2004 has been a fantastic year for sellers of retail investment properties! CB Richard Ellis has had tremendous success in the market, as our Private Client Group platform has proven itself to be the most innovative and cutting edge way to maximize price in the market. Our national database of over 60,000 qualified investors guarantees that sellers will not leave money on the table while selling to buyers that will close the deal.

Call us today to discuss disposition plans for the upcoming months as you try to beat the looming interest rate hikes that will impact cap rates and your resulting value. We have not seen a market as aggressive as this for many years and it is likely it will be quite some time before we see these numbers again. Remember, the 1031 investors’ capital is the most fickle, therefore these most aggressive buyers will be the first to fall out when rates begin to move.

We look forward to working with you in and across the Southeast in helping you to achieve your retail investment property goals.

FEATURE PROPERTY | MAYPORT CROSSINGS

This 65,000 square foot Food Lion anchored shopping center represents a value add opportunity for the buyer. Its stable cash flow and strong location will make this a quality investment for years to come.

Location
701 Mayport Crossings Blvd.
Jacksonville, FL 32299

Size
±64,245 RSF

Land Area
±7.46 acres

Year Built
1988

Occupancy
96%

Number of Tenants
13

NOI
$376,447

CAP Rate
8.5%

Price
$4,430,000

For More Information, Please Contact:

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Associate
CB Richard Ellis
225 Water Street, Suite 110
Jacksonville, FL 32202
T 904.630.6355
F 904.791.8953
ciff.taylor@cbre.com

OUR TEAM CAN SERVE YOU IN THE FOLLOWING CITIES:

Jacksonville • Fernandina Beach • St. Augustine • Ocala • Palm Coast • Gainesville • Tallahassee • Panama City • Pensacola • Valdosta • Brunswick • Savannah • and the entire Southeast Region

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**WHY YOU SHOULD MARKET YOUR PROPERTIES WITH CBRE’S PRIVATE CLIENT GROUP:**

- PCGlistings allows 24/7 access to PCG opportunities.
- PCGlistings (on any given day) has approximately 250 available opportunities with over a $1,000,000,000 in consideration.
- PCGlistings provides real-time investor/broker activity.
- Our shared database currently has over 30 teams nationwide, with 60,000 investor and 18,000 broker records. Each investor contains an investment profile, allowing PCG to sift through our growing database and find the most motivated investors.
- PCGlistings has an optional electronic confidentiality agreement and automates and records offering package delivery.
- PCGlistings provides trending of investor interest, market activity and deal information.
- Investors can register themselves and new records are added daily to our database.

**WE JUST SOLD 3 PROPERTIES & NOW WE NEED YOUR HELP:**

Investment demand for properties featured in our Private Client Group program significantly exceeds supply and we need additional properties or portfolios to sell.

This unprecedented demand for qualified properties combined with our team’s unparalleled access to capital and years of real estate experience ensures a successful sales process. The result is multiple offers, qualified buyers and the maximum selling price for your property.

To learn more about the benefits of our Private Client Group program, please call us today!

<table>
<thead>
<tr>
<th>Property</th>
<th>Status</th>
<th>Size</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>University Town Center</td>
<td>Under Contract</td>
<td>±29,496 SF</td>
<td>New development on the best corner in town.</td>
</tr>
<tr>
<td>Mayport Crossing</td>
<td>Marketing</td>
<td>±64,245 SF</td>
<td>Food Lion anchored center.</td>
</tr>
<tr>
<td>Circuit City</td>
<td>Marketing</td>
<td>±48,000 SF</td>
<td>Contact us today for more information</td>
</tr>
<tr>
<td>CVS (former Eckerd)</td>
<td>Marketing</td>
<td>±12,000 SF</td>
<td>Contact us today for more information</td>
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</tbody>
</table>
Jacksonville, Fla., is enjoying some major attention from developers and retailers these days. And why not? After all, it is the largest city in the United States in terms of land area (841 square miles).

Driven by local growth of the banking and medical fields (the city plays host to Bank of America and a branch of the Mayo Clinic, among others), the population is increasing steadily; as of 2003 the metro area had some 1.2 million people, and that could grow to about 1.32 million within five years, according to the Cornerstone Regional Development Partnership of the Jacksonville Regional Chamber of Commerce. “A lot of folks are relocating [here],” said Rick Sutton, a retail specialist at the local office of brokerage firm Grubb & Ellis.

While many people are moving to Jacksonville to work, others are coming for more leisurely reasons. The area is a major draw for visitors from northeast Florida and much of southern Georgia. (It hasn’t hurt that the National Football League admitted the Jacksonville Jaguars in 1995, or that the 2005 Super Bowl will be taking place there.) Retirees, too, are settling in Jacksonville.

Not coincidentally, incomes have soared. In 1990, when The Avenues, the last major regional mall to open in the city, made its debut, household income averaged $41,870 a year. Now it is $75,284 a year, reports Benjamin M. Carter, chairman of Atlanta-based Ben Carter Properties, which is building a major project there in a 50-50 partnership with Simon Property Group. (The two co-developed the pioneering hybrid Mall of Georgia, which opened outside Atlanta in 1999.) Much of the higher-income migration has been drawn to the city’s southeast side, where retail developers have been hard at work. “It’s a cultural and economic hub,” Carter said.

Now retail developers are hard at work to catch up with all that residential growth.

Carter and Simon are building the 1.5 million-square-foot St. John’s Town Center on a 225-acre site at Interstate 95 and J. Turner Butler Boulevard, next to the I-295 Beltway. (The Beltway is due to be completed in 2006.) Construction on St. John’s began in August 2003, and the opening has been set for March, 2005.

Originally, Carter’s idea was a center anchored by a department store from Federated or May Co. along with some more-upscale anchors, such as Neiman Marcus or Saks, none of which are in the Jacksonville market now. Though none of those anchors has signed on, the 1.2 million-square-foot first phase of St. John’s will comprise an open-air mall anchored by Dillard’s, the first Dick’s Sporting Goods in Florida and a Barnes & Noble. Among the specialty tenants new to the market are Apple Computer, Coldwater Creek and Sephora. An entertainment section called The Main Street at St. John’s Town Center will include Cheesecake Factory, Maggiano’s and P.F. Chang’s. In addition, the center will have a community center anchored by Target. “This is a very strong prototype for future development,” Carter said. “Lots of department stores now view Target as a compatible co-tenant.”
The second phase is to include 150,000 square feet of shops and restaurants and perhaps up to three department stores. The retail will be surrounded by 225 town houses to be developed by Bloomfield Hills, Mich.-based Pulte Homes, 225 apartments built by Marietta, Ga.-based Wood Partners, and one or two hotels.

Meanwhile, Simon is busy elsewhere in Jacksonville. Just three miles to the south, the developer has begun a major interior and exterior renovation of its 1.1 million-square-foot Avenues mall, which is anchored by Belk, J.C. Penney, Parisian and Sears. The mall will sport a new entryway decorated with stained-glass windows, as well as new flooring, elevators and escalators. Simon expects to finish work sometime in February.

Other national developers have their eyes on Jacksonville too. Still in the permitting process is Avenues Walk, a 161-acre joint venture of locally based Atlantic Coast Developers (formerly Agora Development); Asset Brokerage Services, also based in Jacksonville; Kimco Developers (a subsidiary of Kimco Realty); and MLP Investments, St. Louis.

The plans call for retail, residential and office space and a hotel, all dominated by a 22-acre lake, on a site between Philips Highway and I-95, directly across from The Avenues. “This is a classic in-fill development,” said William Sulzbacher, SCSM, CLS, president of Atlantic Coast. Pulte and MLP will develop the town house and apartment components, respectively.

There will be about 600,000 square feet of retail, 1,050 multifamily residences, 50,000 square feet of office space and 400 hotel rooms. The retail will be built in an urban-village style, with some residential space over stores and lakeside restaurants.

“The restaurants will be an important ingredient in the mix, as will a public plaza on the water,” Sulzbacher said. The group hopes to have approvals in place by the end of the year, with construction set to begin in the spring for a 2006 opening.

On another intersection in the southeast quarter, The Sembler Company is developing The Southside Shoppes, with 45,000 square feet of retail anchored by Best Buy. The center is scheduled to open in the fall. According to Sembler, the population within three miles of Southside Shoppes is 52,387, and the average household income is $71,587 yearly.

But the city’s north section is seeing some development too. Southfield, Mich.-based Ramco-Gershenson is building River City Marketplace, a 465-acre project that will include a 1 million-square-foot power center and a more lifestyle-oriented town center as well. There will also be 900 residential units, to be built by Liberty Development, and some additional commercial space. Construction is scheduled to begin late this year and the center’s first phase, comprising about 700,000 square feet of retail anchored by a Wal-Mart Supercenter, will start opening in March 2006.

“The market as a whole continues to be vibrant and has been growing as a major city, but the growth has been somewhat saturated in the south,” said Charles E. Bludworth, Ramco-Gershenson’s vice president of development and asset redevelopment. More recently, the city has extended utility lines northward, attracting middle-income residential development.

“Every national residential builder has entered the market,” Bludworth said. “And now it is very much under-retailed.”