REAL ESTATE SALE – OFFERING MEMORANDUM

35,776 SF Commercial Building & 3,000 SF Office Building
205 W. Edison Road, Mishawaka, IN

CALL FOR OFFERS DEADLINE: JANUARY 15TH
Contents

• Introduction & Inspection Dates
• Property Information
• Property Photos
• Terms of Sale
Introduction & Inspection Dates

This offering is for a prime, commercial building set along a strong retail corridor in Mishawaka, IN. Ideally located between Grape Road and Main Street just minutes from Notre Dame University campus, the property is surrounded by local and national tenants, while Mishawaka itself is located just 90 minutes east of Chicago, less than an hour from the shores of Lake Michigan, and just 10 miles from the South Bend International Airport, the second busiest in Indiana.

Property Highlights Include:
- Ideal Reuse/Redevelopment Site or Turnkey Fitness Center
- Great Access and Visibility along Edison Road
- Proximity to I-80, Upscale Retail/Restaurants & Lodging
- Equipment Available w/ Building or Separately

Included in this offering memorandum is detailed property information, photos, and the Terms of Sale. Additional due diligence information is available at www.HilcoRealEstate.com.

Property Inspections:
The property will be available for inspection on November 21st, December 4th and 11th at 11:00 AM.

Property Information:

Call for Offers Deadline: January 15, 2015 by 5:00 pm Central Time, delivered to the offices of Hilco Real Estate, 5 Revere Drive, Suite 320, Northbrook, IL. Attn: Steve Madura.

Certified Funds Required to Bid: $20,000

Call for More Information:

Steve Madura
847.504.2478
smadura@HilcoGlobal.com

Joel Schneider
847.418.2723
jschneider@HilcoGlobal.com
The offering consists of a two-story, 35,776 square foot structure previously utilized as the Pinnacle Athletic Club, as well as a smaller 3,000 square foot multi-tenant office building set together on a total of 2.26 acres. This property boasts outstanding visibility along Edison Road just east of Grape Street, offering approximately 300 feet of frontage, parking for 87 vehicles, two curb cuts for easy access and strong traffic counts. Originally constructed in 1978 as a racquetball club, the property features a basketball court, handball and racquetball courts, multiple exercise and weight rooms, locker room, lounge, whirlpool, sauna, laundry and shower facilities. The property undergone major renovations in 1985, 1993, 2005, and then a minor renovation in 2011, including a full reconditioning of the silicon roof, new flashing, the installation of seven new Lenox HVAC units, new interior and exterior paint, new carpeting, new lockers, as well as a complete resealing of the parking lot.

The next door single-story office building is currently designed to accommodate two tenants, the front portion currently leased to LifeBalance Physical Therapy, and the rear portion previously leased to a daycare facility. This structure includes four washrooms, ample parking, a large fenced playground area and rear roll-up overhead door.

**Property Information (Athletic Club):**

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<thead>
<tr>
<th>Parcel ID</th>
<th>71-09-04-202-003.000-022</th>
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<tbody>
<tr>
<td>Site Size:</td>
<td>1.84 +/- Acres</td>
</tr>
<tr>
<td>Combined Property Area:</td>
<td>Athletic Club</td>
</tr>
<tr>
<td></td>
<td>Lower Level: 22,400 SF</td>
</tr>
<tr>
<td></td>
<td>Upper Level: 13,376 SF</td>
</tr>
<tr>
<td></td>
<td>Total: 35,776 SF</td>
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</table>
205 W. Edison Road, Mishawaka, IN – Property Information

Type: Commercial Building


Zoning: C-1 District – The purpose of the C-1 Central Commercial District is to provide convenient retail and service establishments for the day-to-day needs of a large area with minimum impact on surrounding residential areas. The district is designed to provide for freestanding commercial uses which require limited comparison shopping.

Utilities: Water, sewer, gas and electricity are available at the property.

Real Estate Taxes (2013): $25,219.28 (Commercial Building)

Foundation: Slab on poured concrete footings

Structural: Masonry

Exterior Finish: Brick

Interior Structure: The building’s elevated floor structure utilizes concrete planks on load bearing masonry. The remodeling added wood steel trusses and wood flooring for the office, upper weight room and cardio room. Floors are carpeted, ceramic tile, VCT or wood (gym and court floors). The ceilings are a combination of drywall, hard court panels, suspended ceiling or exposed metal deck. Walls are drywall, hard court panels or exposed concrete block.

HVAC: All units are roof top, gas fired heating and DX cooling. Of the 18 rooftop units, seven were replaced in 2011 with new Lenox units.

Windows/Doors: Aluminum frame windows and entry doors. Hollow metal frame, wood or steel interior doors.

Electric & Plumbing: The electrical and plumbing systems and fixtures are assumed to be adequate for this size property.

Parking: The property has a newly resealed, striped parking lot with 83 regular spaces and 4 handicapped spaces.
205 W. Edison Road, Mishawaka, IN – Property Information

SYSTEMS:

Sewer: City, drains north to the street.
Storm: Roof drainage and lot drainage to drywells or catch basins (17 total) in lawn and parking area.
Water: City; 2’ tapped off 4’ sprinkler main. Lower level sprinkled.
Fixtures: Men: 2 Toilets, 2 Urinals, 10 Showers, 4 Lavatories, 1 Drinking Fountain
Women: 3 Toilets, 4 Lavatories, 6 Showers, 1 Drinking Fountain
Common Area: 1 Handicapped Restroom, 1 Employee Restroom, 2 Drinking Fountains, 1 Janitor Basin, 1 Sink in Lobby

Hot Water: Two Bradford gas fired 100 gallon heaters.
Sump Pump: (1) 1/3 HP
Electric Service: Panels: #1-MDP 3Phase 480v, 600amp, 24 spaces, 2 spare
#2-225amp 277/480v - 3 phase, 42 spaces, 4 spare
#3-100amp 120/208v - 3 phase, 42 spaces, 4 spare
#4-200amp 120/240- single phase, 30 spaces, no spare
   -100amp 120/208 3 phase, 13 spares (massage room)
   -225amp 120/208 3 phase, 5 spares (massage room)
205 W. Edison Road, Mishawaka, IN – Property Information

**Electric Service Continued:**
Transformers: 3 - 50KVA 240/480v to 120/240v, feeds #4, 75KVA 480v to 120/208Y feeds massage room, and 30KVA to 120/208Y.
Disconnects: 30amp for EF1, all RTU’s

Lighting: combination of 2’ and 4’ T12 fluorescent, compact fluorescent, metal halide high bay for courts and incandescent track. Neon lighting accents and battery backup emergency lighting.

Exterior: Building wall packs and pole mounted parking lot lighting, all metal halide.

**Security:**
ADT alarm system for entry and fire system. Building has flow switch for sprinkler, pull stations, smoke detectors and horns.

**Fire system:**
Lower level of building is fully sprinkled connected to monitored system.

**Gas Service:**
Located at front north elevation, 1.5” high pressure, 2” after regulator.
## PROPERTY INFORMATION (OFFICE BUILDING):

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
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<tbody>
<tr>
<td>Parcel ID</td>
<td>71-09-04-202-005.000-022</td>
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<tr>
<td>Site Size</td>
<td>.43 +/- Acres</td>
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<tr>
<td>Combined Property Area</td>
<td>Office Building</td>
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<td></td>
<td>Ground Level: 3,000 SF</td>
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<td></td>
<td>Total: 3,000 SF</td>
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<tr>
<td>Type</td>
<td>Multi-Tenant Office</td>
</tr>
<tr>
<td>Year Constructed</td>
<td>1980s, Remodeled 1998</td>
</tr>
<tr>
<td>Real Estate Taxes (2013)</td>
<td>$4,751.96 (Office Building)</td>
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<tr>
<td>Foundation</td>
<td>Slab on grade</td>
</tr>
<tr>
<td>Structural</td>
<td>Steel (Metal Building)</td>
</tr>
<tr>
<td>Walls</td>
<td>Metal or wood stud, drywall, battery insulation in some stud walls</td>
</tr>
<tr>
<td>Ceiling</td>
<td>Drywall or suspended lay in grid.</td>
</tr>
<tr>
<td>Windows/Doors</td>
<td>Aluminum frame windows and entry doors. Hollow metal frames, wood/steel doors.</td>
</tr>
<tr>
<td>Roof</td>
<td>Metal building panels</td>
</tr>
<tr>
<td>Insulation</td>
<td>Vinyl covered fiberglass roof insulation, R value unknown.</td>
</tr>
</tbody>
</table>
135 W. Edison Road, Mishawaka, IN – Property Information

Parking: Concrete and asphalt lot with 32 spaces, including handicapped spaces.

Security: ADT alarm system for entry and fire system. Building has flow switch for sprinkler, pull stations, smoke detectors and horns.

Fire system: Lower level of building is fully sprinkled connected to monitored system.

Gas Service: Located at front north elevation, 1.5” high pressure, 2” after regulator

Systems:

Sewer: City, drains north to street-size not available

Storm: None. Roof drainage/lot drainage to drywells or catch basins (3 total) in parking area.

Water: City – 1” to 3/4” meter with back flow preventer.

Fixtures: Unisex: 3 Toilets (1 Handicapped), 2 Lavatories, 1 Janitors Basin, 1 Sink.

Hot Water: One 5 gallon electric, 2008

Electric: Service: 200 Amp single phase panel, no transformer, 42 spaces, 18 spare Interior lighting: 2 x4 fluorescent, 1 x 4 fluorescent, metal halide, incandescent Exterior: Building wall mounted utility lights, all metal halide, incandescent soffit cans.

Security: Sonitrol with doors monitored, no motion or cameras

Fire system: Sonitrol monitors the fire smoke detectors and alarm horns. No pulls
Gas Service: Located at west elevation, 1” high pressure, 3/4” after regulator.


Exhaust fans: Residential ceiling restroom exhaust fan in one restroom.
205 W. Edison Road, Mishawaka, IN – Lower Level Floor Plan
205 W. Edison Road, Mishawaka, IN – Photos
205 W. Edison Road, Mishawaka, IN – Aerial Map
TERMS OF SALE

CALL FOR OFFERS FORMAT: This property will be sold via a Call for Offers deadline. Qualifying offers are due on January 15, 2015 by 5:00 pm Central Time, delivered to the offices of Hilco Real Estate, 5 Revere Drive, Suite 320, Northbrook, IL 60062. Attention: Steve Madura or via email smadura@HilcoGlobal.com. Offers are to be submitted on the approved Purchase and Sale Agreement available at HilcoRealEstate.com.

CERTIFIED FUNDS OR WIRE TRANSFERRED FUNDS ARE REQUIRED: Certified funds in the amount of $20,000, as an initial down payment are required to be submitted with your offer. Checks are to be made payable to Chicago Title Insurance Company. No third party checks will be accepted. Upon the Seller's acceptance of the Purchase and Sale Agreement, the check will be deposited as earnest money as provided in the Purchase and Sale Agreement. For all offers that are not accepted, funds will be refunded immediately upon the Seller’s decision.

INSPECTION: The Property is being offered for sale in its existing “As-Is, Where-Is” condition subject to the terms of the Purchase and Sale Agreement. The Purchaser may not rely upon any disclosures, representations or warranties other than those provided in the Purchase and Sale Agreement. We recommend you thoroughly inspect the Property prior to the offer deadline. Those inspecting the Property assume all risk associated with any inspection.

DOCUMENTS AVAILABLE: Detailed due diligence information has been assembled and is available for download from our property-specific website www.HilcoRealEstate.com. Documents include the Purchase and Sale Agreement, detailed Property information, copies of the real estate tax bill, copies of utility bills and other applicable information. Seller, Seller’s Broker and all representatives employed by Broker shall not be liable for any inaccuracy contained in any reports furnished to buyers originating from third party experts.

REQUIREMENTS OF THE SUCCESSFUL PURCHASER: Upon acceptance the $20,000 certified or cashier’s check as initial down payment will be deposited. The initial down payment MUST be increased to equal 10% of the Total Purchase Price by cashiers or certified check or wire transfer within three (3) business days following Sellers acceptance. The increased amount must be provided via certified funds made payable to the Escrow Agent as described in the Purchase and Sale Agreement. All prospective purchasers may also be asked to sign a statement that the bidder has inspected the Property and reviewed documents related to the Property and the Sale.

CLOSING DATE: The Standard Closing Date shall be on or before 30-days from Seller’s Acceptance.

POSSESSION: Possession will be delivered either at Closing or subject to the terms of the Purchase and Sale Agreement.
TERMS OF SALE

PROPERTY INFORMATION CENTER: Representatives of Hilco Real Estate, LLC can be reached at our Property Information Center, to answer your questions, satisfy requests for information, and assist you in any other way possible. PLEASE DO NOT HESITATE TO CALL US AT ANY TIME WE CAN BE OF HELP. We have found that the most successful method of answering technical questions (which may require research) is for you to email (info@HilcoReal.com) or fax the questions to us. We can then research them and can usually respond either immediately or within a few hours. The Seller has requested that neither brokers, nor prospective buyers, contact the Seller directly.

Telephone (847) 418-2700 | Fax (847) 897-0826

PROPERTY CONDITION: The property is being sold on an "AS-IS, WHERE-IS" basis. We invite you and your experts (e.g., inspectors, contractors, engineers, roofers) to inspect the property. We have provided several viewings to allow you sufficient time to investigate the site, review and obtain all pertinent property information, and speak with property representatives about the sale process.

TITLE: The Purchase and Sale Agreement describes the condition of title to be delivered at closing.

ATTORNEY REVIEW: We recommend all purchasers have the Agreement and the due diligence documents reviewed by the buyer’s attorney prior to submitting an offer. The Terms of this Sale are governed by the terms of the Purchase and Sale Agreement and if there is any conflict between these “Terms of Sale” and such Purchase and Sale Agreement (the “Agreement”), the Purchase and Sale Agreement shall in all instances prevail.

AGENCY DISCLOSURE: Hilco Real Estate, LLC, in cooperation with Michael Conner, Indiana Broker #RC51200028 and all other licensees employed by or associated with the Broker represent the Seller in the sale of this property.


The Seller, Broker and their agents assume no liability for inaccuracies, errors or omissions in the property marketing materials, including the Virtual Deal Room. ALL SQUARE FOOTAGE, DIMENSIONS, PROPERTY DESCRIPTIONS, AND TAXES IN THIS AND OTHER MARKETING MATERIALS ARE APPROXIMATE. This offering may be withdrawn, modified or canceled without notice at any time. This is not a solicitation or offering to residents of any state where this offering is prohibited by law.
BROKER PARTICIPATION

BUYER’S AGENT COMPENSATION: Hilco Real Estate will pay an approved buyer’s broker, upon closing, a fee equal to 2% (two percent) of the High Bid Price paid by his or her client. In order to be eligible for compensation, the buyer’s agent must hold an active real estate license in the state in which the property is located, or possess a valid real estate license and act in conformance with the laws for paying a referral fee to an out of state broker as promulgated by the state in which the property is located, and register the client by letter sent via email to info@HilcoReal.com or overnight carrier to Hilco Real Estate, 5 Revere Drive, Suite 320, Northbrook, Illinois 60062, Attention: Steve Madura, or hand delivered to a Hilco Real Estate representative during one of the viewings. The receipt of the letter by Hilco Real Estate will be acknowledged in writing. The letter must contain a signed acknowledgement of the Buyer’s Agency relationship by the client. This registration letter must be received before any inspection of the property by the client, and no later than three (3) business days prior to the Bid Deadline.

The Buyer’s Agent must register in person with the client during an onsite inspection. All registrations will be acknowledged in writing and the Buyer’s Agent must include the registration acknowledgment letter with the submission of the bid. No oral registrations will be accepted. No agency relationship will be recognized for a client who has been previously contacted by the Seller, or agents. Referral fees are based on the High Bid Price at Closing. If an Agent has not met all of these requirements, no compensation will be paid, even if the Agent’s client purchases the property.
Steve Madura
(Direct) 847-504-2478
(Cell) 630-400-1123
smadura@HilcoGlobal.com