



**REDISCOVER**  
**CONCORD MALL**

To: Concord Mall Merchants

Date: December 31, 2008

From: Robert L. Thatcher SCSM, SCLS, SCMD, CDP  
General Manager & Director of Leasing



Re: Important Year End Update, Overview & Vision  
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Season Greetings,

The Holiday Retail Season has been in full swing and we trust that your organization has achieved a level of success that is rewarding. I have been privileged to serve as the General Manager of Concord Mall for 15 years and I must say that the facility has never looked better. In a word, our management team remains focused on Excellence. We implore you and your staff to strive for Excellence as well. Our mutual success depends on it.

Without question the economic turmoil effecting financial markets has created significant headwinds for the retail industry across the nation. You are likely aware that our local economy is being further impaired by significant unemployment. These events are yielding declines in gross sales across all categories; even catalogue and internet sales have been impacted. With that said, please be assured that Concord Mall (while not immune) is unique and poised for successful operations over the long term!

With the mall ownerships endorsement, our management team has completed multiple improvements to the facility all designed to enhance the ambiance and insure that Concord Mall remains relevant to our customers and a successful venue for our valued merchants.

Examples of our accomplishments & capital investments include:

- The Grove Food Court & Public Restrooms w/ Fireplace, Plasma TV's & Wi-Fi
- New 30' Pylon Sign w/ (2) Maximum Quality LED Graphic Boards.
- Main Street Entry Bridge Painting, Lighting & (3) Flag Pole Installations
- Extensive Exterior & Interior Renovations & Paint Scheme
- 90 % of Concord Mall's Roof's have been Replaced w/ 15 Year Warranty(s)

- Landscaping Upgrades & Concrete Repair/Replacements
- A Fleet of New Strollers & Electric Carts & Phone System w/Messaging
- Wireless, Patron Traffic Counting System Monitoring/Reporting for 16 Entries
- Upgraded Zoning to B-4 Regional Business – Providing Broader “Mixed Uses”
- Recent Acquisition of the former K-Mart, Taco Bell & Dollar General facility  
Our plans include an Upscale Redevelopment into a “Mid Box” Power Center which will be re-branded as Concord North and will be a tremendous addition to the retail mix and draw of the Concord Mall campus
- An Exciting All New Website Launched in December, 2008 - Don't Miss It!  
Log on Now at [www.shopconcordmall.com](http://www.shopconcordmall.com)

Additionally, our Marketing programs are Elite and yielding tremendous results. In fact, Shop-Score & Win continues to grow exponentially and has generated a 298% Return on Investment (ROI) in the past 12 months. Since its inception, we have awarded over \$160,000 to area schools and thus, positively impacted literally thousands of families throughout the primary trade area. We are thrilled with the results of this “customer loyalty program” and remain strong buyers of Radio and TV advertising. We will continue to run an ambitious schedule of exciting events throughout 2009 and beyond.

**Important Facts You Should Know:**

- Concord Mall Opened August 7, 1972. At 36 Years Old, it remains the dominant enclosed regional mall campus in Elkhart County with significant influence throughout Michiana.
- With over 4,000,000 Annual Visits it towers over competing retail locations. US Hwy 33 Traffic Counts @ Concord Mall Drive are the Highest in Elkhart County @ 32,000 + ADT.
- Concord Mall is an Economic Power House! It employs over 600 people and generates Millions of Dollars in Sales, Property & Income Taxes annually.
- Average Household Income (AHI) within a 20 Minute Drive Time of Concord Mall equates to \$64,113. This level of income is dramatically higher than many Indiana markets and in conjunction with affordable housing and generally low taxes yields substantial disposable income.
- Concord Mall has been “Green” for Years. Wireless Energy Management Systems and “Best Management Practices” yield extremely low and thus, attractive Common Area Maintenance (CAM) expenses. Moreover, we actively manage Real Estate Taxes (RET) as well. It's affordable to operate @ Concord Mall. Affordable rates and expenses yield greater profits!

- Concord Mall was refinanced in 2007 for an extended period of time and thus, should not be impacted by the “credit crisis” impairing many other commercial real estate loans & properties. Concord Mall is not overly leveraged and thus, will remain operating efficiently and with excellent management practices which will be a crucial component during the remainder of this period of economic contraction.
- Leasing remains a high priority. Our plan remains focused on enhancing the overall merchandising of the shopping center without creating an imbalance in the merchandise mix or an unreasonable, competitive situation. Boutique, Specialty Retail is also part of our business planning.
- Shopping centers throughout the nation are experiencing rising vacancy with the national occupancy rate currently averaging 93%. While vacancy may increase modestly in the near term, the Concord Mall campus remains on par with its piers and is a highly desirable, in-fill location; which is actually underserved in terms of specific types of retail merchandise.
- Concord Mall management is actively involved with both the Elkhart & Goshen Chambers of Commerce. Moreover, RL Thatcher has been appointed to a second, three year term on the Elkhart Chamber Board of Directors. He also chairs the Economic Development Counsel for the Elkhart Chamber and regularly interacts with municipal and county officials and agencies.
- RL Thatcher is also very active within the International Council of Shopping Centers (ICSC) wherein he has again been appointed as the Indiana Government Relations Chairman responsible for lobbying at both the State and National level. He is also an ICSC School for Professional Development faculty member and teaches in the Schools of Shopping Center Management & Marketing. He is only the second shopping center professional worldwide, to earn all four of the professional designations conferred by ICSC.
- Elkhart County is an “Industrial Mecca.” The amount of manufacturing and warehousing real estate in conjunction with abundant rail, fiber optics, municipal utilities and excellent logistics transportation systems frankly, can not be replicated. In addition, we are fortunate to live in a generally low tax, business friendly marketplace. In fact, Indiana is a Shining Star in the Midwest and financially strong compared to most states in the US. Indiana was ranked #5 nationally in 2008 with respect to business climate by Site Selection Magazine (Nov 2008 Issue).
- Many exciting industries are growing and hold promise for the future. However, the Midwest Institute for Nanoelectronics Discovery (MIND)

that launched at Notre Dame in 2008 is stunning! The potential impact of this initiative has the strong potential of yielding the next Silicon Valley right here in Michiana! This market is poised for greatness!

I could site many more salient examples but the bottom line is that Concord Mall is a unique, powerful retail venue that is clearly very well positioned in its primary and secondary trade areas. Mall ownership and the professional on site management team are committed to the success of all the retail tenants and service providers operating within the primary mall or upon the Concord Mall campus. We believe that our facility offers a tremendous value proposition to those who operate in partnership with us; as well as the broad community, its institutions, schools and the families that we serve.

Be assured that we remain nimble and are constantly reinventing the facility and our management plan in response to an ever changing environment.

Please circulate this communication broadly within your store and corporately. Also please be assured that I'm readily available to meet with you to address any questions or comments that you may have and or which can increase your sales, profits and success!

Cordially,  
RLT

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Indiana Doubled Its National Ranking in just (1) Year – That's Momentum!

Category	Score	2008 Rank	2007 Rank
<u>Cost of Doing Business</u>	310	<b>6</b>	12
<u>Workforce</u>	169	27	31
<u>Economy</u>	88	37	48
<u>Education</u>	134	19	23
<u>Quality of Life</u>	109	31	37
<u>Technology &amp; Innovation</u>	81	23	22
<u>Transportation</u>	79	4	9
<u>Cost of Living</u>	39	<b>11</b>	14
<u>Business Friendliness</u>	43	<b>3</b>	8
<u>Access to Capital</u>	23	28	26
<b><u>OVERALL</u></b>	<b>1075</b>	<b><u>13</u></b>	<b><u>26</u></b>

(Source: CNBC.COM)

Michigan: 40

Kentucky: 35

Ohio: 30 (tie)

Illinois: 30 (tie)