



Ridgeway Shopping Plaza

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2417 N. ROSS BOULEVARD | SANTA ANA, CA 92706

- Excellent Location Near Two Major Freeways With Easy Access.
- Only Mall Available In Fifteen Mile Radius
- Large Lot Makes Parking Convenient And Easy
- Very Good Leasing History With Stable Tenants
- High Traffic Counts and Superb Demographics



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223 Walnut St.

Newport Beach, CA 92663

www.reiwise.com

Excellent Location in Center of Town
Newly Built and Well Maintained

Ridgeway Plaza Shopping Center was originally constructed in 1987-1988 and consists of a total of 18,550 square feet of leasable space. This property is a true neighborhood center, located in one of the most established, affluent suburbs in the greater Chicago area (Deerfield). Having been developed over the past fifteen years, this will always be a perfectly located center. This shopping center is located on the west side of Half Day Road, which is the borderline between Deerfield and Northbrook. Access is very good with Half Day Road intersecting with 119th Street a few blocks north, I-94 slightly more than one mile north and 123rd Street to the south.



In addition to the five buildings that make up this property, there is a 63,000 square foot Dominic's Grocery Store and a Bank of America branch that sit on the property. The total area, including the grocery store and bank, is approximately 12 acres. The current owners of the shopping center purchased it in November of 2000. A new roof was installed throughout the center in 2004, carrying a 15-year warranty. The landscape sprinkler system was replaced in 2003. The parking lot is either re-sealed or striped on alternating years.

Ridgeway Plaza Shopping Center sits in the center of prosperous Deerfield. Deerfield's continued economic success can be partially attributed to its continual focus on quality of life issues. A very high priority for the City is to provide its citizens and businesses with first-rate infrastructure and public services. HD-Lan Park opened in late 2003, and Harms Park opened in 2004. Harms Park features an amphitheater and an alpine lodge that will seat 300 people. Deerfield's outstanding public art, unsurpassed in Northern Chicago, continues to set our community apart in the suburban marketplace. A further benefit to our community is the fact that Deerfield is also surrounded by a multitude of first-rate health care facilities that offer some of the area's highest quality treatment for our citizens.

Unique Investment Opportunity
Excellent Location and History



Three National Tenants



Located in high traffic area



High end long term tenants



Oversized parking lot



Accessible ingress and egress



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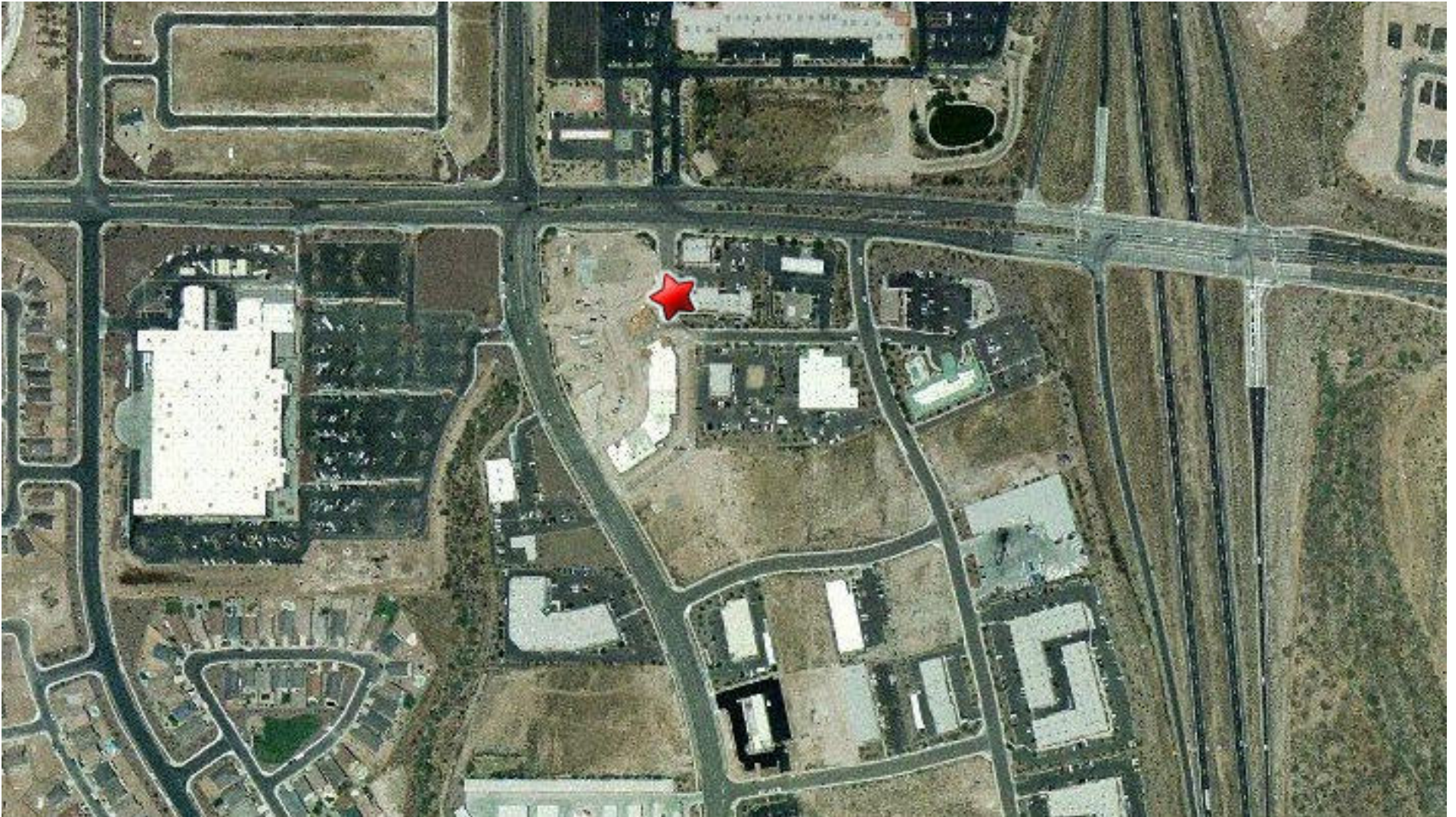
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Maps and Aerials

 **AnyCompany**

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High Traffic Count on Desirable Intersection



High Density Shopping Area with Central Location

Ridgeway Shopping Plaza

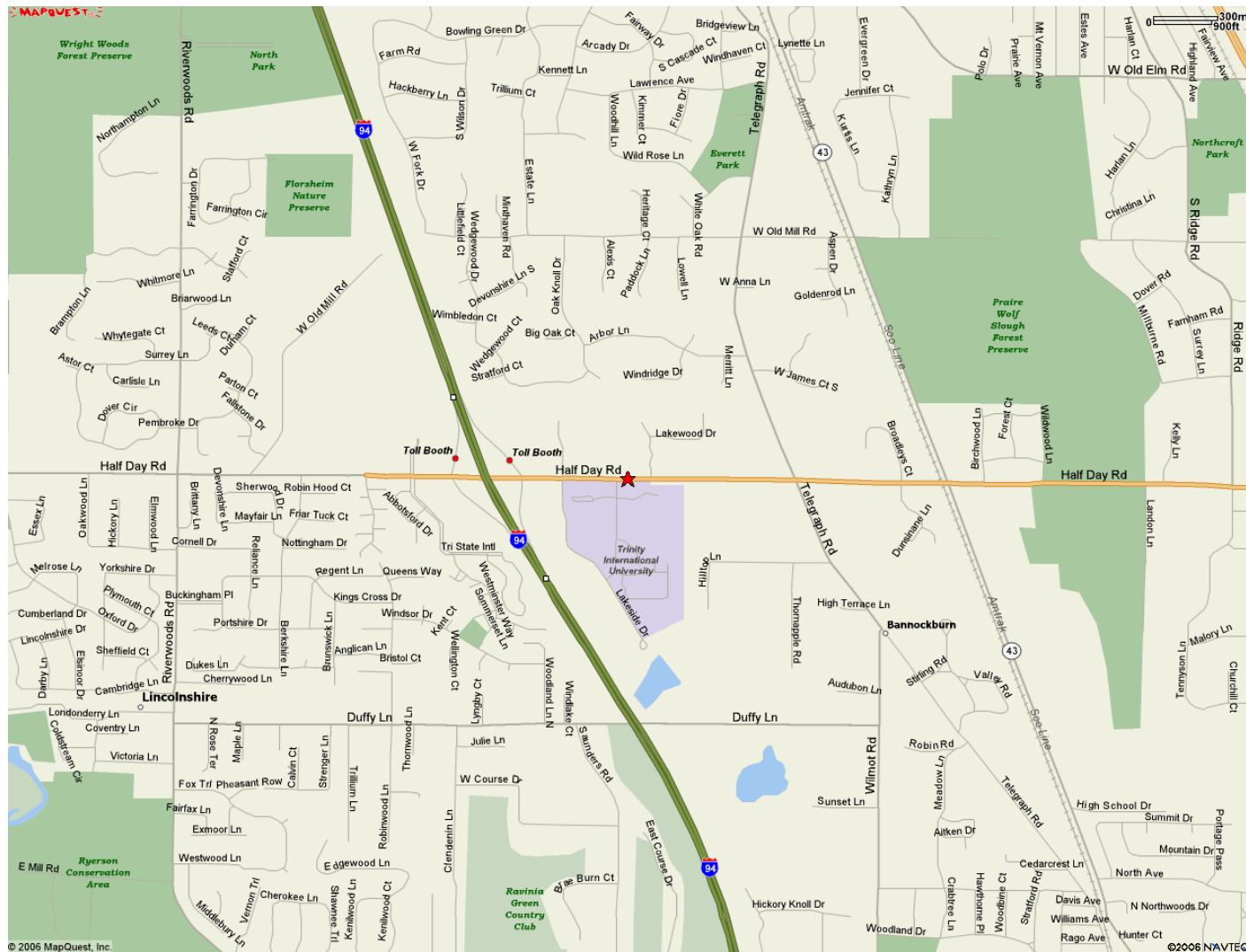
Maps and Aerials

 AnyCompany

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Easy Access To Main Arteries and Highways



ACQUISITION COSTS

Purchase Price, Points and Closing	\$3,853,200
Investment - Cash	\$1,193,200
First Loan	\$2,660,000

INVESTMENT INFORMATION

Purchase Price	\$3,800,000
Price per Tenant	\$950,000
Price per Sq.Ft.	\$190.00

INCOME, EXPENSES & CASH FLOW

Gross Scheduled Income	\$395,060
Total Vacancy and Credits	(\$19,753)
Operating Expenses	(\$70,193)
Net Operating Income	\$305,114
Debt Service	(\$228,685)
Cash Flow Before Taxes	\$76,430
Total Interest (Debt Service)	(\$157,668)
Depreciation and Amortization	(\$83,460)

FINANCIAL INDICATORS

Cash on Cash Return Before Taxes	6.41%
Optimal Internal Rate of Return (yr 1)	37.23%
Debt Coverage Ratio	1.33
Capitalization Rate	8.03%
Gross Rent Multiplier	9.62
Gross Income / Rentable SF	\$19.75
Gross Expenses / Rentable SF	(\$3.51)
Operating Expense Ratio	18.70%

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Wrightwood										
Potential Tenant Revenue										
Base Rental Income	\$93,685	\$97,863	\$102,266	\$104,722	\$107,255	\$109,936	\$112,684	\$115,502	\$117,906	\$120,757
Lease-up Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent Abatement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Turnover Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expense Reimbursements	\$14,050	\$14,452	\$14,901	\$15,277	\$15,646	\$16,036	\$16,525	\$17,015	\$17,474	\$17,945
Total Potential Revenue	\$107,735	\$112,314	\$117,168	\$119,999	\$122,901	\$125,972	\$129,209	\$132,517	\$135,380	\$138,701
Potential Tenant Costs										
Tenant Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leasing Commissions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Potential Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tenant Net Cash Flow	\$107,735	\$112,314	\$117,168	\$119,999	\$122,901	\$125,972	\$129,209	\$132,517	\$135,380	\$138,701

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Tenenbaum										
Potential Tenant Revenue										
Base Rental Income	\$99,908	\$102,401	\$104,622	\$107,060	\$109,563	\$112,850	\$116,235	\$119,722	\$123,314	\$127,013
Lease-up Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent Abatement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Turnover Vacancy	\$0	\$0	\$0	\$0	(\$27,933)	\$0	\$0	(\$30,523)	\$0	\$0
Expense Reimbursements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Potential Revenue	\$99,908	\$102,401	\$104,622	\$107,060	\$81,630	\$112,850	\$116,235	\$89,199	\$123,314	\$127,013
Potential Tenant Costs										
Tenant Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leasing Commissions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Potential Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tenant Net Cash Flow	\$99,908	\$102,401	\$104,622	\$107,060	\$81,630	\$112,850	\$116,235	\$89,199	\$123,314	\$127,013

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Westend										
Potential Tenant Revenue										
Base Rental Income	\$84,000	\$86,205	\$91,504	\$94,421	\$96,310	\$98,236	\$100,201	\$105,981	\$109,359	\$111,546
Lease-up Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent Abatement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Turnover Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expense Reimbursements	\$13,510	\$13,896	\$14,328	\$14,689	\$15,044	\$15,419	\$15,889	\$16,361	\$16,802	\$17,254
Total Potential Revenue	\$97,510	\$100,101	\$105,833	\$109,110	\$111,354	\$113,655	\$116,090	\$122,341	\$126,160	\$128,800
Potential Tenant Costs										
Tenant Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leasing Commissions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Potential Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tenant Net Cash Flow	\$97,510	\$100,101	\$105,833	\$109,110	\$111,354	\$113,655	\$116,090	\$122,341	\$126,160	\$128,800

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Southpark										
Potential Tenant Revenue										
Base Rental Income	\$76,939	\$79,247	\$81,625	\$81,823	\$81,823	\$81,823	\$88,574	\$90,823	\$92,639	\$95,342
Lease-up Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent Abatement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Turnover Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expense Reimbursements	\$12,969	\$13,340	\$13,755	\$14,102	\$14,443	\$14,802	\$15,253	\$15,706	\$16,130	\$16,564
Total Potential Revenue	\$89,909	\$92,588	\$95,380	\$95,925	\$96,266	\$96,626	\$103,827	\$106,529	\$108,769	\$111,907
Potential Tenant Costs										
Tenant Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leasing Commissions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Potential Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tenant Net Cash Flow	\$89,909	\$92,588	\$95,380	\$95,925	\$96,266	\$96,626	\$103,827	\$106,529	\$108,769	\$111,907

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Rental Income	\$395,060	\$407,404	\$423,002	\$432,095	\$440,083	\$449,102	\$465,361	\$481,109	\$493,622	\$506,422
-Vacancy and Credits	\$19,753	\$20,370	\$21,150	\$21,605	\$27,933	\$22,455	\$23,268	\$30,523	\$24,681	\$25,321
Effective Rental Income	\$375,307	\$387,033	\$401,852	\$410,490	\$412,150	\$426,647	\$442,093	\$450,586	\$468,941	\$481,101
+Miscellaneous Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GROSS OPERATING INCOME	\$375,307	\$387,033	\$401,852	\$410,490	\$412,150	\$426,647	\$442,093	\$450,586	\$468,941	\$481,101
Total Operating Expenses	(\$70,193)	(\$71,743)	(\$73,477)	(\$74,926)	(\$76,351)	(\$77,856)	(\$79,742)	(\$81,634)	(\$83,404)	(\$85,221)
NET OPERATING INCOME	\$305,114	\$315,291	\$328,375	\$335,564	\$335,799	\$348,791	\$362,351	\$368,952	\$385,537	\$395,879
-Interest Payments: Loan 1	\$157,668	\$153,288	\$148,638	\$143,701	\$138,459	\$132,894	\$126,986	\$120,713	\$114,054	\$106,984
-Cost Recovery-Improvements	\$78,624	\$82,048	\$82,048	\$82,048	\$82,048	\$82,048	\$82,048	\$82,048	\$82,048	\$78,624
-Loan Costs Amortization	\$4,836	\$4,836	\$4,836	\$4,836	\$4,836	\$4,836	\$4,836	\$4,836	\$4,836	\$4,836
TAXABLE INCOME (LOSS)	\$63,986	\$75,118	\$92,853	\$104,979	\$110,456	\$129,013	\$148,481	\$161,354	\$184,599	\$205,435
NET OPERATING INCOME	\$305,114	\$315,291	\$328,375	\$335,564	\$335,799	\$348,791	\$362,351	\$368,952	\$385,537	\$395,879
-Annual Debt Service	\$228,685	\$228,685	\$228,685	\$228,685	\$228,685	\$228,685	\$228,685	\$228,685	\$228,685	\$228,685
NET CASH FLOW (b/t)	\$76,430	\$86,606	\$99,690	\$106,879	\$107,114	\$120,106	\$133,667	\$140,267	\$156,853	\$167,194
Cash On Cash Return b/t	6.41%	7.26%	8.35%	8.96%	8.98%	10.07%	11.20%	11.76%	13.15%	14.01%

Footnotes: b/t = before taxes; a/t = after taxes

NET PROCEEDS FROM SALE

Adjusted Basis

Basis At Acquisition	\$3,800,000
- Depreciation	\$813,632
Adjusted Basis at Sale	\$2,986,368

Capital Gain

Sale Price	\$5,691,822
-Sale Expenses	\$341,509
-Adjusted Basis at Sale	\$2,986,368
Gain or (Loss)	\$2,363,944
-Depreciation (limited to gain)	\$813,632
Capital Gain from Appreciation	\$1,550,312

Ordinary Taxable Income

Unamortized Loan Costs	\$48,364
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Sales Proceeds After Tax

Sales Price	\$5,691,822
-Sale Expenses	\$341,509
-Mortgage Balance	\$1,716,536
Sale Proceeds Before Tax	\$3,633,776
-Tax On Ordinary Income	\$0
-Tax On Depreciation	\$203,408
-Tax On Capital Gain	\$232,547
Sale Proceeds After Tax	\$3,197,822

BEFORE TAX IRR

Time	Future Cash Flows
Initial Investment	(\$1,193,200)
End of Year 1	\$76,430
End of Year 2	\$86,606
End of Year 3	\$99,690
End of Year 4	\$106,879
End of Year 5	\$107,114
End of Year 6	\$120,106
End of Year 7	\$133,667
End of Year 8	\$140,267
End of Year 9	\$156,853
End of Year 10*	\$3,800,971

IRR = 17.77% * (\$167,194 + \$3,633,776)

AFTER TAX IRR

Time	Future Cash Flows
Initial Investment	(\$1,193,200)
End of Year 1	\$76,430
End of Year 2	\$86,606
End of Year 3	\$99,690
End of Year 4	\$106,879
End of Year 5	\$107,114
End of Year 6	\$120,106
End of Year 7	\$133,667
End of Year 8	\$140,267
End of Year 9	\$156,853
End of Year 10*	\$3,365,016

IRR = 16.66% * (\$167,194 + \$3,197,822)

Cash Flow Analysis

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Footnotes: b/t = before taxes; a/t = after taxes

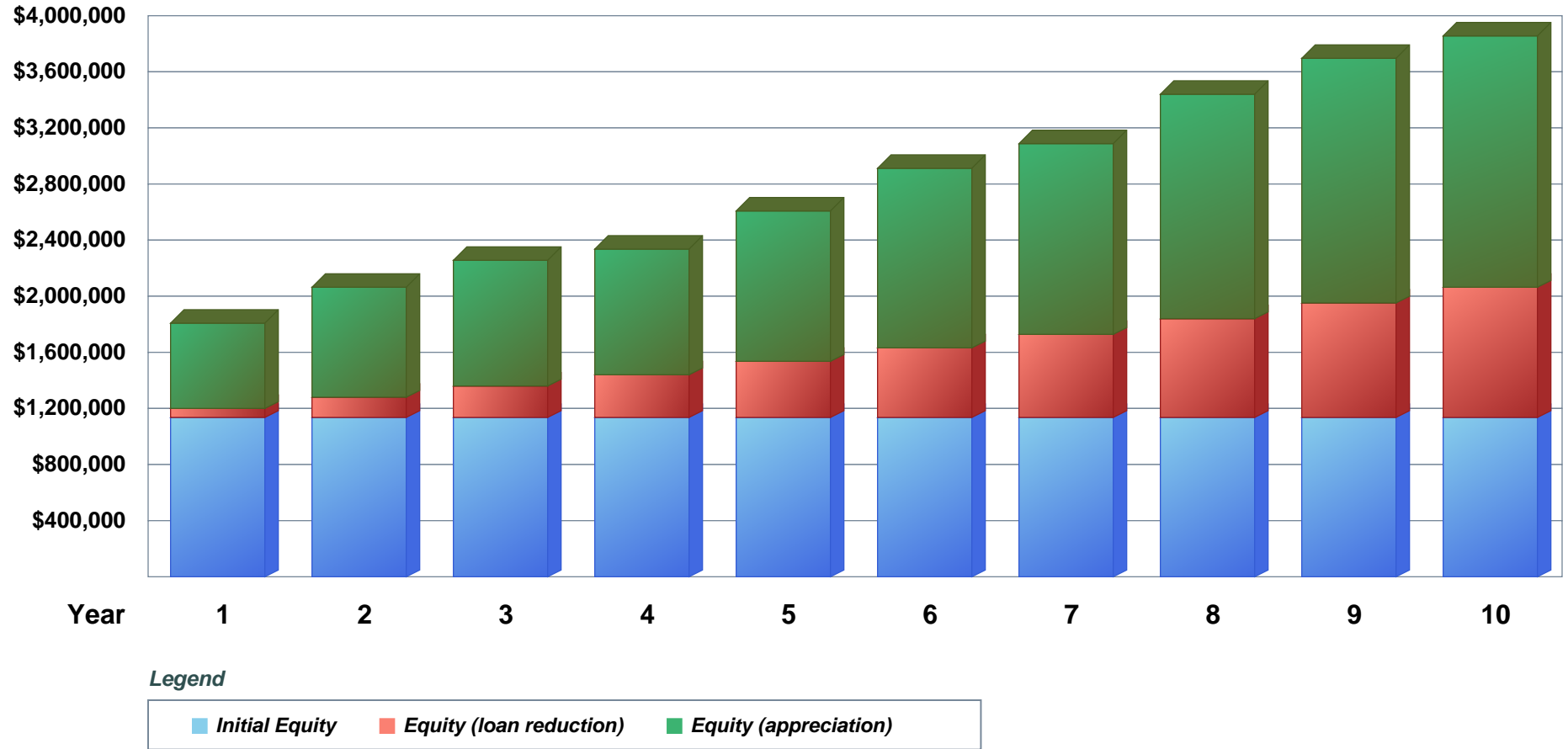
Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rental Income	\$354,531	\$365,716	\$380,017	\$388,027	\$394,950	\$402,845	\$417,694	\$432,027	\$443,218	\$454,658
Expense Reimbursements	\$40,529	\$41,688	\$42,985	\$44,068	\$45,133	\$46,258	\$47,667	\$49,082	\$50,405	\$51,763
GROSS SCHEDULED INCOME	\$395,060	\$407,404	\$423,002	\$432,095	\$440,083	\$449,102	\$465,361	\$481,109	\$493,622	\$506,422
Turnover Vacancy	\$0	\$0	\$0	\$0	(\$27,933)	\$0	\$0	(\$30,523)	\$0	\$0
General Vacancy	(\$19,753)	(\$20,370)	(\$21,150)	(\$21,605)	\$0	(\$22,455)	(\$23,268)	\$0	(\$24,681)	(\$25,321)
GROSS OPERATING INCOME	\$375,307	\$387,033	\$401,852	\$410,490	\$412,150	\$426,647	\$442,093	\$450,586	\$468,941	\$481,101
Expenses										
Property Management Fee	(\$19,039)	(\$19,634)	(\$20,386)	(\$20,824)	(\$21,209)	(\$21,643)	(\$22,427)	(\$23,186)	(\$23,789)	(\$24,406)
Groundskeeping	(\$1,036)	(\$1,036)	(\$1,036)	(\$1,036)	(\$1,036)	(\$1,036)	(\$1,036)	(\$1,036)	(\$1,036)	(\$1,036)
Ads	(\$5,000)	(\$5,050)	(\$5,101)	(\$5,152)	(\$5,203)	(\$5,255)	(\$5,308)	(\$5,361)	(\$5,414)	(\$5,468)
Insurance	(\$30,000)	(\$30,900)	(\$31,827)	(\$32,782)	(\$33,765)	(\$34,778)	(\$35,822)	(\$36,896)	(\$38,003)	(\$39,143)
Maintenance	(\$118)	(\$123)	(\$128)	(\$133)	(\$138)	(\$144)	(\$149)	(\$155)	(\$161)	(\$168)
Repairs	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)
TOTAL OPERATING EXPENSES	(\$70,193)	(\$71,743)	(\$73,477)	(\$74,926)	(\$76,351)	(\$77,856)	(\$79,742)	(\$81,634)	(\$83,404)	(\$85,221)
NET OPERATING INCOME	\$305,114	\$315,291	\$328,375	\$335,564	\$335,799	\$348,791	\$362,351	\$368,952	\$385,537	\$395,879

Property Resale Analysis

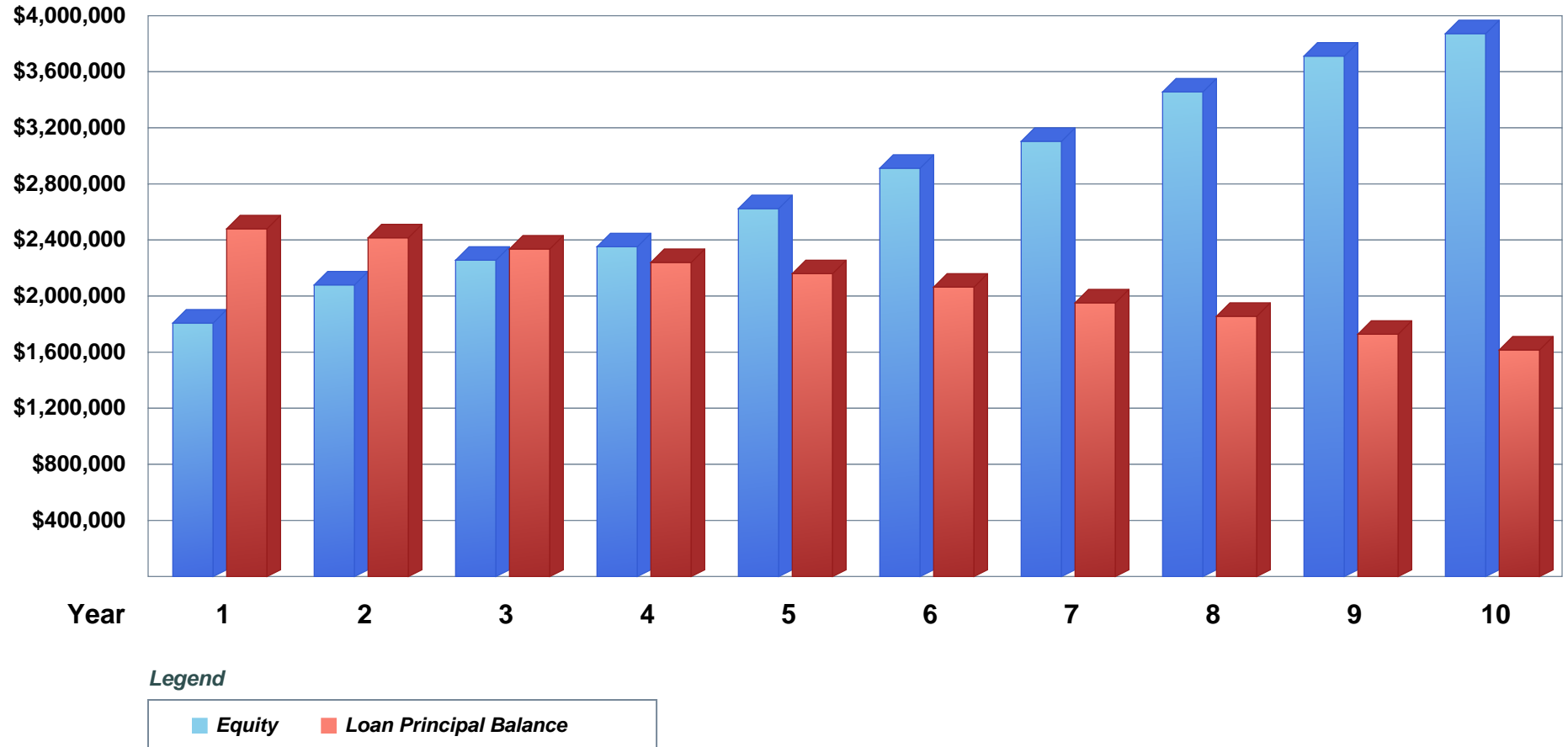
Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Property Value	\$4,504,154	\$4,691,073	\$4,793,774	\$4,797,128	\$4,982,727	\$5,176,449	\$5,270,737	\$5,507,676	\$5,655,416	\$5,691,822
Resale Expenses	(\$270,249)	(\$281,464)	(\$287,626)	(\$287,828)	(\$298,964)	(\$310,587)	(\$316,244)	(\$330,461)	(\$339,325)	(\$341,509)
Proceeds b/f Debt Payoff	\$4,233,904	\$4,409,609	\$4,506,147	\$4,509,301	\$4,683,764	\$4,865,862	\$4,954,493	\$5,177,215	\$5,316,091	\$5,350,312
Basis at Acquisition	\$3,800,000	\$3,800,000	\$3,800,000	\$3,800,000	\$3,800,000	\$3,800,000	\$3,800,000	\$3,800,000	\$3,800,000	\$3,800,000
Depreciation	(\$75,200)	(\$157,248)	(\$239,296)	(\$321,344)	(\$403,392)	(\$485,440)	(\$567,488)	(\$649,536)	(\$731,584)	(\$813,632)
Adjusted Tax Basis	\$3,724,800	\$3,642,752	\$3,560,704	\$3,478,656	\$3,396,608	\$3,314,560	\$3,232,512	\$3,150,464	\$3,068,416	\$2,986,368
Resale Tax Gain (Loss)	\$509,104	\$766,857	\$945,443	\$1,030,645	\$1,287,156	\$1,551,302	\$1,721,981	\$2,026,751	\$2,247,675	\$2,363,944
Resale Tax Benefit (Cost)	(\$83,886)	(\$130,753)	(\$165,746)	(\$186,731)	(\$233,413)	(\$281,239)	(\$315,046)	(\$368,966)	(\$410,310)	(\$435,955)
Loan Principal Balance	(\$2,588,983)	(\$2,513,587)	(\$2,433,539)	(\$2,348,555)	(\$2,258,329)	(\$2,162,539)	(\$2,060,840)	(\$1,952,868)	(\$1,838,237)	(\$1,716,536)
Balloon/Call Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Resale Proceeds	\$1,561,035	\$1,765,269	\$1,906,862	\$1,974,014	\$2,192,022	\$2,422,084	\$2,578,608	\$2,855,381	\$3,067,544	\$3,197,822
Resale Cap Rate	6.77%	6.72%	6.85%	7.00%	6.74%	6.74%	6.87%	6.70%	6.82%	6.96%

Footnotes: b/f = before

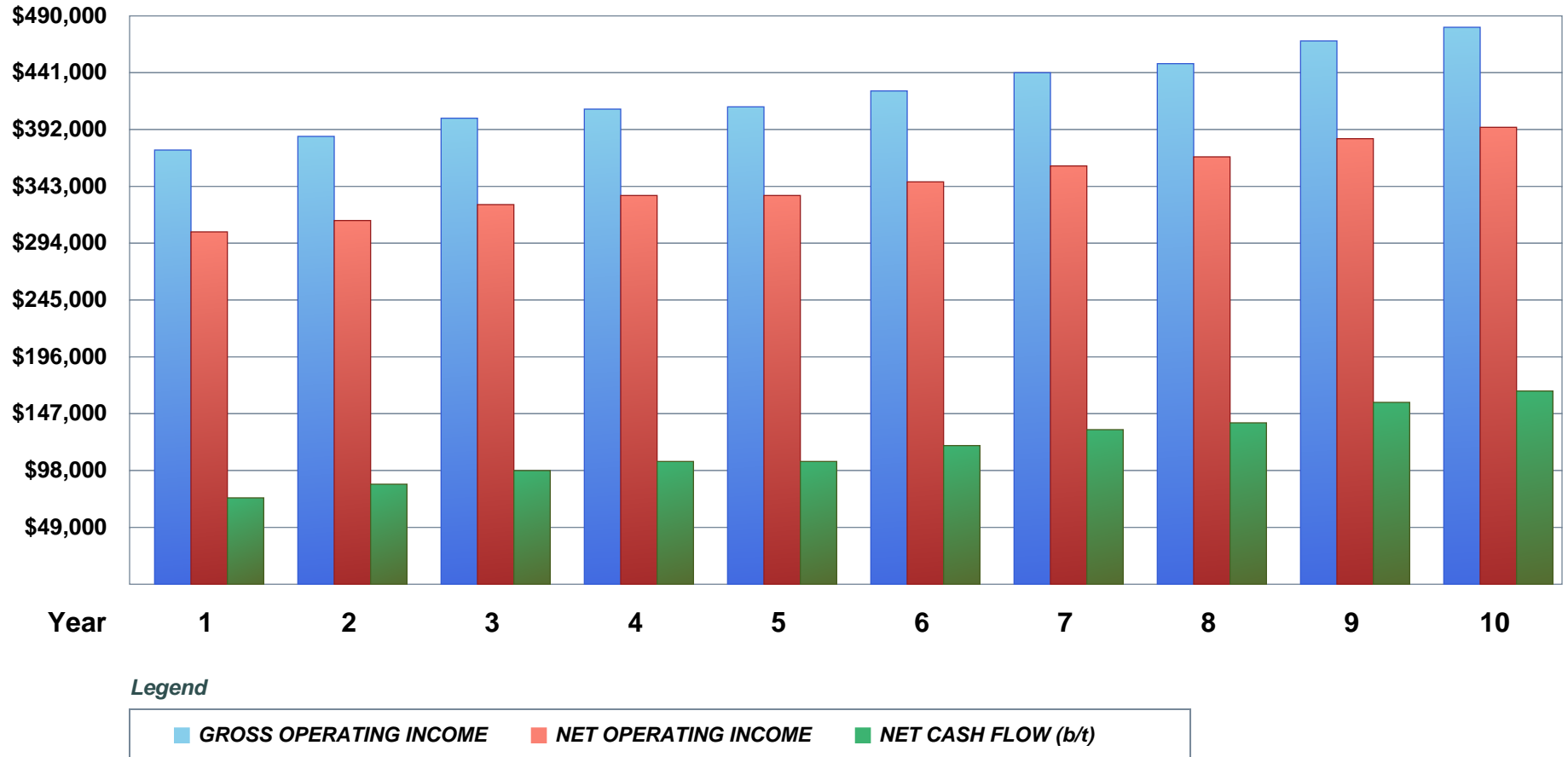
Property Equity Analysis



Equity vs. Debt



Operating Income Analysis



Gross Income Vs. Operating Expenses

