

## NEWS FROM THE CLOVERLEAF GROUP, INC.

We hope you had a wonderful summer and are enjoying the transition into Fall. Cloverleaf has had an eventful few months.

### **Jonathan E. Basofin Joins Cloverleaf as Executive Vice President**

We are pleased to report that Jonathan Basofin joined Cloverleaf full-time in August as the company's Executive Vice President. Jonathan has been with Cloverleaf since 2009, serving on its Advisory Committee and working part-time while attending law school. He will be involved in all areas of the company, including operations and management, property acquisition, financing, and investor relations. Jonathan is a 2001 graduate of Emory University and a 2011 graduate of Chicago-Kent College of Law. Before law school, Jonathan worked for seven years as a corporate and real estate paralegal for two prominent Chicago law firms. As you may know, he was also the drummer and a founder of The Changes, a signed recording group that toured nationally and abroad. With Jonathan's entrance, we are best positioned to continue our program of consistent quality returns with low leverage.

### **Glenwood Crossings Remodeled and Expanded**

We are in the final stages of a 10,000 square foot expansion and remodeling of the Pick 'n Save grocery store at Glenwood Crossings, The Cloverleaf Fund IV LLC's now 87,504 square foot retail center in Kenosha, WI. The store, which has been open throughout the construction process, is expected to have a grand reopening in October. In conjunction with this work, Pick 'n Save signed a lease amendment that increased the store's rent by approximately 60% and extended the term of its lease through December, 2031. This amendment and expansion greatly increases the value of this asset.

### **Glendale Business Center Sold**

On August 26, we closed on the sale of the remaining three industrial buildings (of four total) owned by The Cloverleaf Fund III, LLC at Glendale Business Center in Glendale, WI. These buildings were sold for \$3,635,000; the other building was sold profitably in 2008. In addition to paying off the property's mortgage loan, we used proceeds from this sale to pay down \$1.2 million of line of credit debt. Given the instability of the lending market, we were happy to significantly lower Fund III's debt.

### **Sanders Court Sells for \$22 Million**

On July 26, we completed the sale of Sanders Court, a 136,219 square foot Dominick's-anchored center in Northbrook, IL, for \$22 million. The Cloverleaf Fund IV, LLC purchased this property in September, 2009 for \$15 million, and immediately spent around \$2 million on capital improvements including a new roof, parking lot repairs and extensive landscaping. Our leasing team, which included Cloverleaf's Senior Vice President, Cindy Freese, and Mid-America Real Estate Group, performed masterfully on this project, increasing occupancy from around 80% to 99% in less than two years. According to an August 3, 2011 online article in *Crain's Chicago Business*, we hit a "home run." Between cash flow and sales proceeds, we were gratified to return substantial profits to Fund IV's investors.

### **174 North Michigan Avenue Refinanced**

We recently refinanced The Cloverleaf Fund IV, LLC's office/retail property at 174 North Michigan Avenue in Chicago, IL. Rather than making a cash distribution to our investors from the net proceeds, we covered what would have been Fund IV's equity requirement in connection with the Pick 'n Save expansion discussed herein, and set up a modest reserve for Fund IV properties. As a result, we were able to reduce investors' capital call obligations by over \$20,000 per unit, thereby reducing the possibility that the remainder of their notes will ever be called.

### **We are Searching for New Properties**

We continue to review acquisition opportunities for both The Harris/Cloverleaf Special Opportunity Fund, LLC and The Cloverleaf Fund V, LLC. As always, we are taking a patient but active approach, emphasizing quality over quantity.

Please contact us with any questions or comments at 847.272.3300 or at the e-mail addresses below.

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