prepaid (\$20,475,000 - comprised of the following: (i) \$5 million for prepaid Base Rent for first 25 years; (ii) \$15.475 million constituting Tenant's contribution to project costs)</p> <p>Years 26 - 35, And Every 10 Years Thereafter: Adjusted every 10 years based on: (i) if land value is less than \$5.5 million, Base Rent shall be \$1.00 per lease year until next rent adjustment date; (ii) if land value exceeds \$5.5 million, then annual Base Rent shall equal the land value minus \$5.5 million multiplied by 9.0%; and (iii) such Base Rent shall be payable in equal monthly installments beginning on the rent adjustment date.</p>
Tenant Pro-Rata Share	37.50%
Landlord Pro-Rata Share	62.50%
Subdivision	Vertical subdivision
Parking	Two-level underground parking garage large enough to accommodate 160 striped spaces with exclusive use for Whole Foods except for handicapped spaces, which are shared with Center on Halsted.
Loading Dock	Tenant to have exclusive use of loading dock on a 24 hours, 365 days a year basis.
Lobby Access	Tenant shall have right to use lobby for seating and secondary customer access.
Landlord Obligations	Landlord, at its sole cost and expense, shall maintain and repair the Landlord's Premises (Center on Halsted), including (i) all portions of the building, storefront glass, exterior doors and elevators that do not serve the Whole Foods Property, utility lines, ducts and systems located within the Landlord's Premises, (ii) structural elements of the Property, including structural portions of the roof, footings, foundation and exterior walls, (iii) the roof (excluding first floor roof area), gutters, flashings, downspouts, scuppers, (iv) electric, gas, water, sanitary sewer and other public utility lines and building systems serving the building, (v) the lobby and common area of the building.
Tenant Obligations	Tenant shall maintain, repair and replace the following: (i) first floor roof area, non-structural components of the loading dock and parking garage, storefront glass, equipment, doors, door closure devices, window and door frames, moldings, locks and hardware, (ii) elevators serving the Property, (iii) portions of utility lines, ducts and building systems located within and exclusively serving the Property, (iv) maintenance of the historical facade in good condition and repair.
Trash And Security Services	Landlord and Tenant shall each contract and pay independently for trash removal services without contribution from the other party.
Management Fee Cap	Not to exceed the lesser of (i) management fee payable by Whole Foods to Tenant under the Whole Foods lease and (ii) \$20,000 (Fixed Maximum Management Fee), which shall be adjusted by CPI for each lease year.





TRANSACTION **GUIDELINES**

The offering of Whole Foods Lakeview is being distributed exclusively by JLL to a select group of prequalified investors. The prospective investor will be selected by Owner in its sole and absolute discretion based on a variety of factors including, but not limited to:

- › Offer price
- › Financial strength
- › Level of discretion to invest funds
- › Ability to close in a timely fashion
- › Experience in closing similar transactions
- › Absence of contingencies
- › Acceptance of lease and contract terms
- › Level of Property due diligence completed
- › Thoroughness of Property underwriting

OTHER KEY TRANSACTION GUIDELINES INCLUDE THE FOLLOWING:

- › JLL will be available to assist prospective investors to arrange on-site inspections and to answer any questions related to information contained in this Offering Memorandum.
- › JLL reserves the right to accept a preemptive offer at any point in the marketing process.
- › All offers must be presented in writing and be net of all seller closing costs.
- › All offers must include the following:
 - | *The price*
 - | *The source of purchaser's capital (including equity and debt)*
 - | *The amount of earnest money deposit*
 - | *An outline of the proposed schedule for due diligence and closing*
 - | *A detailed description and the amount of capital allocations (if any)*
 - | *A description of any physical or environmental assumption which affect the price being offered*
 - | *A list of any contingencies, including committee approvals, required to close the transaction*

The Property will be conveyed free and clear of any existing debt financing. Owner and JLL reserve the right to alter the Transaction Guidelines in their sole discretion.



PRIMARY SALES CONTACTS

ALEX SHARRIN

Managing Director
773.320.2558
alex.sharrin@am.jll.com

BRIAN SHANFELD

Senior Managing Director
847.370.7044
brian.shanfelfd@am.jll.com

JASON DEWITT

Managing Director
312.228.3763
jason.dewitt@am.jll.com

ALEX GEANAKOS

Director
312.228.3866
alex.geanakos@am.jll.com

DEBT FINANCING CONTACT

CHRISTOPHER KNIGHT

Senior Director
312.980.3603
christopher.knight@am.jll.com

RETAIL ADVISORY

CLINTON MITCHELL

Managing Director
312.980.3619
clinton.mitchell@am.jll.com

AMY SANDS

Managing Director
312.980.3613
amy.sands@am.jll.com

TRANSACTION MANAGEMENT

JACK SULLIVAN

Associate
312.228.3765
jack.sullivan@am.jll.com

MOHSIN MIRZA

Associate
312.228.2867
mohsin.mirza@am.jll.com

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