



BIDDERS' INFORMATION PACKAGE

DECEMBER 11th REAL ESTATE AUCTION SALE OF SPECTACULAR SCHAUMBURG OFFICE BUILDING (650 E. Algonquin Road, Schaumburg, IL)



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I. PROPERTY INFORMATION

**650 E. Algonquin Road
Schaumburg, Illinois**

INSPECTION DATES/TIMES

Wednesday, November 12 from 1:00pm – 2:30pm
Thursday, November 20 from 1:00pm – 2:30pm
Monday, November 24 from 1:00pm – 2:30pm
Tuesday, December 2 from 1:00pm – 2:30pm

Meet our representative in the property management office (Suite 201) for the property inspection which will be conducted on the quarter hour.

LAND

The building land site (Lot 3), consists of 5.682 acres and also includes the main drive off Algonquin Road and the internal roadway connecting to Quentin Road. Owners of the adjacent properties consisting of KinderCare and a vacant development site (once developed) pay their proportionate share of the common area maintenance of this driveway area based upon the square footage of each building.

Lakewoods Corporate Center occupies approximately 247,500 square feet of land and provides 356 parking spaces. Eighty-six of these spaces are located around the landscaped island which is west of the main drive off Algonquin Road. The landscaped island is included in Lakewoods Corporate Center acreage.

The development of a comparable Phase II office building not owned by us will necessitate the use of these 86 spaces. Consequently, the sale of Lakewoods Corporate Center will require an easement for the benefit of Lot 2 which will be utilized both by Lakewoods Corporate Center and the adjoining property when developed. The 270 parking spaces surrounding Lakewoods Corporate Center are more than ample for the building's tenants.

BUILDING

Lakewoods Corporate Center is an approximate 82,913 square foot building. The four-story multi-tenant reflective blue glass and steel frame building was erected in 1987. The building is fully sprinklered with a wet system. There are men's and women's washrooms on each floor with typical finish consisting of ceramic tile floors and walls, two china wash basins in ceramic tile counter and flush valve toilets with metal stalls. There are two automatic electric elevators servicing the building. The lobby consists of an attractive marble 2-story atrium with two entrances on the east and west center core of the building. The entrances have attractive marble finish both with security

alcoves with the east entrance being the main entrance. Orleans Homes, Delcan, Geus Technology and Hotel Technology Next Generation are the first floor tenants. The first floor and second floors have less usable space because of the lobby/atrium. The second floor tenants are Wolowicki & Associates (accounting firm), DK Realty Partners, LLC (the building manager), and Vital Systems (clinical trials research firm). There are two vacant spaces totaling 9,584 square feet). The interior spaces generally are finished to the tenant's specifications and generally are carpeted and/or tile floor coverings, attractive painted drywall, dropped acoustical tile ceilings with recessed lighting. The third floor tenants consist of Wells Fargo, Group Alternatives and Washington Mutual and the floor has a 3,543 square foot vacancy.. The fourth floor is leased to Washington Mutual, AEK Computers and the floor has a 5,500 square foot vacancy. A new roof was put on the property December 2007.

A guarantee on the new roof can be viewed at <http://dkrealty.com/membersonly/documents/650roof.pdf>. Ownership has always performed preventative maintenance on the HVAC/mechanicals.

FLOOR PLANS

Floor plans can be viewed at:

<http://dkrealty.com/membersonly/documents/650floorplans1.pdf>.

<http://dkrealty.com/membersonly/documents/650floorplans2.pdf>.

<http://dkrealty.com/membersonly/documents/650floorplans3.pdf>.

<http://dkrealty.com/membersonly/documents/650floorplans4.pdf>.

REAL ESTATE TAXES

PIN # 02-34-102-067-0000. 2007 taxes were \$380,886.07 and a copy of the tax bill can be viewed at <http://dkrealty.com/membersonly/documents/650taxbill.pdf>.

Our real estate tax attorney is working on a real estate tax cut with Cook County.

LEASES

Copies of the tenant leases are available online at:

Orleans Homebuilders: <http://dkrealty.com/membersonly/documents/650Orleans.pdf>

Geus Technology: <http://dkrealty.com/membersonly/documents/650Geus.pdf>

Delcan (NET): <http://dkrealty.com/membersonly/documents/650Delcan.pdf>

Hotel Technology Next Generation: <http://dkrealty.com/membersonly/documents/650HTNG.pdf>

Wolowicki & Associates: <http://dkrealty.com/membersonly/documents/650Wolowicki.pdf>

DK Realty Partners: <http://dkrealty.com/membersonly/documents/650DKRP.pdf>

Vital Systems: <http://dkrealty.com/membersonly/documents/650VitalSys.pdf>

Wells Fargo (Acordia): <http://dkrealty.com/membersonly/documents/650WellsFargo.pdf>

Group Alternatives: <http://dkrealty.com/membersonly/documents/650GroupAlt.pdf>

WaMu (Suite 305): <http://dkrealty.com/membersonly/documents/650WAMU305.pdf>

Watterson Environmental: <http://dkrealty.com/membersonly/documents/650Watterson.pdf>

WaMu (Suite 402): <http://dkrealty.com/membersonly/documents/650WAMU402.pdf>

AEK Computers: <http://dkrealty.com/membersonly/documents/650AEK.pdf>

A brief description of the business conducted by each tenant can be viewed at <http://dkrealty.com/membersonly/documents/650tenants.pdf>

A current rent roll, 2008 operating budget and 2006, 2007 & YTD 2008 P&Ls can be viewed at <http://dkrealty.com/membersonly/documents/650financials.xls>

AREA DESCRIPTION

Lakewoods Corporate Center is located in the Northwest Suburban area of the Chicago MSA in the city of Schaumburg, Illinois. Schaumburg's current population is estimated to be approximately 75,000 with a daytime employee population of 56,000 plus. The property is part of the Northwest Suburban office market, also known as the Northwest Corridor, whose growth was created with the advent of the Northwest Tollway (I-90). The Schaumburg area began its growth in the early 1970's with the opening of the Woodfield Mall which contains the country's largest retail square footage under one roof. Office and residential growth has occurred in all directions around the mall. The proximity of affluent residential communities such as Barrington and Inverness, as well as the availability of a diverse workforce continues to draw major corporations to the Northwest Suburban office market. The depth and quality of this sub-market's roster of corporate tenants contributes to the Northwest Suburban market's appeal as a long term investment location. The population counts within three miles, five miles and ten miles of Lakewoods Corporate Center are 76,733, 249,859 and 838,556 respectively.

The majority of the Northwest Corridor is located along either the Northwest Tollway (I-90), or Route 53, the northern extension of the North/South Tollway (I-355). Our location provides for direct access via I-90 to O'Hare International Airport, continuing on to the City of Chicago; as well as to the city's western suburbs via Route 53/I-355, two miles southeast of Lakewoods Corporate Center. Schaumburg is often considered "a second downtown" with its several million square feet of first class high-rise, mid-rise and one-story office buildings contained in over seventy office buildings.

Access to Lakewoods Corporate Center is excellent. The property is less than two miles northwest of the four-way interchange of Algonquin Road and Route 53, and only three miles northwest of the intersection of Route 53 and I-90, the crossroads of this sub-market. Lakewoods Corporate Center also fronts on Quentin Road, a north-south route which residents and tenant frequently utilize as an alternative to Route 53.

Lakewoods Corporate Center benefits greatly from the abundance and proximity of retail amenities and highly skilled labor pool. In addition to Woodfield Mall, which is approximately two miles southeast of the property, there are numerous other retailers, hotels and restaurants. In fact, there are no less than six restaurants within one-half mile of Lakewoods Corporate Center and no less than ten hotels within three miles. Among these hotels are premium accommodations such as Hyatt and Embassy Suites, as well as middle market priced rooms at Hampton Inns, Courtyard by Marriott and Holiday Inn.

In the immediate area is the international headquarters of Motorola, which is one half mile east of the Lakewoods Corporate Center on the south side of Algonquin Road. Other neighbors include the Nation Pizza Products Headquarters directly opposite Lakewoods Corporate Center on the southeast corner of Algonquin and Quentin Roads. A new Kindercare day care facility adjoins Lakewoods Corporate Center directly north. Newer single-family residences and town home developments are located north along both sides of Quentin Road. Two blocks northwest along Algonquin Road is the campus of William Rainey Harper Junior College.

To summarize, Lakewoods Corporate Center is in the growing thriving northwest suburb of Schaumburg. Schaumburg boasts of having over seventy first class office buildings and campuses. Lakewoods Corporate Center is in a 100% location at the stoplight key corner of four-lane Algonquin Road (62) and Quentin Road, which is easily accessible to all the tollways and interstates as well as the nearby northwest suburbs with its strong white collar labor pool. Our tenant roster confirms the desirability of this location.

II. LOCATION MAP/AERIAL & SURVEY

**650 E. Algonquin Road
Schaumburg, Illinois**

Location Map/Aerial

Click the link below for a location map and aerial view of the property.

<http://maps.google.com/maps?f=q&hl=en&geocode=&q=650+E+Algonquin+Rd,+Schaumburg,+IL+60173&sll=42.106031,-88.065564&sspn=0.007562,0.019226&g=222+S+Crescent+Ave,+Palatine,+IL+60067&ie=UTF8&ll=42.071915,-88.050871&spn=0.030263,0.076904&t=h&z=14>

Survey

The survey of the property can be viewed at

<http://dkrealty.com/membersonly/documents/650survey1.pdf>
<http://dkrealty.com/membersonly/documents/650survey2.pdf>

III. ZONING INFORMATION

**650 E. Algonquin Road
Schaumburg, Illinois**

ZONING: B-3, Planned Office/Business. Zoning information for Cook County can be found at:

http://www.co.cook.il.us/portal/server.pt?open=514&objID=271&parentname=CommunityPage&parentid=2&mode=2&in_hi_userid=2&cached=true

EASEMENT AGREEMENTS

The sale of Lakewoods Corporate Center will require an easement for the benefit of Lot 2 which will be utilized both by Lakewoods Corporate Center and the adjoining property when developed. A copy of the easement agreements can be viewed at

<http://dkrealty.com/membersonly/documents/650easement1.pdf>
<http://dkrealty.com/membersonly/documents/650easement2.pdf>

IV. ENVIRONMENTAL REPORT

A Phase I Environmental Assessment report can be viewed at:

<http://dkrealty.com/membersonly/documents/650PhaseI.pdf>

V. AUCTION PROCEDURES

650 E. Algonquin Road
Schaumburg, Illinois

AUCTION: THURSDAY, DECEMBER 11, 2008

Time & Place: The Auction will take place in Suite 400 at the property, 650 E. Algonquin Road, Schaumburg, IL, on Thursday, December 11, 2008.

Registration:

12:30pm – 1:30pm

Bidder's Seminar:

1:30pm – 2:00pm

Live-cry Auction:

2:00pm

BIDDER REGISTRATION

In order to bid, during auction registration you must:

- 1) Complete an "Auction Bidder Card."
- 2) Show possession of a \$100,000 certified or cashier's check (payable to yourself) and a blank personal or company check as earnest money deposits, if declared the high bidder.
- 3) Show photo identification.

Upon acceptance of the high bid by the Seller, the successful high bidder shall endorse this check over to "DK Realty Partners, LLC, as escrowee" and increase the earnest money to 10% of the purchase price via personal or company check payable to "DK Realty Partners, as escrowee" as and for the full earnest money deposit required by the Real Estate Sale Contract.

Bidding at the Auction is open ONLY to registered Bidders. (The public may attend but priority attendance will be extended to registered bidders.)

BIDDING

A brief practice auction will be conducted prior to the Auction to demonstrate how the bidding will take place.

Once the bidding begins, an Auction Bidder need only raise his/her hand in response to the bid for which the auctioneer is calling, or instruct one of the auctioneer's bidding assistants to do so on the Bidder's behalf. It is the responsibility of the Bidder to make its bid known to the auctioneer.

V-1

In the case of a disputed bid(s), the auctioneer shall exercise his sole discretion in determining the resolution of such dispute(s), and such decision is final. If any dispute arises between two or more Bidders, the auctioneer may decide the same or may immediately re-open the bidding, and sell to the highest Bidder. Such decision shall not be the subject of any post-auction claims. Auctioneer reserves the right to bid on behalf of seller provided that auctioneer shall disclose such bidding orally to the other bidders at the time of the auction and of the instant bid itself. No transfer of right(s) shall be recognized from one Bidder to another. In the event a dispute should arise after the auction, the auctioneer's records shall be conclusive. The decision of the auctioneer shall be final and absolute.

If the final high bid of a bidder is acceptable to Seller, at Seller's sole discretion, the Auctioneer may thus determine the successful auction bidder for the property ("Successful Auction Bidder"), then the final high bid amount achieved at the Auction shall constitute the purchase price for the Real Estate Sale Contract.

The determination, rejection, or acceptance of any bid or bidder for the Property at the Auction shall be made by the Seller in Seller's sole judgment and discretion and is not subject to challenge.

Bidding will stop when the auctioneer says that the bidding has ended. The Successful Auction Bidder, if any, shall have his bidder's number ("Successful Auction Bidder Number") recorded and the amount of successful auction bid ("Successful Auction Bid") will be announced and recorded, and the auctioneer will confirm the acceptance or rejection of said Successful Auction Bid by the Seller. This information will be recorded by the auctioneer or his designee.

Immediately after the Auction, any blank spaces in the Real Estate Sale Contract will be appropriately filled in reflecting the results of the bidding, the Successful Auction Bidder (if any) shall execute the Real Estate Sale Contract and endorse all earnest money checks over to DK Realty Partners, LLC. as escrowee per the terms of said Real Estate Sale Contract.

SIGNING THE REAL ESTATE SALE CONTRACT

Once you are declared the successful high bidder, you and your Realtor®/broker, if any, will be ushered to the contract signing table where you will be asked to sign the Real Estate Sale Contract and remit your earnest money deposit checks.

The personal signatures of all potential purchasers are required on the Real Estate Sale Contract. Corporate, company, partnership or trustee signatures should be accompanied by proof of authority to sign in such capacity. Assignments of the Real Estate Sale Contract will not be permitted without the written consent of the Seller.

NON-REFUNDABLE EARNEST MONEY DEPOSIT

Your full earnest money deposit (equal to 10% of the purchase price) will be forfeited if you fail to complete the sale for any reason other than seller default.

CLOSING

At the closing, you will be expected to pay the difference between the purchase price and your earnest money deposit by wire transfer or Cashier's check.

Closing shall take place as provided for in the Real Estate Sale Contract set forth in VI. of this Bidders' Information Package. Failure to close on or before that date will result in forfeiture of all earnest money deposits without further notice to purchaser. Possession shall be tendered to purchaser upon closing.

The Property is being offered free and clear of financial liens. Taxes, and other pro-ratable expenses, will be current as of the closing date or otherwise prorated. Title will be transferred to purchaser by appropriate deed subject to 1) permitted exceptions, as in any real estate purchase and 2) those items that have been left in the title report, which can be found in section VI. of this Bidder's Information Package as "Exhibit C " to the Real Estate Sale Contract.

Upon acceptance of a high bid by the Seller and the signing of the Real Estate Sale Contract, the Successful High Bidder will immediately endorse their \$100,000 Initial Earnest Money Deposit cashier's check and concurrently shall pay, to the escrowee, purchaser's Additional Earnest Money Deposit by personal or company check required to bring the total Earnest Money Deposit up to 10% of the sales' price.

While the Successful Auction Bidder may obtain a loan to apply to the purchase of the Property, the sale will not be contingent upon the Successful Auction Bidder obtaining financing and the closing will not be extended for that purpose. Accordingly, all bidders are encouraged to examine financing alternatives prior to their participation in this sale. If the Successful Auction Bidder cannot close for a lack of financing or shall otherwise default under the terms of the Real Estate Sale Contract, Successful Auction Bidder will FORFEIT ALL EARNEST MONEY in addition to all other of Seller remedies.

DISCLAIMERS

All square foot dimensions listed in any promotional material are approximate and should be verified independently by bidders. Although information contained in any promotional material, advertisements, or publicity statements have been obtained from sources deemed reliable, the Seller, DK Realty Partners, LLC and their agents and/or representatives make no guarantee as to the accuracy of said information and offer the property without expressed or implied warranty of any kind. No liability is assumed for errors and/or omissions in this or any other property listing, advertising or promotional /publicity statements and materials.

Announcements made by the Auctioneer at the time of the sale will take precedence over these and other printed materials distributed by the Auctioneer for this auction with the exception of the Real Estate Sale Contract. While none are expected, any change required by Seller in the Real Estate Sale Contract shall be distributed in writing to registered bidders prior to commencement of the auction. Conduct of the auction, increments of the bidding and the determination of the Successful High Bidder are at the direction and sole discretion of the Auctioneer. Property may be withdrawn from the auction or marketplace without notice.

Wherever any language distributed during the marketing of this sale, at the property inspections and at the time of the auction differs from the language of the Real Estate Sale Contract, the language in the Real Estate Sale Contract shall control. The Seller and DK Realty Partners, LLC assume, and bidders warrant by their bidding, that bidders have inspected the real estate, are satisfied with the condition of same and accept that this property is being offered and sold in "as-is, where-is" condition, without any expressed or implied warranties.

Seller may in Seller's absolute discretion modify these Auction Procedures. Such modifications (if any) would be announced prior to the beginning of the bidding. Such modifications would be made only in extraordinary instances and every reasonable effort would be made to notify all prospective Bidders known to Seller or Seller's agent.

This solicitation for offers to purchase the Property is made to qualified bidders/purchasers without regard to the prospective purchaser's race, physical handicap, color, religion, age, sex, sexual preference, marital status or national origin.

Employees or agents of DK Realty Partners, LLC and the Seller (and their agents and subcontractors for this sale) are specifically prohibited from bidding on or purchasing the property offered in this sale without making a disclosure through the auctioneer.

Seller, without any prior notice, written or otherwise, reserves the absolute right, exercisable in its sole and absolute discretion, to withdraw the Property from this Auction event or to postpone or cancel the Auction, at any time before the bidding.

Realtor® David M. Kaufman, CCIM owns an equitable interest in the property and is seller's designated agent only. Mr. Kaufman will deal with prospects as *customers* only and is not and will not be any prospective purchaser's agent nor will he be a dual agent in the contemplated sale.

SELLER'S RESERVE:

The Seller's solicitation of offers is without reserve at/or above a minimum bid of \$5,500,000.00 (five and one-half million). Reserve means that the Seller has the right to accept or reject any of the auction bids for any reason or for no reason until the bidding reaches the minimum bid.

REALTOR® PARTICIPATION GUIDELINES – 1.0% COMMISSION

A 1% (one percent) commission as calculated on the gross purchase price will be paid to the licensed Realtor® procuring the Purchaser who pays and settles for the property. To qualify for said commission, the Realtor® **MUST**:

- 1) **warrant to DK Realty Partners that the co-broker is a Realtor® or agrees to abide by the Code of Ethics of the National Association of Realtors®.**
- 2) **identify his/her prospect on the Bidder/Broker Certificate (found on the next page of this Bidder's Information Package); and**
- 3) **attend and register at the auction with his/her client.**

The certificate must be sent/delivered so that it is received by:

DK Realty Partners, LLC

Attn: Realtor® Registration - Lakewoods

650 E. Algonquin Road, Suite 201

Schaumburg, IL 60173

or via fax to 847/397-8940 or PDF attachment to email to kaufmand@dkrealty.com.

no later than Wednesday, December 10, 2008 at 4:00pm.

A complete registration file on all prospects will be maintained by DK Realty Partners, LLC. **No Realtor® or broker will be recognized on a prospect who has previously contacted or has been contacted by DK Realty Partners, LLC.** Commission will be paid to a participating Realtor® or broker only when the sale has closed and full commissions have been received by DK Realty Partners, LLC. No commission will be paid to any Realtor® or broker participating, or planning to participate, in the purchase as a principal, and an affidavit will be required that the Realtor® or broker is serving only as a broker. Participating Realtor®, if any, shall be Purchaser's agent and not Seller's agent.



DK REALTY PARTNERS, LLC

Realtors®

Paul R. Dammik
David M. Kaufman, CCIM
Principals

650 East Algonquin Road, Suite 201
Schaumburg, Illinois 60173

TEL: 847-897-8900
FAX: 847-897-0940
www.dkrealty.com

Bidder/Broker Certificate

Dated: _____, 2008

The below identified Co-Broker states he is a Realtor®, Realtor® Associate or a broker who agrees to abide by the Code of Ethics of the National Association of Realtors® (hereinafter Co-Broker or Realtor®), and seeking to participate as a co-operating broker in the sale of 650 E. Algonquin Road, Schaumburg, IL property, (hereinafter, Property); hereby swears and affirms to Broker that said Co-Broker or Realtor® a) has properly registered his/her prospect as required by the Auction Sale terms and conditions and b) will not participate in the ownership of the Property, directly or indirectly at or subsequent to the closing of the transaction. Furthermore, Co-Broker or Realtor® agrees to accept 1% (one percent) of the purchase price from Broker as their full and complete commission provided Co-Broker or Realtor® has met and is in conformity with all requirements and conditions set forth in the Bidders' Information Package which they have read and acknowledge.

If DK Realty Partners, LLC determines that any of the above is incorrect, then Co-Broker or Realtor® shall not be entitled to and will not receive any part of the real estate commission offered to Co-Broker or Realtors®. In the event that Co-Broker or Realtor® shall have received a commission in this sale from Broker when they were not entitled to same because of the foregoing covenants, they shall immediately pay same amount back to Broker.

Co-Broker or Realtor®

By: _____ Company: _____

The below identified Purchaser acknowledges that he/they first became aware of 650 E. Algonquin Road, Schaumburg, IL Auction Sale when it was submitted to them by _____ the above captioned Co-Broker or Realtor® on _____, 2008 before having seen information submitted to them by, or having contacted, DK Realty Partners, LLC. Purchaser further represents that the above Co-Broker or Realtor® represents them and acknowledges that DK Realty Partners, LLC is the agent of Seller and not the agent of the Purchaser.

Purchaser: _____

More Questions, please call Realtor® David M. Kaufman, CCIM, at (312) 912-7092

The above enclosed information is intended to describe and explain any items with respect to this Auction event that may not have been previously published. PLEASE READ ALL THE INFORMATION CAREFULLY. Wherever the terms or conditions of this sale set forth in this Bidder's Information Package shall differ from the Real Estate Sale Contract, said Real Estate Sale Contract shall control.

DK Realty Partners, LLC's managers are Paul G. Demik and David M. Kaufman, CCIM. Only the managers of DK Realty Partners, LLC can bind DK Realty Partners, LLC to any agreement. The above property information is subject to verification by reader and no liability for errors and/or omissions is assumed. Price is subject to change and/or listing withdrawn without notice.

VI. REAL ESTATE SALE CONTRACT

**650 E. Algonquin Road
Schaumburg, Illinois**

The Real Estate Sale Contract can be found at ...

<http://dkrealty.com/membersonly/documents/650contract.pdf>