

NEWS RELEASE

Pine Tree Institutional Buys \$110 Million of Retail Property in Unique Early Acquisition Program for Developers

Hazel Dell Towne Center (Wash.) Acquired for \$60M+, and The Shops at Walnut Creek (Colo.) Acquired for \$50M

NORTHBROOK, Ill. (May 18, 2007) – **Pine Tree Institutional Realty, LLC** of Northbrook, Ill., recently launched a unique program designed to allow shopping center developers to capture the value of a project while still in the development phase, announced **Barry Herring** and **Peter Borzak**, principals of Pine Tree. “This program allows developers to free up capital and staff time for other projects,” says Herring. “It’s an exit strategy for them, while an acquisition opportunity for us. We have both the capital to close quickly and the expertise to complete the project allowing the developer to move on to other projects and eliminate the risk of rates increasing.”

Pine Tree officers came up with this idea while trying to develop creative ways to link client investment fund requirements with projects that might not yet be on the market. “Being in both worlds, development and institutional acquisitions, we began to see how we could create a strategy that would benefit all of the parties involved in a unique way,” added Mr. Borzak. “It is a segment of the market that is not currently being served.”

Recent Acquisitions

In the last 40 days, Pine Tree has acquired two properties for \$110 million for its “Developer Early Reward Program.”

In April, the program yielded the purchase of the new 400,000 square-foot **Hazel Dell Town Center** in Vancouver, Wash. for more than \$60 million from California-based Kimco Developers, Inc. According to Borzak, the project was nearly completed at the time of the sale. “Kimco did an outstanding job developing this property in a difficult local political environment and finishing the bulk of the construction,” says Mr. Borzak. “What’s left for us to do is the tenant build-out and leasing, which we’ll handle through our affiliate, **Pine Tree Commercial Realty.**”

The mixed-use project is located just north of Portland alongside Interstate 5 at NE 99th Street and Hazel Dell Avenue. Anchors include a separately-owned **Target** that opened in 2005, **Kohl's**, **Best Buy**, **Office Depot**, **Petco**, **Famous Footwear**, **Party City**, and **Sleep Country**. Phase I of the project opened in 2005, the same year the center was listed by Portland's *Daily Journal of Commerce* as one of the area's **Top Projects of 2005**. Phase II opened in early 2007, and will be completed in late 2007.

Pine Tree Institutional Realty purchased the property on behalf of its joint venture with a state pension fund represented by **Henderson Global Investors**. **Dan Slattery**, Executive Vice President of Kimco, represented the seller. **Bruce Ganong** of San Francisco facilitated the transaction for both parties.

The second acquisition for Pine Tree's Developer Early Reward Program, which closed in early May, is the 192,000 square-foot **Shops at Walnut Creek** in Westminster, Colo., a suburb of Denver. The property is anchored by **TJ Maxx**, **OfficeMax**, **Petsmart**, **Golf Galaxy** and a separately-owned **Super Target**. Developed by Kansas City-based RED Development, the center was completed in 2006 with the exception of the **TJ Maxx** and **OfficeMax** spaces, which Pine Tree will complete this summer.

Pine Tree acquired the property in partnership with Newport, Calif.-based **Buchanan Street Partners**, which was represented by **John Pantone**. Permanent financing was provided by **Lasalle Bank** and was arranged by **Bruce Ganong** of San Francisco.

Pine Tree was represented by **Scott Goldman**, Vice President of Acquisitions, for both projects.

Pine Tree Institutional Realty, LLC, an affiliate of Pine Tree Commercial Realty, is involved in the acquisition, ownership and disposition of real estate assets. Pine Tree Commercial Realty, LLC is a full-service real estate development company. Both companies are headquartered in Northbrook, Ill., with branch offices in Indianapolis, Minneapolis, and Kansas City. Since its founding in 1995, Pine Tree has acquired and developed more than 50 properties totaling over 4.0 million square feet and valued at over \$500 million. Projects in both divisions are primarily located in the Midwest and Western U.S.

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WEB LINKS for further research:

Pine Tree Commercial Realty and Pine Tree Institutional Realty: www.pinetreecommercial.com

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